

Vote 18

Social Development

R thousand	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	62 005 460	67 222 108	73 347 351
<i>Of which:</i>			
Current payments	277 304	305 720	338 729
Transfers and subsidies	61 722 516	66 910 446	73 002 382
Payments for capital assets	5 640	5 942	6 240
Statutory amounts	-	-	-
Executive authority	Minister of Social Development		
Accounting officer	Director-General of Social Development		

Aim

The aim of the Department of Social Development is to ensure the provision of comprehensive, integrated, sustainable and quality social development services against vulnerability and poverty and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

Programme purposes

Programme 1: Administration

Provide for policy and strategic direction by the ministry and top management, and for overall management and support services to the department.

Programme 2: Comprehensive Social Protection

Develop a comprehensive system of social security with norms and standards for service delivery; facilitate financial and economic planning for social security in line with developmental objectives; monitor and evaluate social security services delivered; and assess the impact of policies implemented.

Programme 3: Social Security Transfers and Administration

Make funds available to administer and pay social assistance in terms of the Social Assistance Act (1992) and improve the integrity of social grant administration.

Programme 4: Social Welfare Services

Ensure the delivery and accessibility of integrated social welfare services to vulnerable groups.

Programme 5: Development and Research

Create an enabling environment for the delivery of integrated social development services through development and population activities.

Programme 6: Strategy, Regulatory and Oversight Management

Provide strategic guidance on social policy development, co-ordination and evaluation; facilitate and develop the department's strategic plan; align strategy with business to ensure efficient and optimal institutional performance; oversee all entities, agencies and boards reporting to the department; provide a leadership role in co-ordinating monitoring and evaluation across the sector.

Strategic overview and key policy developments: 2002/03 – 2008/09

The Department of Social Development is instrumental in providing a safety net for the poor and vulnerable by formulating social assistance policy and integrated developmental social welfare services. These efforts will result in expanding and improving the services available to poor South Africans, and over time allow a growing share of South Africans to support themselves and participate productively in the economy.

Comprehensive social security

With government's 2001 commitment to establish a comprehensive social security system, the department expanded the provision of income support to the poor and vulnerable by extending the child support grant to children up to the age of 14. In 2001/02, social grants made up 2 per cent of GDP and this is expected to increase to 3,3 per cent by 2007/08. Currently, over 10,8 million South Africans receive social grants. There are more than 2,1 million grants for old age pensions, 1,2 million disability grants and 6,5 million grants for income support to children, which include child support, care dependency and foster care grants.

Institutional reform of the social security service delivery system

Along with the marked growth in the number of beneficiaries, there have also been improvements in the quality and efficiency of social grants expenditure. With the establishment of the South African Social Security Agency (SASSA) in April 2005 as a focused specialist institution, the department envisages the level of fraud and leakage in the system to drop significantly as well as improvements in the management and administration of the social grants system. The agency will be a schedule 3A public entity responsible for administering the delivery of social assistance grants and overseeing the transfer of these responsibilities from the provinces.

While the department will continue to be responsible for policy and oversight in the critical areas of social assistance, its role as co-ordinator of all areas of social security will be reinforced. Over the next three years, the department will focus on getting SASSA fully operational and building and expanding the social insurance or contributory system of social security.

Centralising the responsibility for social grant administration saw a large shift of funding from the provincial equitable share to conditional grant funding via the department in 2005/06. This involved reorganising the structure of the department's budget and introducing a new programme for funding social assistance payments and administration by provinces. In the future, this funding mechanism will adjust to the new system of funds being transferred to SASSA.

Improving social welfare service delivery

The focus in 2006/07 is on expanding social welfare service delivery by implementing the Older Persons Bill, the Children's Bill and the Child Justice Bill, which require the state to progressively extend services to older persons, improve the protection of children and set up systems for the management and care of children in conflict with the law. Other key priorities are reviewing existing legislation on substance abuse and on the social service professions, and developing new legislation on the management and funding of the private social welfare sector. Extra capacity for developmental social welfare services will be created to promote social integration and the

protection of individuals, families and communities so that they can function optimally within society and progressively decrease their dependency on the state.

With the establishment of SASSA, the department can now focus more on social welfare services, which were not previously given adequate attention and resources. The service delivery model launched in 2005 provides the framework for delivering social welfare services, and defines the nature, scope and levels of services and the role of all spheres of government and organs of civil society in social service delivery. The model also provides a framework for service integration between all components of the department to promote sustainable livelihoods of communities.

Creating an enabling environment for sustainable livelihoods

A key priority over the medium term will be designing and implementing policies and best practice models for poverty alleviation and community development. To this end, the department will review existing bills, policies, strategies and programmes to develop a comprehensive national poverty alleviation policy that will ensure a coherent response to the poverty problem by all actors in the development domain.

Civil society, including non-governmental organisations (NGOs), plays a pivotal role in community development and poverty alleviation. The Non-Profit Organisations Act (1997) has been implemented to make sure that the NGO environment is conducive to the development of the sector. A recent assessment of the act's impact so far points to the need for several issues to be addressed in 2006. These include capacity within the sector to ensure effective compliance with the act and the fragmented legislative framework.

Population policy

The population policy for South Africa mandates the department to continuously monitor and evaluate progress with its implementation. Joint population and development projects have been envisaged in the Southern African Development Communities (SADC) region. Draft chapters for the report on the state of the population, which covers aspects of population and development at local government level, together with relevant research and other technical information on local government produced since 2004, have been synthesised into a comprehensive population and development strategy for local government. The strategy will be finalised in consultation with national and provincial stakeholders in 2006.

Research projects will continue to focus on key issues relating to: families; children and youth; population ageing and elderly people; HIV and Aids and its impact on population trends and dynamics; home/community-based care appraisals; population, environment and development; reproductive health; and local government programmes and projects.

Expenditure estimates

Table 18.1 Social Development

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	
R thousand								
1. Administration	58 928	71 230	82 536	106 145	99 937	116 590	122 946	129 283
2. Comprehensive Social Protection	77 475	160 756	114 904	200 436	184 071	48 866	51 935	55 898
3. Social Security Transfers and Administration	29 625 403	38 902 661	47 385 329	55 558 738	55 250 700	61 535 515	66 716 985	72 799 508
4. Social Welfare Services	19 685	24 082	38 795	90 904	89 125	104 131	107 462	112 874
5. Development and Research	441 577	198 543	144 703	165 522	165 119	172 516	181 924	192 978
6. Strategy, Regulatory and Oversight Management	–	–	–	–	–	27 842	40 856	56 810
Total	30 223 068	39 357 272	47 766 267	56 121 745	55 788 952	62 005 460	67 222 108	73 347 351
Change to 2005 Budget estimate				(427 382)	(760 175)	118 544	344 748	497 842

Economic classification

Current payments	134 250	195 756	241 163	344 580	308 232	277 304	305 720	338 729
Compensation of employees	54 929	67 493	87 897	112 471	109 925	124 845	131 707	138 592
Goods and services	79 307	128 263	152 455	232 109	198 307	152 459	174 013	200 137
<i>of which:</i>								
Communication	3 959	8 991	12 546	6 147	5 289	11 940	13 075	14 157
Computer Services	3 558	12 712	38 508	54 288	52 741	7 171	7 885	8 639
Consultants, contractors and special services	51 411	78 095	54 085	113 753	85 302	80 559	95 913	115 056
Inventory	3 221	6 980	11 687	16 601	16 144	12 555	14 089	15 350
Maintenance repair and running cost	939	857	859	1 315	1 268	2 534	2 694	2 978
Operating leases	5 406	6 168	8 716	7 703	7 703	8 209	8 880	9 583
Travel and subsistence	6 700	9 009	20 704	23 572	21 130	16 818	18 705	20 179
Municipal Services	335	353	371	400	400	469	509	541
Financial transactions in assets and liabilities	14	–	811	–	–	–	–	–
Transfers and subsidies	30 084 337	39 157 679	47 519 287	55 770 940	55 463 836	61 722 516	66 910 446	73 002 382
Provinces and municipalities	10 939	168	274	284	278	107	–	–
Departmental agencies and accounts	1 531 664	1 995 876	2 241 370	3 656 907	3 656 907	3 938 418	4 216 090	4 591 013
Foreign governments and international organisations	1 143	613	590	793	793	1 321	1 390	1 466
Non-profit institutions	5 107	6 034	7 245	42 643	42 643	47 561	47 908	50 141
Households	28 535 484	37 154 988	45 269 808	52 070 313	51 763 215	57 735 109	62 645 058	68 359 762
Payments for capital assets	4 481	3 837	5 817	6 225	16 884	5 640	5 942	6 240
Machinery and equipment	4 481	3 837	4 433	5 535	16 194	4 920	5 184	5 444
Software and other intangible assets	–	–	1 384	690	690	720	758	796
Total	30 223 068	39 357 272	47 766 267	56 121 745	55 788 952	62 005 460	67 222 108	73 347 351

Expenditure trends

There have been significant changes in both the size and the structure of the budget of the department. Moving the social assistance function to the department from provinces in 2005/06 and shifting conditional grants from the department into the provincial equitable share from 2006/07 have driven these changes. The new programme structure reflects these changes as well as the increased focus on social welfare services policies and the department's support role in implementing and monitoring these policies.

The department's expenditure increased at an annual average rate of 22,9 per cent between 2002/03 and 2005/06. The increase includes R4,9 billion (the total over 2003/04 and 2004/05) for the gradual extension of the child support grant to children up to their 14th birthday. From 2005/06, funding for the social assistance function, previously administered at provincial level, forms part of the funds allocated to the department. The funding for the administration and payment of the social assistance grants increases from R3,4 billion in 2005/06 to R4,1 billion in 2008/09, while funding for the payment of social assistance grants grows by 9,5 per cent over the 2006 MTEF to a projected R68,3 billion in 2008/09. Allocations for getting SASSA fully operational amount to R135 million in 2006/07, R158,3 million in 2007/08, and R167 million in 2008/09.

Expenditure on departmental agencies and accounts increases progressively between 2002/03 and 2005/06 (33,7 per cent) as well as over the 2006 MTEF at 7,9 per cent. This growth accounts for all funds transferred to the SASSA, including social assistance administration funds.

The history data for 2002/03, 2003/04 and 2004/05 for the *Social Security Transfers and Administration* programme has been amended to take into account the function shift of social assistance transfer expenditure from the equitable share to the department.

Expenditure on goods and services increases by 43 per cent from 2002/03 to 2005/06 and grows at a negative rate of 4,8 per cent over the 2006 MTEF. The steep increase relates mainly to the establishment of SASSA and one-off special projects like the costing of legislation, while the negative growth rate reflects a return to normalised expenditure on this item.

Additional amounts for the 2006 MTEF allocations include:

- R650 million (2006/07); R800 million (2007/08) and R950 million (2008/09) for social grant transfers
- R40 million (2007/08) and R60 million (2008/09) for social grant administration
- R50 million (2007/08 and 2008/09) for social grant administration and integrity
- R10 million (2006/07), R20 million (2007/08) and R30 million (2008/09) has been allocated for regulatory/oversight of SASSA

From 2006/07, the HIV and Aids community-based care conditional grant funding of R138 million (2006/07), R142 million (2007/08) and R149 million (2008/09), and the integrated social development services conditional grant funding of R411 million (2006/07), R431 million (2007/08) and R452 million (2008/09) will be shifted to the equitable share allocation to provinces. The history data for 2002/03, 2003/04 and 2004/05 for both conditional grants has been amended to show this shift.

The core budget (less transfers and subsidies) grows at 36,2 per cent from 2002/03 to 2005/06 and then at 0,6 per cent over the 2006 MTEF. A large proportion of the department's core budget, 28,5 per cent of its total expenditure in 2006/07, goes on consultants, contractors and special services. These service providers will perform critical support functions to improve the capacity of the department to undertake policy reviews, develop new legislation and regulations, and perform its new oversight and regulatory functions.

Departmental receipts

As a policy-making department, the Department of Social Development is not involved in income generation. Departmental receipts, such as the interest on debt, cancellation of uncashed cheques, parking fees for senior managers, recoveries of private telephone expenses, and breach of study contracts, are the main items of revenue. All departmental receipts are deposited into the National Revenue Fund.

Table 18.2 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Departmental receipts	429	36	115	120	120	126	144
Sales of goods and services produced by department	24	26	–	20	20	21	24
Interest, dividends and rent on land	20	10	78	25	25	26	28
Financial transactions in assets and liabilities	385	–	37	75	75	79	92
Total	429	36	115	120	120	126	144

Programme 1: Administration

Administration conducts the overall management of the department and provides centralised support services.

Expenditure estimates

Table 18.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Minister ¹	737	918	1 535	837	887	934	981
Deputy Minister ²	362	1	1 448	680	721	759	797
Management	4 699	5 442	5 627	10 209	12 017	12 571	13 125
Corporate Services	46 894	58 348	66 438	86 315	93 687	98 657	103 582
Property Management	5 741	6 521	7 488	8 103	8 678	9 389	10 124
Government Motor Transport	495	–	–	1	600	636	674
Total	58 928	71 230	82 536	106 145	116 590	122 946	129 283
Change to 2005 Budget estimate				8 103	12 654	13 811	10 402

¹ Payable as from 1 April 2005. Salary: R 669 462. Car allowance: R 167 365.

² Payable as from 1 April 2005. Salary: R 544 123. Car allowance: R 136 030.

Table 18.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	56 181	69 738	79 016	102 475	113 065	119 278	125 425
Compensation of employees	30 219	34 728	37 761	48 765	59 441	62 593	65 722
Goods and services	25 948	35 010	40 444	53 710	53 624	56 685	59 703
<i>of which:</i>							
<i>Communication</i>	2 267	5 414	4 790	4 795	3 945	4 121	4 489
<i>Computer Services</i>	1 414	1 877	1 721	1 831	4 477	5 044	5 544
<i>Consultants, contractors and special services</i>	10 642	14 214	11 236	26 464	25 414	26 211	26 844
<i>Inventory</i>	1 544	2 082	2 002	4 494	4 845	5 412	5 895
<i>Maintenance repair and running cost</i>	588	622	674	1 154	854	954	1 039
<i>Operating leases</i>	5 406	6 168	8 716	7 703	8 209	8 880	9 583
<i>Travel and subsistence</i>	3 327	3 121	9 508	4 354	4 047	4 249	4 628
<i>Municipal Services</i>	335	353	371	400	469	509	541
Financial transactions in assets and liabilities	14	–	811	–	–	–	–
Transfers and subsidies	77	81	200	141	46	–	–
Provinces and municipalities	77	81	114	141	46	–	–
Foreign governments and international organisations	–	–	6	–	–	–	–
Non-profit institutions	–	–	80	–	–	–	–
Payments for capital assets	2 670	1 411	3 320	3 529	3 479	3 668	3 858
Machinery and equipment	2 670	1 411	2 060	2 839	2 759	2 910	3 062
Software and other intangible assets	–	–	1 260	690	720	758	796
Total	58 928	71 230	82 536	106 145	116 590	122 946	129 283

Expenditure trends

Expenditure increased strongly between 2002/03 and 2005/06, growing at an average annual rate of 21,7 per cent. The increase to R106 million in 2005/06 is related to the progressive strengthening of strategic and oversight capacity in the office of the director-general. It is also for improving capacity for human resources and financial management (including supply chain and asset management) to effectively implement policies, legislation and directives relating to these critical support functions. Travel and subsistence expenditure varies over the period, due to costs associated with parliamentary service responsibilities, increased monitoring of service delivery at provincial level, and additional obligations related to monitoring and reporting on international agreements.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The Department of Social Development received the following amounts: R8,7 million in 2006/07, R9,4 million in 2007/08 and R10,1 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

Programme 2: Comprehensive Social Protection

The *Comprehensive Social Protection* programme: develops and monitors policies for a comprehensive social security system, including social assistance and social insurance; develops norms and standards; and assesses the social, economic and fiscal impact of social security programmes. Key activities include developing and monitoring policy for social assistance to children and families, people with disabilities, and older people, and proposing contributory arrangements in line with macroeconomic goals and development objectives.

Apart from the *Administration* subprogramme there are four subprogrammes:

- *Policy and Research* develops policies for the benefit of vulnerable groups within the social security context.
- *Service Delivery Assurance* monitors and evaluates the policy impact of the social security system.
- *Economics of Social Protection* supports the development of strategies for financing social insurance programmes to support contributory schemes to improve self reliance.
- *Contributions* funds contributions to international social security organisations.

Expenditure estimates

Table 18.4 Comprehensive Social Protection

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Policy and Research	13 064	75 283	24 935	61 065	31 510	32 380	33 290
Service Delivery Assurance	2 265	7 329	32 002	29 538	7 255	8 455	9 877
Economics of Social Protection	59 611	73 470	51 654	102 683	4 545	5 233	6 554
Contributions	922	404	375	498	528	556	584
Administration	1 613	4 270	5 938	6 652	5 028	5 311	5 593
Total	77 475	160 756	114 904	200 436	48 866	51 935	55 898
Change to 2005 Budget estimate				80 706	(88 342)	(101 134)	(110 840)
Economic classification							
Current payments	49 944	85 518	96 937	151 720	32 972	36 014	39 936
Compensation of employees	8 010	10 187	15 318	20 938	9 557	10 322	11 148
Goods and services	41 934	75 331	81 619	130 782	23 415	25 692	28 789
<i>of which:</i>							
<i>Communication</i>	805	2 248	7 033	171	2 040	2 311	2 433
<i>Computer Services</i>	2 144	10 835	36 787	52 457	2 344	2 454	2 673
<i>Consultants, contractors and special services</i>	35 343	53 467	27 720	62 651	9 389	11 035	12 812
<i>Inventory</i>	807	3 780	5 899	8 482	3 783	3 801	4 144
<i>Maintenance repair and running cost</i>	21	30	55	65	855	860	980
<i>Travel and subsistence</i>	1 550	3 410	3 570	6 014	3 456	3 654	3 786
Transfers and subsidies	26 742	74 351	16 794	47 556	15 544	15 556	15 584
Provinces and municipalities	10 820	27	47	58	16	–	–
Foreign governments and international organisations	922	404	379	498	528	556	584
Households	15 000	73 920	16 368	47 000	15 000	15 000	15 000
Payments for capital assets	789	887	1 173	1 160	350	365	378
Machinery and equipment	789	887	1 073	1 160	350	365	378
Software and other intangible assets	–	–	100	–	–	–	–
Total	77 475	160 756	114 904	200 436	48 866	51 935	55 898

Table 18.4 Comprehensive Social Protection (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Details of major transfers and subsidies:							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	10 800	-	-	-	-	-	-
Improvement of Social Security System	10 800	-	-	-	-	-	-
Foreign governments and international organisations							
Current	922	404	379	498	528	556	584
International Social Security Association Membership Fees	922	404	375	498	528	556	584
Donations and Gifts	-	-	4	-	-	-	-
Households							
Other transfers							
Current	15 000	73 920	16 368	47 000	15 000	15 000	15 000
Disaster Relief Fund	10 000	70 000	10 000	42 000	10 000	10 000	10 000
Social Relief Fund	5 000	3 920	6 368	5 000	5 000	5 000	5 000

Expenditure trends

Expenditure grew at 37,3 per cent from 2002/03 to 2005/06 because of policy development on a number of comprehensive social security issues, and for monitoring and assessing the impact of existing policies. The large increase in goods and services of 60,2 per cent from 2004/05 to 2005/06 relates mainly to the use of consultants to complete special research projects.

Over the 2006 MTEF, expenditure decreases considerably because SASSA takes over specific functions in the administration of social security. The largest portion of funds shifted from this programme has been allocated to the *Social Security Transfers and Administration* programme to further fund the *Grant Administration Integrity* subprogramme and to create the baseline of the new *Strategy, Regulatory and Oversight Management* programme.

Service delivery objectives and indicators

Recent outputs

A demographic and financial model for projecting eligible grant beneficiaries and associated costs has been developed.

A disabilities assessment tool for providing free healthcare and disability grants was developed in consultation with the Department of Health, National Treasury and stakeholders from organisations representing the disabled.

An extensive report on the impact of social grants was released in December 2004, focusing on: poverty reduction, promoting household development and the use of services, participation in the labour market, and labour productivity.

Selected medium-term output targets**Comprehensive Social Protection**

Measurable objective: Develop a comprehensive social security system, determine clear norms and standards for service delivery to ensure compliance with service delivery goals.

Sub programme	Output	Measure/indicator	Target
Policy and Research	Research reports on disability, children and family benefits from a social security perspective	Costed options and proposals to Cabinet	June 2006
	Policy on retirement reform	Implementation plan on progressive realisation of all social security rights Policy proposals on reform of retirement provisions	September 2006 June 2006
Service Delivery Assurance	Assess the effectiveness and efficiency of social security spending	Complete study on perverse incentives in the social security system	June 2006
	Study on household impact of social grants	Comprehensive panel survey and first draft of impact study completed	August 2007
Economics of Social Protection	Social budget	Comprehensive social budget covering public and private expenditure	February 2007
	Costing financial and fiscal implications of social security policies	Social security targets for public and private benefits revised	September 2006

Programme 3: Social Security Transfers and Administration

The *Social Security Transfers and Administration* programme provides funding to administer and pay social assistance in terms of the Social Assistance Act (1992), focuses on improving the integrity of social grant administration, and facilitates the South African Social Security Agency (SASSA) becoming fully operational.

There are four subprogrammes:

- *Social Assistance Transfers* funds the payment of social assistance grants to eligible beneficiaries.
- *Social Assistance Administration* funds the administration costs involved in paying social assistance grants
- *South African Social Security Agency* funds the establishment and operational costs of the agency.
- *Grant Administration Integrity* funds service delivery and social grant administration improvements, such as fraud prevention and detection and eligibility reviews of beneficiaries.

Expenditure estimates**Table 18.5 Social Security Transfers and Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Social Assistance Transfers	28 190 484	37 010 068	45 253 440	52 023 313	57 720 109	62 630 058	68 344 762
Social Assistance Administration	1 434 919	1 887 482	2 099 922	3 382 055	3 584 320	3 774 190	4 130 267
South African Social Security Agency	–	5 111	25 918	110 000	135 000	158 250	166 954
Grant Administration Integrity	–	–	6 049	43 370	96 086	154 487	157 525
Total	29 625 403	38 902 661	47 385 329	55 558 738	61 535 515	66 716 985	72 799 508
Change to 2005 Budget estimate				200	702 134	949 839	1 159 355
Economic classification							
Transfers and subsidies	29 625 403	38 902 661	47 385 329	55 558 738	61 535 515	66 716 985	72 799 508
Departmental agencies and accounts	1 434 919	1 892 593	2 131 889	3 535 425	3 815 406	4 086 927	4 454 746
Households	28 190 484	37 010 068	45 253 440	52 023 313	57 720 109	62 630 058	68 344 762
Total	29 625 403	38 902 661	47 385 329	55 558 738	61 535 515	66 716 985	72 799 508

Table 18.5 Social Security Transfers and Administration (administration)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Details of major transfers and subsidies:							
Departmental agencies and accounts							
Public entities							
Current	1 434 919	1 892 593	2 131 889	3 535 425	3 815 406	4 086 927	4 454 746
South African Social Security Agency (SASSA Establishment)	–	5 111	25 918	110 000	135 000	158 250	166 954
South African Social Security Agency (Grant Administration Integrity)	–	–	6 049	43 370	96 086	154 487	157 525
South African Social Security Agency (Social Assistance Administration)	1 434 919	1 887 482	2 099 922	3 382 055	3 584 320	3 774 190	4 130 267
Households							
Social benefits							
Current	28 190 484	37 010 068	45 253 440	52 023 313	57 720 109	62 630 058	68 344 762
Social Assistance Transfers	28 190 484	37 010 068	45 253 440	52 023 313	57 720 109	62 630 058	68 344 762

Expenditure trends

The department funded the establishment of the South African Social Security Agency, which explains the large increases in goods and services, consultants, machinery and equipment, and maintenance repair and running costs between 2003/04 and 2005/06.

Funding for this programme includes R1,2 billion in 2003/04 and R3,7 billion in 2004/05 for extending the child support grant. From 2005/06, funding the social assistance function, previously administered at provincial level, forms part of the funds allocated to the department. Funding for the payment and administration of social assistance grants amounts to R55,4 billion in 2005/06, R61,3 billion in 2006/07, R66,4 billion in 2007/08 and R72,5 billion in 2008/09. This represents an average annual growth of 9,4 per cent over the 2006 MTEF.

Funding of R110 million (2005/06), R135 million (2006/07), R158 million (2007/08) and R167 million (2008/09) is allocated for SASSA to become fully operational, representing 14,9 per cent growth over the period. This includes funding of R50 million in 2005/06, R70 million in 2006/07 and R90 million in 2007/08 allocated for this function in the 2005 Budget.

Additional allocations of R50 million in 2007/08 and R50 million in 2008/09 will fund improvements to the integrity of the social grant administration system.

This programme oversees all the transfers related to the agency and thus has no costs for compensation of employees or goods and services.

Service delivery objectives and indicators

Recent outputs

As part of the oversight responsibility for the delivery of social grants, the department developed a cash flow forecasting model and a monitoring framework for the social assistance conditional grant, resulting in monthly reports on expenditure and actual beneficiaries per grant type from provinces.

Important milestones have been met with SASSA's becoming fully operational. These include:

- refurbishing the building to house the head office
- appointing executive and general managers for improved capacity to manage the social security function

- completing the ring-fencing of staff and related assets and liabilities for the social assistance function shift from provinces to the agency, and completing detailed process maps and monitoring them
- implementing the service delivery improvement programme
- replacing core IT and related systems.

Selected medium-term output targets

Social Security Transfers and Administration

Measurable objective Strengthen the social grants administration system to serve all eligible beneficiaries through improved administration and management of funds transferred to the South African Social Security Agency.

Subprogramme	Output	Measure/indicators	Target
Social Assistance Transfers	Funding of social grant payments	Estimated number of beneficiaries by March 2007	Old age grant: 2 178 125 War veterans grant: 2 440 Disability grant: 1 382 565 Foster care grant: 351 735 Care dependency grant: 79 358 Child support grant: 7 212 285
Social Assistance Administration	Transfer of funds in line with mandate and delivery goals ensured	Frequency of transfer of funds in line with projected cash flow needs	Monthly
South African Social Security Agency	Transfer of funds in line with mandate and delivery goals ensured	Frequency of transfer of funds in line with projected cash flow needs	Monthly
Grant Administration Integrity	Transfer of funds in line with mandate and delivery goals ensured	Frequency of transfer of funds in line with projected cash flow needs	Monthly

Programme 4: Social Welfare Services

The *Social Welfare Services* programme ensures that integrated social welfare services are accessible and delivered to vulnerable groups.

Apart from the *Administration* programme, there are 11 subprogrammes:

- *Service Standards* co-ordinates overarching policies, legislation, programmes, and norms and standards for social welfare service delivery by both government and the non-government sector, and provides support to the South African Council for Social Service Professions.
- *Substance Abuse, Prevention and Rehabilitation* develops and monitors policies, legislation, and norms and standards for substance abuse, and serves as the secretariat for the Central Drug Authority.
- *Care and Services to Older Persons* develops and monitors policies, legislation, and norms and standards for welfare services to older people.
- *Services to People with Disabilities* develops and monitors policies, legislation, and norms and standards for welfare services to people with disabilities.
- *Child Care and Protection Services* develops, monitors and facilitates the implementation of policies, legislation and programmes to protect, empower and support children.
- *Families* develops, monitors and facilitates the implementation of policies, legislation and programmes to empower families.
- *Victim Empowerment* develops, monitors and facilitates the implementation of policies, legislation and programmes to empower victims of crime and violence.
- *Social Crime Prevention* develops, monitors and facilitates the implementation of policies, legislation and programmes to protect, empower and support children, youth and adult offenders and victims in the criminal justice process.
- *HIV and Aids* co-ordinates access to social development services for people, families and communities affected by HIV and Aids, encourages community participation, and strengthens mutual aid opportunities.

- *National Institutions and Professional Bodies* provides management and support to national councils and other professional bodies, and administers payments to these institutions.
- *Contributions* funds contributions to international federations and organisations.

Expenditure estimates

Table 18.6 Social Welfare Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Service Standards	2 163	1 433	2 809	7 015	3 872	4 074	4 279
Substance Abuse, Prevention and Rehabilitation	1 238	2 416	3 809	3 471	3 880	4 084	4 288
Care and Services to Older Persons	1 022	1 549	3 725	3 280	6 028	6 346	6 822
Services to People with Disabilities	1 204	555	1 610	2 220	3 259	3 430	3 602
Child Care and Protection Services	2 144	4 198	5 453	10 347	8 404	8 845	9 287
Families	709	1 453	2 755	3 131	3 461	3 642	3 824
Victim Empowerment	851	1 744	3 305	3 158	3 717	3 914	4 109
Social Crime Prevention	1 408	1 142	1 248	2 786	4 718	4 967	5 215
HIV and Aids	3 653	3 376	5 245	45 562	55 266	56 025	58 699
National Institutions and Professional Bodies	3 788	4 326	4 452	4 719	6 194	6 522	6 848
Contributions	87	79	71	150	159	167	182
Administration	1 418	1 811	4 313	5 065	5 173	5 446	5 719
Total	19 685	24 082	38 795	90 904	104 131	107 462	112 874
Change to 2005 Budget estimate				(131 391)	(125 218)	(128 355)	(144 001)
Economic classification							
Current payments	13 923	17 175	30 883	46 938	56 085	59 064	62 195
Compensation of employees	7 111	9 559	14 079	18 986	25 172	26 491	27 805
Goods and services	6 812	7 616	16 804	27 952	30 913	32 573	34 390
<i>of which:</i>							
<i>Communication</i>	502	871	148	299	2 584	2 713	2 954
<i>Consultants, contractors and special services</i>	3 240	3 505	9 514	15 928	15 447	16 047	16 414
<i>Inventory</i>	611	755	1 932	2 400	1 926	2 547	2 774
<i>Maintenance repair and running cost</i>	144	102	85	53	175	180	196
<i>Travel and subsistence</i>	1 146	1 544	4 121	6 694	4 877	5 148	5 608
Transfers and subsidies	5 212	6 144	7 277	42 838	47 374	47 689	49 934
Provinces and municipalities	18	30	44	45	21	–	–
Foreign governments and international organisations	87	80	68	150	159	167	181
Non-profit institutions	5 107	6 034	7 165	42 643	47 194	47 522	49 753
Payments for capital assets	550	763	635	1 128	672	709	745
Machinery and equipment	550	763	629	1 128	672	709	745
Software and other intangible assets	–	–	6	–	–	–	–
Total	19 685	24 082	38 795	90 904	104 131	107 462	112 874

Table 18.6 Social Welfare Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Details of major transfers and subsidies:							
Provinces and municipalities							
Foreign governments and international organisations							
Current	87	80	68	150	159	167	181
International Social Services (ISS)	87	45	59	105	111	117	127
International Council on Alcohol and Addiction (ICAA)	–	10	9	14	15	16	17
International Federation for the Aged	–	20	–	24	25	26	28
United Nations for Drug Abuse Control	–	5	–	7	8	8	9
Non-profit institutions							
Current	5 107	6 034	7 165	42 643	47 194	47 522	49 753
Non Government Organisations	1 319	1 708	2 713	37 924	41 000	41 000	42 905
National Councils	3 788	4 326	4 452	4 719	6 194	6 522	6 848

Expenditure trends

Increases in expenditure are due to progressive provisioning for strengthening and expanding capacity for developing social development services policies, strategies, programmes, and norms and standards. Expenditure grows on average by 66,5 per cent per year from 2002/03 to 2005/06, and then by 7,5 per cent between 2005/06 and 2008/09. Expenditure on transfers to non-government organisations increased strongly between 2002/03 and 2005/05 at an average annual rate of 218,6 per cent due to additional funding received for the loveLife groundBreaker programme in 2005.

The HIV and Aids conditional grant that was part of this programme shifts to provinces as part of the equitable share in 2006/07. This function shift is reflected in the history data as well, hence no expenditure is reflected for those years. Regardless of the removal of the conditional grant, the expenditure on the *HIV and Aids* subprogramme increases by 8,8 per cent over the 2006 MTEF due to transfers to non-government organisations for the loveLife groundBreaker programme. The 23,2 per cent increase over the 2006 MTEF in the *Social Crime Prevention* subprogramme relates to the implementation of the Child Justice Bill to improve the functioning of the integrated justice system. Expenditure on the *Child Care and Protection Services* subprogramme grows negatively over the 2006 MTEF, at a rate of 3,5 per cent. In the preceding years, funds were allocated for one-off projects like the costing of drafts of the Children's Bill (2003).

Service delivery objectives and indicators

Recent outputs

Service standards

The service delivery model, which provides a framework for the delivery of social welfare services, was finalised and is being implemented.

A policy on financial awards to NGOs and service providers has been finalised. 14 national organisations have been funded, and 5 have been assessed for funding.

The review of social workers' salaries has been completed. A capacity-building programme for all social services professionals was conducted nationally, reaching 1 800 participants.

The new Social Services Professions Council is in place and the professional boards for social workers and child and youth care workers have been set up to ensure that the council functions effectively.

Prevention and rehabilitation for substance abuse

The policy on substance abuse has been finalised and is being costed. There has been consultation on the 2005-2010 national drug master plan, which has been approved within the department. The legislation is currently under review. The national youth awareness programme Ke Moja ('No thanks' I am fine without drugs) has been rolled out to all provinces. The pilot of minimum norms and standards in the five government facilities is under way and training on the assessment technique was conducted.

Care and services for older people

The department has approved frail care guidelines and a protocol on the management of elder abuse. The draft guidelines on community-based care for older people have been developed, and consultation will be finalised by March 2006. The legislation on older people has been debated and passed in the National Council of Provinces.

Services for people with disabilities

The draft policy on disability for the social development sector has been finalised. The national guidelines on the management of protective workshops await Cabinet approval. A technical committee has been established to develop guidelines for support services to children with disabilities.

Child care and protection services

The Children's Bill (section 75) has been passed by Parliament and the costing of full implementation will be finalised by March 2006. The early childhood development guidelines have been approved to facilitate the expansion of services in the provinces as part of the implementation of the expanded public works programme. The strategy for child abuse and neglect has been approved within the department.

Empowering victims

The full implementation of the victim empowerment policy has been costed and the policy is awaiting final approval. A three-year strategy for implementing the policy has also been finalised.

Families

A final draft of the family policy has been developed and is awaiting approval.

Preventing social crime

Draft unit standards for training assistant probation officers have been completed and 76 people have been trained. 392 probation officers and assistant probation officers have been trained in restorative justice principles. Minimum norms and standards for diversion programmes are in place.

HIV and Aids

40 496 orphans and other children made vulnerable by HIV and Aids were identified and received appropriate care and support services. 11 035 visits to and contacts with child-headed households were made to give counselling and support services. The programme reached 50 596 families and distributed 40 718 food parcels. 2 925 children were referred for foster care placement.

Counselling and support was provided to 25 282 beneficiaries. 1 058 caregivers were trained on issues to do with HIV and Aids care and support, and 2 988 caregivers received stipends.

Research was commissioned to investigate the relative costs and effectiveness of models of home/community-based care and support. The research will help to plan the rollout of the home/community-based care programmes and strengthen the expanded public works programme.

Selected medium-term output targets

Programme name: Social Welfare Services

Measurable objective: Develop, facilitate, and monitor the implementation of effective policies and strategies on integrated welfare services that meet the needs of all vulnerable groups.

Sub programme	Output	Measure/indicators	Target
Service Standards	Review of the white paper for welfare	White paper revised, costed and consulted	March 2007
	Review and implementation of the Social Service Professions Act (1978)	Revised legislation developed	March 2007
Substance Abuse, Prevention and Rehabilitation	Review of substance abuse legislation	Substance abuse legislation reviewed and tabled in Parliament	June 2006
	Technical and financial assistance to Central Drug Authority	Functional secretariat and full participation by all relevant departments	March 2007
Care and Services to Older Persons	Guidelines for service delivery to older persons	Community-based care model for services developed	March 2007
	New legislation for older persons in place	Regulations in place	March 2007
Services to People with Disabilities	Policy for people with disabilities within the social development context developed and approved	Research and costing on needs of people with disabilities conducted	March 2007
	Integrated guidelines on rehabilitation	Training of stakeholders on the guidelines	March 2007
Child Care and Protection Services	New child care legislation	Promulgation and introduction of Children's Bill	June 2006
		Development of regulations on the Children's Bill	March 2007
	Strategies to prevent and combat child abuse, neglect and exploitation	Computerised child protection register fully functioning	March 2007
		Implementation and monitoring of the policy on child abuse, neglect and exploitation	March 2007
Policies to promote the well-being of children	Implementation of the national integrated early childhood development plan	March 2007	
Families	Family policy implemented	Programmes and guidelines to address the needs of vulnerable families initiated and developed	March 2007
Victim Empowerment	Prevention of victimisation, and services for women and their children	Number of one-stop centres and shelters for women victims of domestic violence set up	2 centres
	Monitoring and evaluation of victim empowerment policy services	Impact of the national resource directorate on quality of the provision of victim empowerment policy services evaluated	March 2007
Social Crime Prevention	Professionalisation of probation services	Legislation and regulations reviewed	March 2007
	Social cluster responsibilities	Departmental social crime prevention strategy developed and approved	March 2007
	Training and capacity building programme	Number of probation and assistant probation officers trained Number of volunteer assistant probation officers trained as part of the national youth service programme	600 officers by January 2007 500 volunteer officers

Sub programme	Output	Measure/indicators	Target
HIV and Aids	Strengthening and rollout of home/community-based care and support	Percentage of projects complying with norms and standards for home/community-based care programmes developed	50% of projects
		Number of home/community-based care projects receiving management training and being monitored	200 projects
	Implementation of expanded public works programme within home/community-based care and support programme	Number of caregivers trained	5 800 caregivers
		Database for orphans and vulnerable children established in each province	March 2007
	Implementation of HIV and Aids management programme for children and youth in residential care	Implementation guidelines and action plan developed	September 2006
Expansion of the loveLife programme	Number of loveLife outlets established in farm schools, informal settlements, clinics and NGOs	50 outlets	
National Institutions and Bodies	Payments in accordance with service level agreements	Frequency of payments	Quarterly or bi-annually

Programme 5: Development and Research

The *Development and Research* programme develops, monitors and facilitates the implementation of appropriate policies, strategies and programmes for sustainable livelihood and human and population development. This includes mainstreaming national and international development obligations like the Millennium Development Goals and the commitments set at the World Summit on Sustainable Development. A further focus will be on implementing the recommendations of the impact assessment of the Non-Profit Organisations Act (1997).

Apart from the *Administration* programme there are nine subprogrammes:

- *Sustainable Livelihood* develops, monitors and facilitates the implementation of policies, strategies and programmes that will impact on poverty and underdevelopment to reduce the dependency of the poor and vulnerable on social grants.
- *Policy Development and Service Standards* develops, monitors and facilitates the implementation of policies and programmes for community development practice. It also creates an enabling environment governed by the norms and standards that are necessary for effective and efficient service delivery.
- *Institutional Capacity Building of NPOs* develops policies and programmes to create an enabling environment for non-profit organisations to provide ingenuity and initiative in the fight against poverty.
- *Youth Development* develops, monitors and facilitates the implementation of policies, legislation and programmes to protect, empower and encourage vulnerable youth to be self-reliant.
- *Population and Development Strategy* provides policy, monitoring and planning advice on government's population policy.
- *Population and Development Research* manages research in support of policy development and implementation.
- *Population and Development Support Programmes* implements intergovernmental population and development programmes and disseminates population and development information.
- *National Development Agency* oversees the transfer of funding to the National Development Agency.
- *Contributions* funds contributions to international federations and organisations.

Expenditure estimates

Table 18.7 Development and Research

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Sustainable Livelihood	330 983	77 558	11 793	14 839	17 326	18 832	20 091
Policy Development and Service Standards	1 302	2 201	3 207	5 867	8 092	8 541	8 955
Institutional Capacity Building of NPOs	2 677	2 852	3 524	3 892	4 234	4 496	5 728
Youth Development	–	–	1 273	2 786	3 399	3 578	3 756
Population and Development Strategy	2 598	4 412	5 002	4 940	5 019	5 281	5 546
Population and Development Research	3 273	5 003	5 075	4 646	5 872	6 180	6 489
Population and Development Support Programmes	–	753	2 670	3 118	3 475	3 657	3 840
National Development Agency	96 745	103 283	109 481	121 482	123 012	129 163	136 267
Contributions	126	129	137	145	155	162	170
Administration	3 873	2 352	2 541	3 807	1 932	2 034	2 136
Total	441 577	198 543	144 703	165 522	172 516	181 924	192 978
Change to 2005 Budget estimate				(385 000)	(410 526)	(430 269)	(473 884)
Economic classification							
Current payments	14 202	23 325	34 327	43 447	47 976	51 169	55 056
Compensation of employees	9 589	13 019	20 739	23 782	19 175	20 192	21 202
Goods and services	4 613	10 306	13 588	19 665	28 801	30 977	33 854
<i>of which:</i>							
<i>Communication</i>	385	458	575	882	1 221	1 410	1 536
<i>Consultants, contractors and special services</i>	2 186	6 909	5 615	8 710	21 544	22 544	24 439
<i>Inventory</i>	259	363	1 854	1 225	790	829	903
<i>Maintenance repair and running cost</i>	186	103	45	43	200	220	240
<i>Travel and subsistence</i>	677	934	3 505	6 510	2 588	3 544	3 860
Transfers and subsidies	426 903	174 442	109 687	121 667	124 028	130 216	137 356
Provinces and municipalities	24	30	69	40	15	–	–
Departmental agencies and accounts	96 745	103 283	109 481	121 482	123 012	129 163	136 267
Foreign governments and international organisations	134	129	137	145	634	667	701
Non-profit institutions	–	–	–	–	367	386	388
Households	330 000	71 000	–	–	–	–	–
Payments for capital assets	472	776	689	408	512	539	566
Machinery and equipment	472	776	671	408	512	539	566
Software and other intangible assets	–	–	18	–	–	–	–
Total	441 577	198 543	144 703	165 522	172 516	181 924	192 978

Table 18.7 Development and Research (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Details of major transfers and subsidies:							
Provinces and municipalities							
Departmental agencies and accounts							
Public entities							
Current	96 745	103 283	109 481	121 482	123 012	129 163	136 267
National Development Agency	96 745	103 283	109 481	121 482	123 012	129 163	136 267
Foreign governments and international organisations							
Current	134	129	137	145	634	667	701
United Nations Population Fund	134	129	137	145	154	162	170
South African Youth Workers Association	-	-	-	-	480	505	531
Non-profit institutions							
Current	-	-	-	-	367	386	388
Non Profit Organisations Partnership Fund	-	-	-	-	367	386	388
Households							
Other transfers							
Current	330 000	71 000	-	-	-	-	-
Poverty Relief: Independent Development Trust	100 000	71 000	-	-	-	-	-
Emergency Food Relief	230 000	-	-	-	-	-	-

Expenditure trends

Expenditure grows on average by 5,2 per cent over the 2006 MTEF. Included in this programme are the transfers to the National Development Agency, which grow slowly at a rate of 5,9 per cent from R96,7 million in 2002/03 to R136,3 million in 2008/09. This gradual increase provides for compensation of employees and tariff increases linked to operational costs of the agency. The negative growth rate of 3,8 per cent for compensation of employees over the 2006 MTEF relates to the termination of the services of temporary contract workers for administering and monitoring the conditional grant that now forms part of the equitable share. The growth in goods and services over the 2006 MTEF, of 19,9 per cent, is due to the increased use of consultants for policy reviews and monitoring the implementation of provincial programmes.

The high expenditure for the *Sustainable Livelihood* subprogramme in 2002/03 and 2003/04 is due to the special poverty relief allocation and a new grant for emergency food relief respectively. The emergency food relief grant was changed to the integrated social development services grant in 2005/06 and will be incorporated into the equitable share from 2006/07. The data for the previous financial years has been adjusted to reflect this function shift.

Service delivery objectives and indicators

Recent outputs

Community development

A draft conceptual framework on community development and job descriptions for community development practitioners has been developed.

A socioeconomic study of the presidential rural and urban nodes has been commissioned to gain a better understanding of the social, local economic development and service delivery challenges.

Poverty relief projects for sustainable livelihoods

An exit strategy for beneficiaries of poverty relief projects has been developed in collaboration with the Independent Development Trust. The aim is to identify projects that are financially viable and economically sustainable enough to be turned into small medium and micro enterprises (SMMEs), and thus guarantee better livelihoods for their beneficiaries.

Building NPOs' institutional capacity

Building an efficient NPO registration facility was the main priority of last year. The facility registered 6 829 organisations and de-registered 1 046 organisations which did not comply with legislation. Currently, 35 381 organisations are listed on the database.

Youth development initiatives

The youth development plan has been developed and approved. Furthermore, a partnership with the Umsobomvu Youth Fund for implementing the national youth service programme was launched in Umtata, Eastern Cape. About 470 unemployed youth were recruited and will acquire the skills and qualifications necessary to be absorbed into the labour market.

Population and development

Two research projects were completed: a composite HIV and Aids index to assess the impact of HIV and Aids on development planning and programmes, and a research project to assess the local level functional integration of HIV and Aids services (funded by the Department for International Development (DfID)). In 2005/06, 200 officials from provincial departments of social development were trained in the HIV and Aids capacity-building course for government planners, a joint initiative with SAMDI.

Selected medium term outputs

Development and Research

Measurable objective: Develop, monitor and facilitate the implementation of appropriate policies, strategies and programmes aimed at sustainable livelihood and human development.

Sub programme	Output	Measure/indicators	Target
Sustainable Livelihood	Establish pilot for linking sustainable livelihoods to exiting from social grants	Number of pilot projects completed	2 pilot projects (in Eastern Cape and Limpopo)
	Comprehensive poverty alleviation policy	Review report of existing poverty alleviation-related policies and programmes	March 2007
Policy Development and Service Standards	Mainstreaming of all protocols and commitments	Draft guidelines developed and launched	March 2007
	Community development policy	Draft policy document	March 2007
	Improved conditions of service for community development practitioners	Recommended salary levels fully implemented	March 2007
Institutional Capacity Building of NPOs	Improved regulatory framework	Integrated regulatory framework	March 2007
	Enhanced institutional capacity of the sector	Percentage of improved capacity interventions to community-based organisations Percentage of improved capacity interventions in the nodes	80% of interventions 60% of interventions

Sub programme	Output	Measure/indicators	Target
Youth Development	Youth development implementation plan	Costing of youth development implementation plan	June 2006
	Capacity-building programme	Training of provinces and service providers on youth strategy	October 2006
Population and Development Strategy	Implementation of population policy promoted	Research report on implementation of the population policy	March 2007
		Review of the UN Population Fund country programme	December 2006
Population and Development Research	Research on population and related development policies and trends	Report on relationship between teenage pregnancies and child support grant	March 2007
		HIV and Aids impact study	March 2007
Population and Development Support Programme	Intergovernmental population and development programmes promoted	Local government strategy for population and development implemented Number of population and development capacity-building programmes implemented	March 2007 4 programmes

Programme 6: Strategy, Regulatory and Oversight Management

This new programme sees that the department's core strategic functions are integrated with the progressive strengthening of the department's strategic, oversight, and monitoring and evaluation capacity. The programme is critical for ensuring:

- integrated policy, strategy and programme planning and impact assessment
- regulatory and oversight management over implementation partners, public entities and other national institutions
- integrated performance monitoring and evaluation
- cluster and governance integration
- special project co-ordination.

Apart from *Administration* there are five subprogrammes:

- *Strategy Development, Business and Programme Performance* facilitates and develops the department's strategic plan, focusing on both the vertical and horizontal integration of sector policies and strategies. It focuses on aligning strategy with business to ensure optimal performance and use of resources.
- *Monitoring, Evaluation and Impact Assessment* co-ordinates monitoring and evaluation expertise and tools across the national and provincial departments of social development, and assesses the department's performance in meeting its own objectives and its overall contribution to the country's development.
- *Regulatory and Oversight Management* performs an oversight function in relation to all entities, agencies and boards reporting to the department. Until the establishment of the Inspectorate for Social Assistance as an agency, the department will undertake the regulatory oversight of SASSA.
- *Social Policy Development and Co-ordination* provides strategic guidance on social policy development, co-ordination and evaluation.
- *Cluster and Governance Management* co-ordinates policies and government initiatives in the context of intergovernmental relations and the Forum of South African Directors-General (Fosad) cluster priorities.

Expenditure estimates

Table 18.8 Strategy, Regulatory and Oversight Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Strategy Development, Business and Programme Performance	-	-	-	-	3 545	4 832	5 074
Monitoring, Evaluation and Impact Assessment	-	-	-	-	5 434	6 556	7 543
Regulatory and Oversight Management	-	-	-	-	12 858	22 345	35 432
Social Policy Development and Coordination	-	-	-	-	3 443	4 321	5 432
Cluster and Governance Management	-	-	-	-	1 453	1 567	1 876
Administration	-	-	-	-	1 109	1 235	1 453
Total	-	-	-	-	27 842	40 856	56 810
Change to 2005 Budget estimate				-	27 842	40 856	56 810

Economic classification

Current payments	-	-	-	-	27 206	40 195	56 117
Compensation of employees	-	-	-	-	11 500	12 109	12 715
Goods and services	-	-	-	-	15 706	28 086	43 401
<i>of which:</i>							
<i>Communication</i>	-	-	-	-	2 150	2 520	2 745
<i>Computer Services</i>	-	-	-	-	350	387	422
<i>Consultants, contractors and special services</i>	-	-	-	-	8 765	20 076	34 546
<i>Inventory</i>	-	-	-	-	1 211	1 500	1 634
<i>Maintenance repair and running cost</i>	-	-	-	-	450	480	523
<i>Travel and subsistence</i>	-	-	-	-	1 850	2 110	2 297
Transfers and subsidies	-	-	-	-	9	-	-
Provinces and municipalities	-	-	-	-	9	-	-
Payments for capital assets	-	-	-	-	627	661	693
Machinery and equipment	-	-	-	-	627	661	693
Total	-	-	-	-	27 842	40 856	56 810

Expenditure trends

This new programme grows by 42,8 per cent over the 2006 MTEF and caters largely for the procurement of consultants to help build the capacity of the department to undertake its regulatory and oversight role. Projected expenditure includes R10 million (2006/07), R20 million (2007/08) and R30 million (2008/09) for the establishment of the Inspectorate for Social Assistance.

Service delivery objectives and indicators

Selected medium-term output targets

Strategy, Regulatory and Oversight Management

Measurable objective: Provide leadership in strategic planning processes across national and provincial departments to improve social policy planning. Strengthen the co-ordination of performance monitoring and evaluation for all entities reporting to the department.

Subprogramme	Output	Measure/Indicator	Target
Strategy Development, Business and Programme Performance	Computerised management information system	National implementation and rollout of the system	March 2007
	Development of a change management strategy in line with the corporate strategy	Progress reports related to change management	Incorporation into mid-year assessment
	Business units risk management reports	Frequency of progress reports reflecting reduction in high risk profile	Quarterly
Monitoring, Evaluation and Impact Assessment	Comprehensive monitoring and evaluation framework	Availability of an integrated monitoring and evaluation framework including guidelines	May 2007
	Service delivery performance monitoring and evaluation framework and analysis report	Timely and quality programme evaluation reports	Quarterly, bi-annual and annual reports
Social Policy Development and Co-ordination	Policy co-ordination, integration and analysis framework	Consolidated progress reports from all divisions within the Department	Quarterly, bi-annual and annual reports
Regulatory and Oversight Management	Establishment of the inspectorate for oversight of SASSA performance	Standards set for reporting and performance as well as benchmarking	September 2006
	Expanded public works programme oversight management framework	Standards set for reporting and performance as well as benchmarking	March 2007
Cluster and Governance Management	Effective and co-ordinated departmental participation in Fosad clusters and other government-wide structures	Feedback from meetings incorporated into departmental policies	Ongoing

Public entities reporting to the Minister

National Development Agency

The National Development Agency (NDA) was established in terms of the National Development Agency Act (1998) and replaced the Transitional National Development Trust. The NDA was transferred to the Ministry of Social Development by presidential proclamation in October 2001. A board of representatives from government and civil society organisations governs the NDA. Among other responsibilities, the NDA is charged with granting funds to civil society organisations to strengthen their institutional capacity and to enable them to carry out development projects in poor communities. The NDA's overarching purpose is to contribute to the alleviation of poverty and to address its causes.

The NDA's primary source of income is a transfer from government. Over the 2006 MTEF these are: R123 million (2006/07), R129,2 million (2007/08) and R136,3 million (2008/09). Over the past three years, the NDA's budget has been under pressure, but a balanced budget is projected in 2006/07 and a small surplus thereafter. The NDA will have to be proactive in sourcing funds from development partners to realise these projections.

Looking ahead, the NDA will try to meet its objectives by collaborating with local community development organisations, civil society organisations and government clusters. It will also promote consultation, dialogue, and the sharing of development experiences among key stakeholders in order to become a more effective catalyst for development.

Table 18.9 Financial summary for the National Development Agency (NDA)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R Thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	19 228	20 531	15 789	15 453	16 000	17 120	18 147
Transfers received	121 245	112 390	125 588	125 012	126 753	132 979	140 198
Total revenue	140 473	132 921	141 376	140 464	142 753	150 099	158 345
Expenses							
Current expense	37 495	49 023	58 782	65 207	72 044	62 057	66 055
Compensation of employees	21 509	30 506	31 006	34 327	34 688	25 688	27 229
Goods and services	15 042	17 269	26 225	29 935	36 226	35 228	37 674
Depreciation	944	1 247	1 551	945	979	979	979
Transfers and subsidies	102 390	104 773	97 446	89 270	70 710	85 565	89 207
Total expenses	139 885	153 796	156 227	154 477	142 753	147 621	155 262
Surplus / (Deficit)	588	(20 874)	(14 851)	(14 013)	–	2 478	3 083
BALANCE SHEET SUMMARY							
Carrying value of Assets	2 794	3 767	2 063	2 213	2 084	1 948	1 700
Receivables and prepayments	838	2 010	3 481	4 468	450	350	200
Cash and cash equivalents	305 158	259 808	256 414	247 913	255 545	255 913	259 913
Total assets	308 790	265 585	261 958	254 594	258 080	258 212	261 813
Capital and reserves	136 629	115 755	100 904	86 890	86 890	89 369	92 452
Trade and other payables	6 225	7 539	5 654	4 842	3 880	3 480	3 000
Managed funds	165 936	142 291	155 400	162 862	167 309	165 363	166 362
Total equity and liabilities	308 790	265 585	261 958	254 594	258 080	258 212	261 813

Data provided by the National Development Agency

South African Social Security Agency

The South African Social Security Agency Act (2004) provides for the establishment of SASSA as a schedule 3A public entity. The agency has been operational since April 2005 and is expected to be fully functional within the next three years. Its mandate is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework, and create an enabling environment for sustainable development.

The act provides a national legislative framework for the provision of different types of social grants, social relief of distress, the delivery of social assistance grants by a national agency and the establishment of an inspectorate for social security. The CEO is accountable to the minister and must report to him on the agency's activities.

As this is a new Agency the data in the table below, for the period ending 2005/06, is based on historical expenditure from both the national and provincial departments of Social Development.

The three transfers to the agency total R12,4 billion over the MTEF:

- R 11,5 billion is earmarked for administration viz. the processing and the delivery of social grants
- R 460,2 million for the establishment costs of the agency and
- R 408,1 million is specifically earmarked for improvement of the integrity of the grant system.

More than half of this budget goes to payment contractors (all Pay, the Post Office etc.) to deliver the grants to more than 11 million beneficiaries. Over the medium term, the Agency will consolidate the contracts to achieve economies of scale. Compensation of personnel grows by 14,3 per cent over the MTEF period to cover all personnel taken over from the social assistance programme in the provincial departments of Social Development as well as new appointments at head office and regional offices.

A significant portion of good and services goes to the payment of consultants which grows by 16,5 per cent over the MTEF. These service providers will support the Agency build robust systems to improve the efficiency of the grant system administration by reducing fraud and corruption. This will include an extensive overhaul of the current SOCPEN system (grants application and payment data base).

Once the Agency is fully operational, substantial savings are expected on both administration costs of delivering the grants as well as in the savings from removing ineligible beneficiaries from the system.

SASSA's key strategic objectives for 2006/07 are:

- ensure a high performance institution
- improve social security service delivery
- ensure good governance
- build human capital
- ensure sound financial management.

The agency will improve service delivery by employing competent front-office staff to process social grant applications at the point of delivery. At the same time, skilled back-office staff will use advanced technology to communicate with other key government data sources to ensure quicker verification and approval of applications. The grant administration process will be streamlined, and the application process will involve fewer people and fewer steps. Social security contracts with payment agencies and contractors will also be consolidated and standardised.

The agency will take over grant payments from the nine provincial social welfare departments, shouldering the responsibility of distributing over R57 billion to more than 10 million South Africans annually. By shifting the social assistance function to national government, the agency will free up provincial departments to focus on improving social welfare services and allow the national department to focus on policy development and monitoring service delivery.

Table 18.10 South African Social Security Agency

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06			
Receipts							
Transfers received	1 434 919	1 892 593	2 131 889	3 535 425	3 815 406	4 086 927	4 454 746
<i>of which:</i>							
<i>Social assistance administration</i>	1 434 919	1 887 482	2 099 922	3 382 055	3 584 320	3 774 190	4 130 267
<i>Establishment and operationalisation</i>	–	5 111	25 918	110 000	135 000	158 250	166 954
<i>Grant admin integrity</i>	–	–	6 049	43 370	96 086	154 487	157 525
Total receipts	1 434 919	1 892 593	2 131 889	3 535 425	3 815 406	4 086 927	4 454 746

Table 18.10 South African Social Security Agency

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06			
Economic classification of payments							
Current payments	1 418 148	1 867 307	2 095 327	3 400 397	3 650 707	3 972 833	4 331 886
Compensation of employees	210 691	277 157	331 183	679 981	820 872	907 192	1 015 276
Goods and services	1 207 457	1 590 150	1 764 144	2 720 416	2 829 835	3 065 640	3 316 610
<i>of which:</i>							
<i>Payment contractors</i>	<i>885 618</i>	<i>1 303 421</i>	<i>1 718 527</i>	<i>2 286 876</i>	<i>2 204 624</i>	<i>2 119 949</i>	<i>2 146 649</i>
<i>Computer services</i>	<i>5 419</i>	<i>6 410</i>	<i>11 319</i>	<i>14 402</i>	<i>14 169</i>	<i>16 007</i>	<i>17 274</i>
<i>Consultants, contractors and special services</i>	<i>–</i>	<i>1 947</i>	<i>14 628</i>	<i>61 098</i>	<i>80 625</i>	<i>94 846</i>	<i>96 577</i>
<i>Maintenance repair and running cost</i>	<i>1 526</i>	<i>8 073</i>	<i>304</i>	<i>48 541</i>	<i>33 283</i>	<i>39 338</i>	<i>53 065</i>
<i>Travel and subsistence</i>	<i>20 755</i>	<i>26 622</i>	<i>33 135</i>	<i>57 018</i>	<i>66 602</i>	<i>68 762</i>	<i>74 080</i>
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Transfers and subsidies	174	296	576	693	834	–	–
Provinces and municipalities	174	296	576	693	834	–	–
Payments for capital assets	16 597	24 990	35 986	134 335	163 865	114 094	122 860
Buildings and other fixed structures	13	1 280	1 920	55 348	76 240	53 447	56 587
Machinery and equipment	16 584	23 710	34 066	78 987	87 625	60 647	66 273
Total	1 434 919	1 892 593	2 131 889	3 535 425	3 815 406	4 086 927	4 454 746

Annexure

Vote 18: Social Development

Table 18.A: Summary of expenditure trends and estimates per programme and economic classification

Table 18.B: Summary of personnel numbers and compensation of employees

Table 18.C: Summary of expenditure on training

Table 18.D: Summary of conditional grants to provinces and local government (municipalities)¹

Table 18.E: Summary of official development assistance expenditure

Table 18.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	70 963	78 451	82 536	98 042	8 103	106 145	99 937
2. Comprehensive Social Protection	139 264	143 811	114 904	119 730	80 706	200 436	184 071
3. Social Security Transfers and Administration	43 421 885	46 665 568	47 385 329	55 558 538	200	55 558 738	55 250 700
4. Social Welfare Services	111 732	43 319	38 795	222 295	(131 391)	90 904	89 125
5. Development and Research	532 363	151 393	144 703	550 522	(385 000)	165 522	165 119
Total	44 276 207	47 082 542	47 766 267	56 549 127	(427 382)	56 121 745	55 788 952

Economic classification

	262 098	277 545	241 163	279 971	64 609	344 580	308 232
Current payments							
Compensation of employees	95 120	97 430	87 897	109 021	3 450	112 471	109 925
Goods and services	166 978	180 115	152 455	170 950	61 159	232 109	198 307
Financial transactions in assets and liabilities	-	-	811	-	-	-	-
Transfers and subsidies	44 011 023	46 799 361	47 519 287	56 264 331	(493 391)	55 770 940	55 463 836
Provinces and municipalities	458 416	245	274	526 675	(526 391)	284	278
Departmental agencies and accounts	2 252 231	2 339 321	2 241 370	3 656 707	200	3 656 907	3 656 907
Foreign governments and international organisations	729	737	590	793	-	793	793
Non-profit institutions	5 512	6 962	7 245	41 843	800	42 643	42 643
Households	41 294 135	44 452 096	45 269 808	52 038 313	32 000	52 070 313	51 763 215
Payments for capital assets	3 086	5 636	5 817	4 825	1 400	6 225	16 884
Machinery and equipment	3 086	5 636	4 433	4 135	1 400	5 535	16 194
Software and intangible assets	-	-	1 384	690	-	690	690
Total	44 276 207	47 082 542	47 766 267	56 549 127	(427 382)	56 121 745	55 788 952

Table 18.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
A. Permanent and full-time contract employees							
Compensation (R thousand)	53 171	61 559	79 414	100 748	121 424	127 306	133 286
Unit cost (R thousand)	189	195	216	242	225	221	207
Compensation as % of total	96.8%	91.2%	88.4%	87.1%	97.3%	96.7%	96.2%
Personnel numbers (head count)	282	316	367	417	539	577	644
B. Part-time and temporary contract employees							
Compensation (R thousand)	1 099	4 854	8 983	12 554	1 433	1 988	2 455
Unit cost (R thousand)	110	162	166	182	96	99	98
Compensation as % of total	2.0%	7.2%	10.0%	10.9%	1.1%	1.5%	1.8%
Personnel numbers (head count)	10	30	54	69	15	20	25
C. Interns							
Compensation of interns (R thousand)	659	1 080	1 437	2 355	1 988	2 413	2 851
Unit cost (R thousand)	24	28	30	32	36	37	38
Number of interns	28	38	48	74	55	65	75
Total for department							
Compensation (R thousand)	54 929	67 493	89 834	115 657	124 845	131 707	138 592
Unit cost (R thousand)	172	176	192	207	205	199	186
Personnel numbers (head count)	320	384	469	560	609	662	744

Table 18.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Training and staff development							
Expenditure (R thousand)	451	531	785	886	996	1 016	1 054
Number of employees trained (head count)	204	241	285	337	447	487	530
Bursaries (employees)							
Expenditure (R thousand)	120	151	168	234	252	301	331
Number of employees (head count)	20	24	19	45	42	50	55
Total	571	682	953	1 120	1 248	1 317	1 385
Number of employees	224	265	304	382	489	537	585

Table 18.D Summary of conditional grants to provinces and local government (municipalities)¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Conditional grants to provinces							
2. Comprehensive Social Protection							
Improvement of the Social Security System	10 800	-	-	-	-	-	-
Total	10 800	-	-	-	-	-	-

¹ Detail provided in the Division of Revenue Act (2006).

Table 18.E Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Foreign									
UNICEF	Promotion and protection of rights of vulnerable and orphaned children	Cash	150	-	-	-	-	-	-
The Netherlands	Sectoral budget support programme	Cash	11 163	-	-	-	-	-	-
DFID	Programme for the development of research infrastructure and evidence base for pro-poor policy in South Africa	Cash	-	-	-	11 960	16 618	15 386	9 730
HWSETA	Training	Cash	-	-	-	646	-	-	-
UNESCO	SADC Meeting	Cash	-	-	-	178	-	-	-
Total			11 313	-	-	12 784	16 618	15 386	9 730

