

# Vote 4

## Cooperative Governance and Traditional Affairs

### Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	72 994 048	73 021 906	-	27 858
<i>of which:</i>				
Current payments	3 801 676	3 826 454	-	24 778
Transfers and subsidies	69 185 025	69 188 025	-	3 000
Payments for capital assets	7 347	7 347	-	-
Payments for financial assets	-	80	-	80
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting officers	Director-General of Cooperative Governance Director-General of Traditional Affairs			
Website address	www.cogta.gov.za			

### Vote purpose

*Improve cooperative governance across the three spheres of government in partnership with institutions of traditional leadership, thereby ensuring that provinces and municipalities carry out their service delivery and development functions effectively.*

### Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of partnerships facilitated between municipalities and the private sector per year	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	10	5	-
Number of spatial contracts facilitated for key restructuring zones and targeted regions per year	Regional and Urban Development and Legislative Support		8	2	-
Number of municipalities (of 40 targeted municipalities) supported in implementing local economic development programmes per year	Regional and Urban Development and Legislative Support		40	10	-
Total number of towns and cities implementing the Clean Cities and Towns programme	Regional and Urban Development and Legislative Support		8	8	-
Number of municipalities supported to develop and institutionalise community complaints management mechanisms per year	Institutional Development		78	20	-

2016 Adjusted Estimates of National Expenditure

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of municipalities assessed and guided to comply with the rating aspects of the Municipal Property Rates Act (2004) by target date	Institutional Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	193	0	-
Value of municipalities spending on municipal infrastructure grant per year	Institutional Development		R14.9bn	R4.5bn	-
Total number of fully functional disaster management centres across the three spheres of government	National Disaster Management Centre		60	58	-
Number of smaller municipalities (136 in total) supported to implement the revised integrated development planning framework per year	Local Government Support and Intervention Management		136	136	-
Number of municipalities where Back-to-Basics interventions are being implemented per year	Local Government Support and Intervention Management		36	36	90
Total number of provinces assessed for institutional capacity	Local Government Support and Intervention Management		9	-	-
Total number of work opportunities created through the community work programme	Community Work Programme		268 000	220 556	-

Changes to indicators and targets published in the 2016 ENE

The Local Government Support and Intervention Management programme has revised the number of municipalities where Back-to-Basics interventions are to be implemented from 36 to 90, due to an increase in the number of planned municipal visits and funds have been reprioritised in the budget for this initiative.

Mid-year progress

In the first six months of 2016/17, the department had cumulatively employed 220 556 participants into the community work programme due to an additional 23 535 people coming onto the programme. However, the programme will not achieve its planned target of 268 000 due to budget limitations. In the same period, 20 municipalities were supported to develop management mechanisms for community complaints, but progress was slow as community engagements could not happen due to the unavailability of councillors as they were preparing for the 2016 local government elections. The Clean Cities and Towns programme has been fast-tracked for closure and therefore achieved the annual target in the first sixth months of 2016/17.

There is no progress on the assessments related to the implementation of the Municipal Property Rates Act (2004) as they are planned for the second half of 2016/17. All targeted municipalities were assisted to implement the revised integrated development planning frameworks, which were finalised before the start of the municipal financial year.

## Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	266 464	–	–	(2 773)	–	–	(2 773)	263 691
Regional and Urban Development and Legislative Support	332 176	27 858	–	(2 240)	–	–	25 618	357 794
Institutional Development	68 122 162	–	–	(1 781)	–	–	(1 781)	68 120 381
National Disaster Management Centre	598 887	–	–	(10 000)	–	–	(10 000)	588 887
Local Government Support and Intervention Management	483 174	–	–	16 794	–	–	16 794	499 968
Community Work Programme	3 191 185	–	–	–	–	–	–	3 191 185
<b>Total</b>	<b>72 994 048</b>	<b>27 858</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>27 858</b>	<b>73 021 906</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>3 801 676</b>	<b>27 858</b>	<b>–</b>	<b>(3 080)</b>	<b>–</b>	<b>–</b>	<b>24 778</b>	<b>3 826 454</b>
Compensation of employees	320 521	–	–	–	–	–	–	320 521
Goods and services	3 481 155	27 858	–	(3 080)	–	–	24 778	3 505 933
<b>Transfers and subsidies</b>	<b>69 185 025</b>	<b>–</b>	<b>–</b>	<b>3 000</b>	<b>–</b>	<b>–</b>	<b>3 000</b>	<b>69 188 025</b>
Provinces and municipalities	68 301 723	–	–	–	–	–	–	68 301 723
Departmental agencies and accounts	567 407	–	–	3 000	–	–	3 000	570 407
Non-profit institutions	6 619	–	–	–	–	–	–	6 619
Households	309 276	–	–	–	–	–	–	309 276
<b>Payments for capital assets</b>	<b>7 347</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7 347</b>
Machinery and equipment	7 347	–	–	–	–	–	–	7 347
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>80</b>
<b>Total</b>	<b>72 994 048</b>	<b>27 858</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>27 858</b>	<b>73 021 906</b>

### Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	26 694	–	–	11 245	–	–	11 245	37 939
Management	14 214	–	–	(605)	–	–	(605)	13 609
Corporate Services	142 022	–	–	(14 568)	–	–	(14 568)	127 454
Financial Services	34 574	–	–	(3 845)	–	–	(3 845)	30 729
Internal Audit and Risk Management	11 475	–	–	5 000	–	–	5 000	16 475
Office Accommodation	37 485	–	–	–	–	–	–	37 485
<b>Total</b>	<b>266 464</b>	<b>–</b>	<b>–</b>	<b>(2 773)</b>	<b>–</b>	<b>–</b>	<b>(2 773)</b>	<b>263 691</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>261 364</b>	<b>–</b>	<b>–</b>	<b>(2 853)</b>	<b>–</b>	<b>–</b>	<b>(2 853)</b>	<b>258 511</b>
Compensation of employees	119 906	–	–	5 900	–	–	5 900	125 806
Goods and services	141 458	–	–	(8 753)	–	–	(8 753)	132 705
<b>Transfers and subsidies</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100</b>
Provinces and municipalities	100	–	–	–	–	–	–	100
<b>Payments for capital assets</b>	<b>5 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 000</b>
Machinery and equipment	5 000	–	–	–	–	–	–	5 000
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>80</b>
<b>Total</b>	<b>266 464</b>	<b>–</b>	<b>–</b>	<b>(2 773)</b>	<b>–</b>	<b>–</b>	<b>(2 773)</b>	<b>263 691</b>

### Programme 2: Regional and Urban Development and Legislative Support

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management: Regional and Urban Development and Legislative Support	3 096	–	–	(1 938)	–	–	(1 938)	1 158
Local Government Legislative Support and Institutional Establishment	3 409	–	–	(870)	–	–	(870)	2 539
Urban Development Planning	7 330	–	–	831	–	–	831	8 161
Spatial Planning: Districts and Regions	11 943	–	–	1 539	–	–	1 539	13 482
Intergovernmental Policy and Practice	8 976	–	–	(1 802)	–	–	(1 802)	7 174
Municipal Demarcation Transition Grant	297 422	27 858	–	–	–	–	27 858	325 280
<b>Total</b>	<b>332 176</b>	<b>27 858</b>	<b>–</b>	<b>(2 240)</b>	<b>–</b>	<b>–</b>	<b>25 618</b>	<b>357 794</b>

**Programme 2: Regional and Urban Development and Legislative Support (continued)**

Economic classification		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Current payments</b>	<b>34 754</b>	<b>27 858</b>	<b>-</b>	<b>(2 240)</b>	<b>-</b>	<b>-</b>	<b>25 618</b>	<b>60 372</b>
Compensation of employees	18 225	-	-	500	-	-	500	18 725
Goods and services	16 529	27 858	-	(2 740)	-	-	25 118	41 647
<b>Transfers and subsidies</b>	<b>297 422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>297 422</b>
Provinces and municipalities	297 422	-	-	-	-	-	-	297 422
<b>Total</b>	<b>332 176</b>	<b>27 858</b>	<b>-</b>	<b>(2 240)</b>	<b>-</b>	<b>-</b>	<b>25 618</b>	<b>357 794</b>

**Programme 3: Institutional Development**

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management: Institutional Development	3 166	-	-	2 537	-	-	2 537	5 703
Human Resources Management Systems	7 431	-	-	(374)	-	-	(374)	7 057
Municipal Finance	34 485	-	-	(669)	-	-	(669)	33 816
Citizen Engagement	8 400	-	-	(125)	-	-	(125)	8 275
Anti-Corruption and Good Governance	7 018	-	-	(1 510)	-	-	(1 510)	5 508
Municipal Property Rates	14 892	-	-	(1 640)	-	-	(1 640)	13 252
Local Government Equitable Share	52 568 706	-	-	-	-	-	-	52 568 706
Municipal Infrastructure Grant	14 914 028	-	-	-	-	-	-	14 914 028
Municipal Systems Improvement Grant	84 349	-	-	-	-	-	-	84 349
Department of Traditional Affairs	129 798	-	-	-	-	-	-	129 798
Municipal Infrastructure Support Agency	349 889	-	-	-	-	-	-	349 889
<b>Total</b>	<b>68 122 162</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>68 120 381</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>159 741</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>157 960</b>
Compensation of employees	33 211	-	-	(500)	-	-	(500)	32 711
Goods and services	126 530	-	-	(1 281)	-	-	(1 281)	125 249
<b>Transfers and subsidies</b>	<b>67 962 421</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67 962 421</b>
Provinces and municipalities	67 482 734	-	-	-	-	-	-	67 482 734
Departmental agencies and accounts	479 687	-	-	-	-	-	-	479 687
<b>Total</b>	<b>68 122 162</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>-</b>	<b>-</b>	<b>(1 781)</b>	<b>68 120 381</b>

**Programme 4: National Disaster Management Centre**

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management: National Disaster Management Centre	3 442	-	-	(310)	-	-	(310)	3 132
Disaster Risk Reduction, Capacity Building and Intervention	33 333	-	-	(5 316)	-	-	(5 316)	28 017
Legislation and Policy Management	5 788	-	-	(690)	-	-	(690)	5 098
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	4 056	-	-	(400)	-	-	(400)	3 656
Fire Services	3 112	-	-	(15)	-	-	(15)	3 097
Information Technology, Intelligence and Information Management Systems	27 689	-	-	(3 269)	-	-	(3 269)	24 420
Disaster Relief Grant	381 467	-	-	-	-	-	-	381 467
Municipal Disaster Recovery Grant	140 000	-	-	-	-	-	-	140 000
<b>Total</b>	<b>598 887</b>	<b>-</b>	<b>-</b>	<b>(10 000)</b>	<b>-</b>	<b>-</b>	<b>(10 000)</b>	<b>588 887</b>

**Programme 4: National Disaster Management Centre (continued)**

Economic classification	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
<b>Current payments</b>	<b>75 073</b>	-	-	(10 000)	-	-	(10 000)	<b>65 073</b>
Compensation of employees	27 348	-	-	(10 000)	-	-	(10 000)	17 348
Goods and services	47 725	-	-	-	-	-	-	47 725
<b>Transfers and subsidies</b>	<b>521 467</b>	-	-	-	-	-	-	<b>521 467</b>
Provinces and municipalities	521 467	-	-	-	-	-	-	521 467
<b>Payments for capital assets</b>	<b>2 347</b>	-	-	-	-	-	-	<b>2 347</b>
Machinery and equipment	2 347	-	-	-	-	-	-	2 347
<b>Total</b>	<b>598 887</b>	-	-	(10 000)	-	-	(10 000)	<b>588 887</b>

**Programme 5: Local Government Support and Intervention Management**

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Management: Local Government Support and Interventions	3 148	-	-	800	-	-	800	3 948
Municipal Performance Monitoring	322 078	-	-	700	-	-	700	322 778
Local Government Improvement Programme	29 162	-	-	81	-	-	81	29 243
Litigations and Interventions	13 759	-	-	(2 700)	-	-	(2 700)	11 059
Municipal Infrastructure Grant Management	20 688	-	-	14 913	-	-	14 913	35 601
South African Local Government Association	29 500	-	-	2 000	-	-	2 000	31 500
Municipal Demarcation Board	58 220	-	-	1 000	-	-	1 000	59 220
South African Cities Network	6 619	-	-	-	-	-	-	6 619
<b>Total</b>	<b>483 174</b>	-	-	<b>16 794</b>	-	-	<b>16 794</b>	<b>499 968</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>79 559</b>	-	-	<b>13 794</b>	-	-	<b>13 794</b>	<b>93 353</b>
Compensation of employees	58 348	-	-	4 100	-	-	4 100	62 448
Goods and services	21 211	-	-	9 694	-	-	9 694	30 905
<b>Transfers and subsidies</b>	<b>403 615</b>	-	-	<b>3 000</b>	-	-	<b>3 000</b>	<b>406 615</b>
Departmental agencies and accounts	87 720	-	-	3 000	-	-	3 000	90 720
Non-profit institutions	6 619	-	-	-	-	-	-	6 619
Households	309 276	-	-	-	-	-	-	309 276
<b>Total</b>	<b>483 174</b>	-	-	<b>16 794</b>	-	-	<b>16 794</b>	<b>499 968</b>

**Details of adjustments to the Estimates of National Expenditure 2016****Roll-overs – R27.858 million**

Programme 2: Regional and Urban Development and Legislative Support

R27.858 million has been rolled over to the municipal demarcation transition indirect grant to stabilise institutional and government systems in the newly amalgamated municipalities in KwaZulu-Natal.

**Virements and shifts within votes****Programmes**

1. Administration
2. Regional and Urban Development and Legislative Support
3. Institutional Development
4. National Disaster Management Centre
5. Local Government Support and Intervention Management
6. Community Work Programme

<b>FROM:</b>			<b>TO:</b>		
<b>Programme by economic classification</b>	<b>Motivation</b>	<b>R thousand</b>	<b>Programme by economic classification</b>	<b>Motivation</b>	<b>R thousand</b>
<b>Programme 1</b>		<b>(12 853)</b>	<b>Programme 1</b>		<b>80</b>
Goods and services	Reallocation of funds for advertising due to delays in the asset verification project	(80)	Payments for financial assets	Thefts and losses	80
	Reallocation of funds for advertising due to delays in the asset verification project	(6 673)	<b>Programme 5</b>		<b>12 773</b>
	Reallocation of funds for advertising due to delays in the asset verification project	(2 000)	Goods and services	Travel, communication, and consultants	6 673
Compensation of employees	Vacant posts	(4 100)	Departmental agencies and accounts	Training of new councillors through the South African Local Government Association <sup>1</sup>	2 000
			Compensation of employees	Increase in personnel remuneration due to restructuring	4 100
Shifts within the programme as a percentage of the programme budget		0.0%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>4.8%</b>			
<b>Programme 2</b>		<b>(2 740)</b>	<b>Programme 5</b>		<b>2 740</b>
Goods and services	Reallocation of funds for consultants, and training and development due to delays in appointing a geographic information systems enterprise licence	(1 740)	Goods and services	Consultants, catering, and travel and subsistence	1 740
	Reallocation of funds for consultants, and training and development due to delays in appointing a geographic information systems enterprise licence	(1 000)	Departmental agencies and accounts	International conference hosted by the Municipal Demarcation Board <sup>1</sup>	1 000
Shifts within the programme as a percentage of the programme budget		0.0%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.8%</b>			
<b>Programme 3</b>		<b>(1 781)</b>	<b>Programme 5</b>		<b>1 281</b>
Goods and services	Reallocation of funds for travel and subsistence, catering and communication, due to delays in the rollout of the ministerial campaign for ward committees	(1 281)	Goods and services	Consultants	1 281
Compensation of employees	Vacant posts	(500)	<b>Programme 2</b>		<b>500</b>
			Compensation of employees	Increase in personnel remuneration due to restructuring	500
Shifts within the programme as a percentage of the programme budget		0.0%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.0%</b>			
<b>Programme 4</b>		<b>(10 000)</b>	<b>Programme 1</b>		<b>10 000</b>
Compensation of employees	Vacant posts	(10 000)	Compensation of employees	Increase in personnel remuneration due to restructuring	10 000
Shifts within the programme as a percentage of the programme budget		0.0%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>1.7%</b>			
<b>Total</b>		<b>(27 374)</b>			<b>27 374</b>

1. National Treasury approval has been obtained.

**Expenditure outcome for 2015/16 and actual expenditure for 2016/17**

Programme	2015/16					2016/17			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation
Administration	228 576	131 160	57.4	228 072	99.8	263 691	0.4	110 047	41.7
Regional and Urban Development and Legislative Support	76 202	34 898	45.8	73 162	96.0	354 794	0.5	102 715	29.0
Institutional Development	67 409 211	28 022 622	41.6	65 053 928	96.5	68 120 381	93.3	26 534 571	39.0
National Disaster Management Centre	606 805	201 428	33.2	258 158	42.5	588 887	0.8	77 053	13.1
Local Government Support and Intervention Management	118 744	49 942	42.1	109 987	92.6	502 968	0.7	94 061	18.7
Community Work Programme	2 375 939	1 077 163	45.3	2 374 230	99.9	3 191 185	4.4	986 174	30.9
<b>Total</b>	<b>70 815 477</b>	<b>29 517 213</b>	<b>41.7</b>	<b>68 097 537</b>	<b>96.2</b>	<b>73 021 906</b>	<b>100.0</b>	<b>27 904 621</b>	<b>38.2</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 062 912</b>	<b>1 295 486</b>	<b>42.3</b>	<b>2 759 622</b>	<b>90.1</b>	<b>3 826 454</b>	<b>5.2</b>	<b>1 180 278</b>	<b>30.8</b>
Compensation of employees	271 777	127 528	46.9	258 334	95.1	320 521	0.4	135 425	42.3
Goods and services	2 791 135	1 167 958	41.8	2 501 288	89.6	3 505 933	4.8	1 044 853	29.8
<b>Transfers and subsidies</b>	<b>67 745 944</b>	<b>28 219 704</b>	<b>41.7</b>	<b>65 290 923</b>	<b>96.4</b>	<b>69 188 025</b>	<b>94.7</b>	<b>26 722 059</b>	<b>38.6</b>
Provinces and municipalities	67 254 621	27 947 065	41.6	64 799 161	96.3	68 301 723	93.5	26 424 625	38.7
Departmental agencies and accounts	484 949	270 444	55.8	484 949	100.0	570 407	0.8	297 235	52.1
Non-profit institutions	6 286	2 095	33.3	6 286	100.0	6 619	-	-	-
Households	88	100	113.6	527	598.9	309 276	0.4	199	0.1
<b>Payments for capital assets</b>	<b>6 521</b>	<b>1 862</b>	<b>28.6</b>	<b>46 078</b>	<b>706.6</b>	<b>7 347</b>	<b>-</b>	<b>2 255</b>	<b>30.7</b>
Machinery and equipment	6 521	1 862	28.6	46 078	706.6	7 347	-	2 255	30.7
<b>Payments for financial assets</b>	<b>100</b>	<b>161</b>	<b>161.0</b>	<b>914</b>	<b>914.0</b>	<b>80</b>	<b>-</b>	<b>29</b>	<b>36.3</b>
<b>Total</b>	<b>70 815 477</b>	<b>29 517 213</b>	<b>41.7</b>	<b>68 097 537</b>	<b>96.2</b>	<b>73 021 906</b>	<b>100.0</b>	<b>27 904 621</b>	<b>38.2</b>

**Expenditure trends for the first six months of 2016/17**

Total expenditure in 2015/16 was 96.2 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R27.9 billion, or 38.2 per cent of the adjusted appropriation of R73 billion for the year. In comparison, mid-year expenditure in 2015/16 was R29.5 billion, or 41.7 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 decreased by R1.6 billion, or 5.5 per cent. This was mainly due to delays in the transfers of the municipal infrastructure grant and the local government equitable share to newly established municipalities that were affected by the municipal demarcation process following the 2016 local government elections.

**Departmental receipts**

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome			Actual receipts					
Apr 15 - Sep 15		Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	
<b>Departmental receipts</b>	<b>1 148</b>	<b>564</b>	<b>49.1</b>	<b>1 116</b>	<b>97.2</b>	<b>1 165</b>	<b>1 165</b>	<b>100.0</b>	<b>940</b>	<b>80.7</b>
Sales of goods and services produced by department	351	77	21.9	157	44.7	305	172	14.8	81	47.1
Sales of scrap, waste, arms and other used current goods	-	-	-	1	-	5	-	-	-	-
Transfers received	244	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	13	8	61.5	291	2 238.5	15	575	49.4	564	98.1
Sales of capital assets	-	-	-	-	-	40	150	12.9	40	26.7
Transactions in financial assets and liabilities	540	479	88.7	667	123.5	800	268	23.0	255	95.1
<b>Total</b>	<b>1 148</b>	<b>564</b>	<b>49.1</b>	<b>1 116</b>	<b>97.2</b>	<b>1 165</b>	<b>1 165</b>	<b>100.0</b>	<b>940</b>	<b>80.7</b>

### Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R940 000, or 80.7 per cent of the revenue estimate of R1.2 million for the year. In comparison, mid-year revenue in 2015/16 was R564 000, or 49.1 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 increased by R376 000, or 66.7 per cent. This was mainly due to higher interest earned on bank balances.

### Changes to transfers and subsidies, including conditional grants

#### Summary of changes to transfers and subsidies per programme

		2016/17							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
<b>Local Government Support and Intervention Management</b>									
<b>Departmental agencies and accounts</b>									
<b>Departmental agencies (non-business entities)</b>									
<b>Current</b>									
	87 720	-	-	3 000	-	-	3 000	90 720	
South African Local Government Association	29 500	-	-	2 000	-	-	2 000	31 500	
Municipal Demarcation Board	58 220	-	-	1 000	-	-	1 000	59 220	