

Vote 17

Social Development

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	172 901 587	172 822 233	(79 354)	–
<i>of which:</i>				
Current payments	888 250	886 750	(1 500)	–
Transfers and subsidies	172 002 257	171 924 403	(77 854)	–
Payments for capital assets	11 080	11 080	–	–
Executive authority	Minister of Social Development			
Accounting officer	Director General of Social Development			
Website address	www.dsd.gov.za			

Vote purpose

Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Total number of old age grant beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	3.5 million	3.5 million	–
Total number of war veterans grant beneficiaries	Social Assistance		107	113	–
Total number of disability grant beneficiaries	Social Assistance		1 million	1.1 million	–
Total number of child support grant beneficiaries	Social Assistance		12.4 million	12.3 million	–
Total number of foster care grant beneficiaries	Social Assistance		397 888	446 475	–
Total number of care dependency grant beneficiaries	Social Assistance		154 353	148 562	–
Total number of grant-in-aid beneficiaries	Social Assistance		215 880	206 096	–
Percentage of appeals per year adjudicated within 90 days of receipt	Social Security Policy and Administration		70%	99.1% (808/815)	–
Number of youth awarded scholarships into the social service field per year	Welfare Services Policy Development and Implementation Support		1 350	2 009	–
Percentage of non-profit organisations' registration applications processed within 2 months of receipt	Social Policy and Integrated Service Delivery		98%	99.7% (16 434/16 489)	–
Number of vulnerable individuals accessing food through a network of community nutrition and development centres per year	Social Policy and Integrated Service Delivery		415 000	112 806	–

Mid-year progress

At the end of September 2018, 17.7 million beneficiaries were receiving social grants. Although performance related to the foster care grant seems to be exceeding the annual target, there is typically a decline in the fourth quarter because of a decrease in the number of eligible beneficiaries, as 18-year-olds are no longer eligible for the grant once they leave school.

The department has exceeded its target for awarding social service scholarships mainly due to a greater than anticipated number of previously suspended students being reinstated.

Only 84 of the 221 community nutrition and development centres were operational during the first half of 2018/19 due to delays in making transfer payments to implementing agents for the food relief programme. As a result, only 112 806 vulnerable individuals accessed food through a network of community nutrition and development centres in the first half of 2018/19 against an annual target of 415 000.

The target for the percentage of appeals per year adjudicated within 90 days of receipt was based on the envisaged increase in the number of social assistance appeals following the amendment to the Social Assistance Act, which provides for the removal of the internal reconsideration mechanism within the South African Social Security Agency and the direct lodging of appeals to the independent tribunal. Due to delays in finalising Social Assistance Amendment Bill, the anticipated increase in the number of appeals will not materialise and overachievement will be apparent for the remainder of the year.

99.7 per cent of registration applications for non-profit organisations were processed within 2 months of receipt against a target of 98 per cent. This is mainly due to the directorate for non-profit organisations receiving more applications than expected.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	383 246	–	–	8 500	–	–	8 500	391 746
Social Assistance	162 960 723	–	–	–	(100 000)	–	(100 000)	162 860 723
Social Security Policy and Administration	7 880 822	–	2 199	(6 000)	–	–	(3 801)	7 877 021
Welfare Services Policy Development and Implementation Support	1 284 493	18 447	–	(2 500)	–	–	15 947	1 300 440
Social Policy and Integrated Service Delivery	392 303	–	–	–	–	–	–	392 303
Total	172 901 587	18 447	2 199	–	(100 000)	–	(79 354)	172 822 233
Economic classification								
Current payments	888 250	–	–	(1 500)	–	–	(1 500)	886 750
Compensation of employees	490 351	–	–	–	–	–	–	490 351
Goods and services	397 899	–	–	(1 500)	–	–	(1 500)	396 399
Transfers and subsidies	172 002 257	18 447	2 199	1 500	(100 000)	–	(77 854)	171 924 403
Provinces and municipalities	758 416	18 447	–	–	–	–	18 447	776 863
Departmental agencies and accounts	7 964 830	–	2 199	–	–	–	2 199	7 967 029
Higher education institutions	1 500	–	–	–	–	–	–	1 500
Foreign governments and international organisations	7 148	–	–	–	–	–	–	7 148
Non-profit institutions	154 191	–	–	27 574	–	–	27 574	181 765
Households	163 116 172	–	–	(26 074)	(100 000)	–	(126 074)	162 990 098
Payments for capital assets	11 080	–	–	–	–	–	–	11 080
Machinery and equipment	10 523	–	–	(500)	–	–	(500)	10 023
Software and other intangible assets	557	–	–	500	–	–	500	1 057
Total	172 901 587	18 447	2 199	–	(100 000)	–	(79 354)	172 822 233

Programme 1: Administration

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	37 971	–	–	3 200	–	–	3 200	41 171
Department Management	70 719	–	–	–	–	–	–	70 719
Corporate Management	151 754	–	–	5 100	–	–	5 100	156 854
Finance	67 485	–	–	–	–	–	–	67 485
Internal Audit	15 072	–	–	200	–	–	200	15 272
Office Accommodation	40 245	–	–	–	–	–	–	40 245
Total	383 246	–	–	8 500	–	–	8 500	391 746
Economic classification								
Current payments	378 435	–	–	3 500	–	–	3 500	381 935
Compensation of employees	197 817	–	–	–	–	–	–	197 817
Goods and services	180 618	–	–	3 500	–	–	3 500	184 118
Transfers and subsidies	2 034	–	–	1 500	–	–	1 500	3 534
Departmental agencies and accounts	1 573	–	–	–	–	–	–	1 573
Households	461	–	–	1 500	–	–	1 500	1 961
Payments for capital assets	2 777	–	–	3 500	–	–	3 500	6 277
Machinery and equipment	2 220	–	–	3 000	–	–	3 000	5 220
Software and other intangible assets	557	–	–	500	–	–	500	1 057
Total	383 246	–	–	8 500	–	–	8 500	391 746

Programme 2: Social Assistance

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Old Age	70 531 414	–	–	–	–	–	–	70 531 414
War Veterans	2 351	–	–	–	–	–	–	2 351
Disability	22 104 787	–	–	–	–	–	–	22 104 787
Foster Care	5 131 589	–	–	–	–	–	–	5 131 589
Care Dependency	3 138 438	–	–	–	–	–	–	3 138 438
Child Support	60 631 022	–	–	–	(100 000)	–	(100 000)	60 531 022
Grant-in-Aid	1 011 122	–	–	–	–	–	–	1 011 122
Social Relief of Distress	410 000	–	–	–	–	–	–	410 000
Total	162 960 723	–	–	–	(100 000)	–	(100 000)	162 860 723
Economic classification								
Transfers and subsidies	162 960 723	–	–	–	(100 000)	–	(100 000)	162 860 723
Households	162 960 723	–	–	–	(100 000)	–	(100 000)	162 860 723
Total	162 960 723	–	–	–	(100 000)	–	(100 000)	162 860 723

Programme 3: Social Security Policy and Administration

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Social Security Policy	77 403	–	–	(5 400)	–	–	(5 400)	72 003
Development								
Appeals Adjudication	37 902	–	–	(600)	–	–	(600)	37 302
Social Grants Administration	7 695 431	–	2 199	–	–	–	2 199	7 697 630
Social Grants Fraud Investigations	65 248	–	–	–	–	–	–	65 248
Programme Management	4 838	–	–	–	–	–	–	4 838
Total	7 880 822	–	2 199	(6 000)	–	–	(3 801)	7 877 021
Economic classification								
Current payments	111 644	–	–	(5 000)	–	–	(5 000)	106 644
Compensation of employees	68 200	–	–	–	–	–	–	68 200
Goods and services	43 444	–	–	(5 000)	–	–	(5 000)	38 444

Programme 3: Social Security Policy and Administration (continued)

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Transfers and subsidies	7 766 748	–	2 199	–	–	–	2 199	7 768 947
Departmental agencies and accounts	7 760 679	–	2 199	–	–	–	2 199	7 762 878
Higher education institutions	1 500	–	–	–	–	–	–	1 500
Foreign governments and international organisations	4 299	–	–	–	–	–	–	4 299
Households	270	–	–	–	–	–	–	270
Payments for capital assets	2 430	–	–	(1 000)	–	–	(1 000)	1 430
Machinery and equipment	2 430	–	–	(1 000)	–	–	(1 000)	1 430
Total	7 880 822	–	2 199	(6 000)	–	–	(3 801)	7 877 021

Programme 4: Welfare Services Policy Development and Implementation Support

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Service Standards	31 320	–	–	(200)	–	–	(200)	31 120
Substance Abuse	90 674	18 447	–	–	–	–	18 447	109 121
Older Persons	20 285	–	–	–	–	–	–	20 285
People with Disabilities	30 059	–	–	(100)	–	–	(100)	29 959
Children	573 955	–	–	(500)	–	–	(500)	573 455
Families	9 765	–	–	–	–	–	–	9 765
Social Crime Prevention and Victim Empowerment	65 182	–	–	(1 500)	–	–	(1 500)	63 682
Youth	14 406	–	–	–	–	–	–	14 406
HIV and AIDS	121 643	–	–	(200)	–	–	(200)	121 443
Social Worker Scholarships	323 028	–	–	–	–	–	–	323 028
Programme Management	4 176	–	–	–	–	–	–	4 176
Total	1 284 493	18 447	–	(2 500)	–	–	15 947	1 300 440
Economic classification								
Current payments	271 415	–	–	–	–	–	–	271 415
Compensation of employees	144 035	–	–	–	–	–	–	144 035
Goods and services	127 380	–	–	–	–	–	–	127 380
Transfers and subsidies	1 008 017	18 447	–	–	–	–	18 447	1 026 464
Provinces and municipalities	758 416	18 447	–	–	–	–	18 447	776 863
Foreign governments and international organisations	797	–	–	–	–	–	–	797
Non-profit institutions	121 822	–	–	–	–	–	–	121 822
Households	126 982	–	–	–	–	–	–	126 982
Payments for capital assets	5 061	–	–	(2 500)	–	–	(2 500)	2 561
Machinery and equipment	5 061	–	–	(2 500)	–	–	(2 500)	2 561
Total	1 284 493	18 447	–	(2 500)	–	–	15 947	1 300 440

Programme 5: Social Policy and Integrated Service Delivery

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Social Policy Research and Development	5 910	–	–	–	–	–	–	5 910
Special Projects and Innovation	10 995	–	–	–	–	–	–	10 995
Population Policy Promotion	34 531	–	–	–	–	–	–	34 531
Registration and Monitoring of Non-Profit Organisations	37 472	–	–	–	–	–	–	37 472
Substance Abuse Advisory Services and Oversight	6 205	–	–	–	–	–	–	6 205
Community Development	91 153	–	–	–	–	–	–	91 153
National Development Agency	202 578	–	–	–	–	–	–	202 578
Programme Management	3 459	–	–	–	–	–	–	3 459
Total	392 303	–	–	–	–	–	–	392 303

Programme 5: Social Policy and Integrated Service Delivery (continued)

Economic classification	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	126 756	–	–	–	–	–	–	126 756
Compensation of employees	80 299	–	–	–	–	–	–	80 299
Goods and services	46 457	–	–	–	–	–	–	46 457
Transfers and subsidies	264 735	–	–	–	–	–	–	264 735
Departmental agencies and accounts	202 578	–	–	–	–	–	–	202 578
Foreign governments and international organisations	2 052	–	–	–	–	–	–	2 052
Non-profit institutions	32 369	–	–	27 574	–	–	27 574	59 943
Households	27 736	–	–	(27 574)	–	–	(27 574)	162
Payments for capital assets	812	–	–	–	–	–	–	812
Machinery and equipment	812	–	–	–	–	–	–	812
Total	392 303	–	–	–	–	–	–	392 303

Details of adjustments to Estimates of National Expenditure 2018**Roll-overs – R18.447 million**

Programme 4: Welfare Services Policy Development and Implementation Support

R4.21 million has been rolled over for the operationalisation of a substance abuse centre in Northern Cape, and R14.237 million has been rolled over to finalise the construction of a substance abuse centre in the Free State.

Unforeseeable and unavoidable expenditure – R2.199 million

Programme 3: Social Security Policy and Administration

An additional R2.199 million has been allocated for the post-disaster reconstruction and rehabilitation of three South African Social Security Agency buildings in the eThekweni municipality. The amount is specifically and exclusively earmarked, and will be added to the transfer to the agency for the administration of social grants.

Virements and shifts within the vote**Programmes**

- Administration
- Social Assistance
- Social Security Policy and Administration
- Welfare Services Policy Development and Implementation Support
- Social Policy and Integrated Service Delivery

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(6 000)	Programme 1		6 000
Goods and services	Legal fees	(3 500)	Goods and services	Bursaries, cleaning services, and travel and subsistence	3 500
	Legal fees	(1 500)	Households	Leave payouts	1 500
Machinery and equipment	Computers	(1 000)	Machinery and equipment	Computers	1 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.1%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 5		(27 574)	Programme 5		27 574
Households	Reclassification of funds in line with Classification Circular 21 from National Treasury ¹	(27 574)	Non-profit institutions	Reclassification of funds in line with Classification Circular 21 from National Treasury ¹	27 574
Shifts within the programme as a percentage of the programme budget		7.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(2 500)	Programme 1		2 500
Machinery and equipment	Computers	(2 000)	Machinery and equipment	Computers	2 000
	Computers	(500)	Software and other intangible assets	Software	500
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.2%			
Total		(36 074)			36 074

1. National Treasury approval has been obtained.

Declared unspent funds – R100 million

Programme 2: Social Assistance

R100 million in unspent funds has been declared on social grants due to lower than anticipated take-up of the *child support grant*.

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18 Audited outcome					2018/19 Actual expenditure			
	Adjusted appropriation	Apr 17 - Sep 17	adjusted appropriation	Apr 17 - Mar 18	adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	adjusted appropriation	
R thousand			% of		% of			% of	
Administration	368 788	160 126	43.4	384 119	104.2	391 746	0.2	166 389	42.5
Social Assistance	151 230 232	74 818 182	49.5	150 336 771	99.4	162 860 723	94.2	80 221 119	49.3
Social Security Policy and Administration	7 323 637	3 507 848	47.9	7 277 717	99.4	7 877 021	4.6	3 782 507	48.0
Welfare Services	1 050 255	468 027	44.6	1 011 354	96.3	1 300 440	0.8	600 872	46.2
Policy Development and Implementation Support									
Social Policy and Integrated Service Delivery	384 856	205 936	53.5	386 589	100.5	392 303	0.2	210 676	53.7
Total	160 357 768	79 160 119	49.4	159 396 550	99.4	172 822 233	100.0	84 981 563	49.2
Economic classification									
Current payments	858 893	362 544	42.2	834 258	97.1	886 750	0.5	351 746	39.7
Compensation of employees	476 811	223 904	47.0	461 130	96.7	490 351	0.3	235 636	48.1
Goods and services	382 082	138 640	36.3	373 128	97.7	396 399	0.2	116 110	29.3
Transfers and subsidies	159 102 329	78 796 744	49.5	158 546 233	99.7	171 924 403	99.5	84 623 100	49.2
Provinces and municipalities	556 392	224 794	40.4	524 358	94.2	776 863	0.4	362 167	46.6
Departmental agencies and accounts	7 408 459	3 597 507	48.6	7 408 332	100.0	7 967 029	4.6	3 875 914	48.6
Higher education institutions	1 977	–	0.0	1 976	99.9	1 500	0.0	–	0.0
Foreign governments and international organisations	6 965	2 759	39.6	6 610	94.9	7 148	0.0	899	12.6
Non-profit institutions	132 614	15 497	11.7	130 056	98.1	181 765	0.1	33 238	18.3
Households	150 995 922	74 956 187	49.6	150 474 901	99.7	162 990 098	94.3	80 350 882	49.3

	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation	
Payments for capital assets	11 146	831	7.5	2 555	22.9	11 080	0.0	6 717	60.6	
Machinery and equipment	10 620	794	7.5	2 023	19.0	10 023	0.0	5 943	59.3	
Software and other intangible assets	526	37	7.0	532	101.1	1 057	0.0	774	73.2	
Payments for financial assets	385 400	–	–	13 504	4	–	0.0	–	0.0	
Total	160 357 768	79 160 119	49.4	159 396 550	99.4	172 822 233	100.0	84 981 563	49.2	

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R159.4 billion, 99.4 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R79.2 billion, 49.4 per cent of the 2017/18 adjusted appropriation, whereas expenditure in the first half of 2018/19 was R85 billion, 49.2 per cent of the adjusted appropriation of R172.8 billion for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R5.8 billion, 7.4 per cent. This was mainly to compensate for the increase in VAT and an increase in the number of beneficiaries accessing social assistance.

Departmental receipts

	2017/18					2018/19				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate
Departmental receipts	29 964	713	2.4	52 445	175.0	12 222	16 583	100.0	1 675	10.1
Sales of goods and services produced by department	314	142	45.2	13	4.1	16	294	1.8	144	49.0
Sales of scrap, waste, arms and other used current goods	1	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	15 600	10	0.1	19 485	124.9	12 206	8 375	50.5	223	2.7
Sales of capital assets	487	487	100.0	487	100.0	–	–	–	–	–
Transactions in financial assets and liabilities	13 562	74	0.5	32 460	239.3	–	7 914	47.7	1 308	16.5
Total	29 964	713	2.4	52 445	175.0	12 222	16 583	100.0	1 675	10.1

Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R713 000, 2.4 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R1.7 million, 10.1 per cent of the projected revenue for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R962 000, 134.9 per cent. Receivables related to the amount recoverable from the overpayment of grants due to fraud, as identified by the Special Investigations Unit, are recognised only towards the end of the financial year. The revenue estimate for the year has been adjusted upwards mainly due to the inclusion of an estimate for receivables. The department is typically conservative with the projection for receivables as it is not possible to predict accurately the amount that will be collected from grant debtors.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	461	–	–	1 500	–	–	1 500	1 961
Employee social benefits	461	–	–	1 500	–	–	1 500	1 961
Social Assistance								
Households								
Social benefits								
Current	60 631 022	–	–	–	(100 000)	–	(100 000)	60 531 022
Child support	60 631 022	–	–	–	(100 000)	–	(100 000)	60 531 022
Social Security Policy and Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	7 760 679	–	2 199	–	–	–	2 199	7 762 878
South African Social Security Agency	7 760 679	–	2 199	–	–	–	2 199	7 762 878
Welfare Services Policy Development and Implementation Support								
Provinces and municipalities								
Provincial Revenue Funds								
Capital	70 833	18 447	–	–	–	–	18 447	89 280
Substance abuse treatment grant	70 833	18 447	–	–	–	–	18 447	89 280
Social Policy and Integrated Service Delivery								
Non-profit institutions								
Current	32 369	–	–	27 574	–	–	27 574	59 943
Food relief	32 369	–	–	27 574	–	–	27 574	59 943
Households								
Other transfers to households								
Current	27 574	–	–	(27 574)	–	–	(27 574)	–
Food relief	27 574	–	–	(27 574)	–	–	(27 574)	–

Summary of changes to conditional grants: Provinces

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Welfare Services Policy Development and Implementation Support								
Substance abuse treatment grant	70 833	18 447	–	–	–	–	18 447	89 280