

VOTE 4

DEPARTMENT OF HEALTH

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	31 524 334	31 491 179	(33 155)	
<i>of which:</i>				
Current payments	28 905 602	28 724 052	(181 550)	
Transfers and subsidies	1 427 392	1 471 149		43 757
Payments for capital assets	1 191 340	1 295 978		104 638
Payment for financial assets				
Executive authority	MEC for Health			
Accounting officer	Head of Department			

1. Vision and mission

Vision

To be the best provider of quality health to the people of Gauteng

Mission

Provide excellent, integrated health services in partnership with stakeholders to contribute towards lessening the burden of disease in all communities in Gauteng.

2. Changes to programme purposes and objectives

Not applicable.

3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 4.1 DEPARTMENT OF HEALTH

Programme R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Administration	602 956									602 956
2. District Health Services	10 337 745			3 281					3 281	10 341 026
3. Emergency Medical Services	1 013 348									1 013 348
4. Provincial Hospital Services	6 007 001				29 851			96 000	125 851	6 132 852
5. Central Hospital services	10 628 346				20 000			211 651	231 651	10 859 997
6. Health Sciences & Training	885 881				(36 851)			61 749	24 898	910 779
7. Health Care Support Services	249 602									249 602
8. Health Facilities Management	1 799 455	487 503		81 667	(13 000)				(418 836)	1 380 619
Total for programmes	31 524 334	487 503		84 948				369 400	(33 155)	31 491 179

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	28 905 602	(399 327)			(94 274)			312 051	(181 550)	28 724 052
Compensation of employees	18 778 461				(35 207)				(35 207)	18 743 254
Goods and services	10 127 141	(399 327)			(59 067)			312 051	(146 343)	9 980 798
Interest and rent on land										
Transfers and subsidies	1 427 392				(13 592)			57 349	43 757	1 471 149
Provinces and municipalities	647 041									647 041
Departmental agencies and accounts	17 131									17 131
Higher education institutions	1 782									1 782
Non-profit institutions	692 367				(33 044)				(33 044)	659 323
Households	69 071				19 452			57 349	76 801	145 872
Payments for capital assets	1 191 340	(88 176)		84 948	107 866				104 638	1 295 978
Buildings and other fixed structures	510 195	(88 176)			35 358				(52 818)	457 377
Machinery and equipment	681 145			84 948	72 508				157 456	838 601
Payments for financial assets										
Total economic classification	31 524 334	(487 503)		84 948				369 400	(33 155)	31 491 179

The department reprioritized the 2014/15 budget to align to ten pillar programme of Transformation, Modernization and Reindustrialisation. The department supports the priority pillar, the Acceleration of Social Transformation.

The main appropriation of the department is adjusted downward by R33.1 million to R31.491 billion during the adjustment budget process. The reduced budget allocation is mainly due to the surrender of R487.5 million to the Provincial Revenue Fund. In addition, conditional grant rollovers are approved for the Revitalisation grant and the National Health Insurance grant and the department receives additional funding to cover costs primarily in two programmes i.e. Provincial Hospital Services and Central Hospital Services. In addition, the department shifted funds within programmes and from one programme to another in an attempt to align the budget to new priorities and augment the areas where there are pressures within the programmes. The budget allocated to compensation of employees is reduced by an amount of R35.2 million mainly to reclassify the payment of the Ward Based Outreach Teams (WBOTs) that are paid under goods and services.

4. Details of Adjustments to Estimates of Departmental Expenditure 2014/15

Programme 1: Administration

TABLE 4.2 PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office of the MEC	15 444									15 444
2. Management	587 512									587 512
Total for programme	602 956									602 956

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	591 688				(2 623)				(2 623)	589 065
Compensation of employees	331 500									331 500
Goods and services	260 188				(2 623)				(2 623)	257 565
Interest and rent on land										
Transfers and subsidies	2 000									2 000
Households	2 000									2 000
Payments for capital assets	9 268				2 623				2 623	11 891
Buildings and other fixed structures										
Machinery and equipment	9 268				2 623				2 623	11 891
Payments for financial assets										
Total economic classification	602 956									602 956

TABLE 4.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(75 742)		73 119
Compensation of employees	Funds are shifted within personnel budget to align to the correct items.	(57 445)	Funds are shifted to salaries and wages within the personnel budget.	57 445
Goods and services	Funds are shifted due to cost containment measures and the postponement of the recruiting process. Funds are also shifted from travel and subsistence as planned trips were scaled down to align with the cost containment measures.	(18 297)	Funds are shifted to align with the departmental investment to ensure that services are aligned to the norms and standards as per type of service at the institution level (service transformation plan). Shifts are also done to invest in revenue generation through patient verification processes. Shifts also accommodates the payment of leases for central office buildings, Penmore and the Health Processing Centre.	15 674
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				2 623
Buildings and other fixed structures				
Machinery and equipment			Budget is shifted to increase the allocation for finance leases.	2 623
Payments for financial assets				
Total economic classification		(75 742)		75 742

Virements and shifts

Funds totalling R57.4m are shifted within the compensation of employees to fully cover the costs per item, i.e. from social contributions to salaries and wages.

An amount of R2.6 million is shifted from goods and services to payment of capital assets to cover excess expenditure on finance leases. Furthermore, an amount of R15.6 million is reprioritised within goods and services. This is as a result of cost containment measures and the postponement of the recruitment process. These funds are reprioritised to alleviate budgetary pressure on other items such as security services, the enhancement of ICT project (V- Block) and the service transformation plan to improve revenue generation.

Programme 2: District Health Services

TABLE 4.4 PROGRAMME 2: DISTRICT HEALTH SERVICES

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. District Management	497 114			3 281	(62 200)				(58 919)	438 195
2. Community Health Clinics	2 014 964				(30 360)				(30 360)	1 984 604
3. Community Health Centres	1 568 079				(25 648)				(25 648)	1 542 431
4. Community Based Services	1 120 789				82 412				82 412	1 203 201
5. HIV/AIDS	2 800 532				(10 000)				(10 000)	2 790 532
6. Nutrition	47 759									47 759
7. Coroner Services	183 884									183 884
8. District Hospitals	2 104 624				45 796				45 796	2 150 420
Total for programme	10 337 745			3 281					3 281	10 341 026

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	9 409 769				(8 373)				(8 373)	9 401 396
Compensation of employees	5 227 075				(37 750)				(37 750)	5 189 325
Goods and services	4 182 694				29 377				29 377	4 212 071
Interest and rent on land										
Transfers and subsidies	765 394				(32 244)				(32 244)	733 150
Provinces and municipalities	310 720									310 720
Non-profit institutions	440 672				(33 044)				(33 044)	407 628
Households	14 002				800				800	14 802
Payments for capital assets	162 582			3 281	40 617				43 898	206 480
Buildings and other fixed structures					14 150				14 150	14 150
Machinery and equipment	162 582			3 281	26 467				29 748	192 330
Payments for financial assets										
Total economic classification	10 337 745			3 281					3 281	10 341 026

TABLE 4.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: DISTRICT HEALTH SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(554 405)		546 032
Compensation of employees	Funds are shifted within the HIV and AIDS grant to reclassify the personnel budget of the Ward Based Outreach Team (WBOT) who are not appointed on PERSAL but paid under goods and services as contractors. Other shifts are made to align the expenditure and the budget within the programme.	(163 715)	Funds are shifted within compensation of employees to align the expenditure and the budget within the programme.	125 965
Goods and services	Funds are shifted within the HIV and AIDS programmes to align with the addendum to the business plan. The budget allocated to the community health clinics and centres is also realigned to alleviate pressure in medical supplies. Planned travelling has been revised due to the implementation of cost containment measures.	(390 690)	Provision is made for the increased intake of community health workers to contribute to job-creation. Shifts are within sub-programmes to fund drugs used for increased prevention for opportunistic diseases. Funds are also shifted to cater for the increased security tariffs and to pay for municipality services.	420 067
Interest and rent on land				
Transfers and subsidies		(33 044)		800
Non-profit institutions	Funds allocated for Bronkhorstspuit hospital are reprioritised since the department no longer refers patients to this hospital.	(33 044)		
Households			The amount is shifted to alleviate excess pressure on the item.	800
Payments for capital assets		(22 781)		63 398
Buildings and other fixed structures			Funds are shifted to procure parkhomes due to increased uptake of HIV and AIDS programmes.	14 150
Machinery and equipment	Funds are shifted to ensure accurate budget allocation within sub-programmes.	(22 781)	Provision is made to fund finance leases and the procurement of refrigerators for vaccines.	49 248
Payments for financial assets				
Total economic classification		(610 230)		610 230

Provincial Rollover: R3.2 million

The programme allocation has increased by R3.2 million due to approved rollover for the National Health Insurance grant to provide for commitments on telecommunication, machinery and equipment which includes server installation and a telephone management system at clinics and community health centres.

Virements and shifts

An amount of R33 million previously allocated for Bronkhorstspuit hospital to assist the department as a step down and referral facility is shifted to non- negotiable items since the department is no longer utilizing this hospital. Furthermore, R10 million is shifted from the HIV and AIDS sub-programme to fund compensation of employees in district hospitals.

Funds are also shifted within the HIV/AIDS sub-programme to cater for procurement of parkhomes, HIV/AIDS awareness campaigns and the increased intake of community health care workers with the aim of creating jobs. The budget is also moved within the sub-programmes to increase the allocation for non-negotiable items, security services and municipal services and to fund the procurement of refrigerators for vaccines for improved infection control.

Programme 3: Emergency Medical Services

TABLE 4.6 PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Sub-programmes R thousand	Main Appropriation	20/1 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Emergency Transport	861 290				21 542				21 542	882 832
2. Planned Patient Transport	152 058				(21 542)				(21 542)	130 516
Total for programme	1 013 348									1 013 348

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	647 340				(28 362)				(28 362)	618 978
Compensation of employees	379 743									379 743
Goods and services	267 597				(28 362)				(28 362)	239 235
Interest and rent on land										
Transfers and subsidies	336 321				820				820	337 141
Provinces and municipalities	336 321									336 321
Households					820				820	820
Payments for capital assets	29 687				27 542				27 542	57 229
Buildings and other fixed structures										
Machinery and equipment	29 687				27 542				27 542	57 229
Payments for financial assets										
Total economic classification	1 013 348									1 013 348

TABLE 4.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(31 547)		3 185
Compensation of employees				

Economic classification	Motivation	From	Motivation	To
Goods and services	Realignment of the budget due to revised procurement process for medicine within the programme and the revised schedule for transporting patients.	(31 547)	Provision is made for the registration of new ambulances and licences renewals of the current fleet. In addition, minor assets associated with the new ambulances will be procured.	3 185
Interest and rent on land				
Transfers and subsidies				820
Households			Provision is made for leave gratuity	820
Payments for capital assets				27 542
Machinery and equipment			Provision is made for the procurement of new ambulances.	27 542
Payments for financial assets				
Total economic classification		(31 547)		31 547

Virements and shifts

Funds are shifted within the programme to make provision for the Ambulance Recapitalization Programme in order to improve response times. A total amount of R31.5 million is shifted from goods and services as a result of the revised procurement process for medicine. Out of this total amount, R27.5 million will be used for the acquisition of new ambulances, R1.3 million for vehicle licenses and R1.9 million for the procurement of minor assets associated with the new ambulance fleet.

Programme 4: Provincial Hospital Services

TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. General (Regional) Hospitals	4 095 286				62 901			81 000	143 901	4 239 187
2. Tuberculosis Hospitals	425 983				(65 855)				(65 855)	360 128
3. Psychiatric/Mental Hospitals	999 353				10 139			14 000	24 139	1 023 492
4. Dental Training Hospitals	415 934				9 836			1 000	10 836	426 770
5. Other Specialised Hospitals	70 445				12 830				12 830	83 275
Total for programme	6 007 001				29 851			96 000	125 851	6 132 852

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	5 642 012				26 178			96 000	122 178	5 764 190
Compensation of employees	4 294 666				32 394				32 394	4 327 060
Goods and services	1 347 346				(6 216)			96 000	89 784	1 437 130
Interest and rent on land										
Transfers and subsidies	257 030				75				75	257 105
Non-profit institutions	251 695									251 695
Households	5 335				75				75	5 410
Payments for capital assets	107 959				3 598				3 598	111 557
Buildings and other fixed structures	500									500

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Machinery and equipment	107 459				3 598				3 598	111 057
Payments for financial assets										
Total economic classification	6 007 001				29 851			96 000	125 851	6 132 852

TABLE 4.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(437 635)		463 813
Compensation of employees	Funds are shifted from the TB programme to alleviate excess pressure within other sub-programmes. The TB programme has been rolled-out to other hospitals to ensure sufficient access.	(319 477)	Funds are shifted within compensation of employees and provision is made for the placement of nurse graduates.	351 871
Goods and services	Funds are shifted as a result of less usage of nursing agencies and slow spending items within the programme.	(118 158)	Funds are shifted to alleviate excess expenditure on wood and coal and the procurement of protective clothing for prevention of infection control in the hospitals. Provision is also made for higher municipal and security tariffs.	111 942
Interest and rent on land				
Transfers and subsidies				75
Households			Funds are shifted to cover for expenditure on leave gratuity.	75
Payments for capital assets				3 598
Machinery and equipment			Funds are shifted to alleviate excess expenditure within the item, and to reclassify the budget to cater for finance leases.	3 598
Payments for financial assets				
Total economic classification		(437 635)		467 486

Provincial additional funding: R96 million

An additional amount of R96 million is allocated to goods and services to supplement the budget related to the non-negotiable items such as property payments, medical supplies and consumable supplies.

Virements and shifts

The reprioritization of the budget availed an additional R29.8 million in this programme to increase the compensation of employees' budget to fund the placement of nursing graduates.

An amount of R66 million is shifted from Tuberculosis (TB) sub-programme to other sub-programmes within the programme in order to address spending pressures and there will be no impact on service delivery as the TB programme has been rolled out to other hospitals to ensure access for all to health services. This amount is distributed as follows:

- R45.7 million is allocated to General Hospitals to cover shortfall on compensation of employees because of the filling of posts with regard to the reclassification of the hospital and the roll-out of the TB programme.
- R5.5 million is allocated to Psychiatric Hospitals for the filling of the critical posts.
- R7.9 million is allocated to Dental Hospitals of which R6 million is for the filling of critical posts and R2 million for the replacement of ageing dental equipment.
- R6.7 million is allocated to Other Specialized Hospitals for the filling of critical posts and this also caters for increased municipal and security tariffs.

Programme 5: Central Hospital Services**TABLE 4.10: PROGRAMME 5: CENTRAL HOSPITAL SERVICES**

Sub-programmes R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Central Hospitals	8 313 010				20 000			206 651	226 651	8 539 661
2. Provincial Tertiary Hospital Service	2 315 336							5 000	5 000	2 320 336
Total for programme	10 628 346				20 000			211 651	231 651	10 859 997

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	10 357 415				16 180			211 651	227 831	10 585 246
Compensation of employees	7 624 402				20 000				20 000	7 644 402
Goods and services	2 733 013				(3 820)			211 651	207 831	2 940 844
Interest and rent on land										
Transfers and subsidies	11 611				3 820				3 820	15 431
Households	11 611				3 820				3 820	15 431
Payments for capital assets	259 320									259 320
Buildings and other fixed structures										
Machinery and equipment	259 320									259 320
Payments for financial assets										
Total economic classification	10 628 346				20 000			211 651	231 651	10 859 997

TABLE 4.11: DETAILS AND VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(92 536)		108 716
Compensation of employees	Funds are shifted within compensation of employees to ensure that employees are paid from the correct sub-programmes.	(9 583)	Funds are allocated to cater for placement of nurse graduates. The compensation of employees' budget is also realigned.	29 583
Goods and services	Due to budget pressures on core services, the department scaled down the procurement of minor assets. Funds are also shifted from other items within the sub-programmes.	(82 953)	Funds are shifted to alleviate excess expenditure incurred on wood and coal and also for the procurement of protective clothing for the prevention infection control of in the hospitals.	79 133
Interest and rent on land				
Transfers and subsidies				3 820
Households			Provision is made for leave gratuity.	3 820
Payments for capital assets				
Payments for financial assets				
Total economic classification		(92 536)		112 536

Provincial additional funding: R211.6 million

The programme is receiving an additional amount of R211.6 million to make provision for non- negotiable items due to increased tariffs for security and municipal services and to reduce excess expenditure on medicine. The funds will also be used for the maintenance of medical and allied equipment as well as diesel for the boilers used in hospitals.

Virements and shifts

The reprioritization of the budget within the baseline resulted in an increase of R20 million to ease budget pressures on compensation of employees in Central hospitals as a result of the placement of nurse graduates. Funds are shifted within the sub-programmes to alleviate the spending pressures in terms of the non-negotiable items. Provision is also made for leave gratuity under the item households.

Programme 6: Health Sciences and Training

TABLE 4.12: PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Sub-programmes R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Nurse Training Colleges	745 000				(49 351)				(49 351)	695 649
2. EMS Training Colleges	38 559				(500)				(500)	38 059
3. Bursaries	50 682				13 000			57 349	70 349	121 031
4. Other Training	51 640							4 400	4 400	56 040
Total for programme	885 881				(36 851)			61 749	24 898	910 779

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	816 370				(51 161)			4 400	(46 761)	769 609
Compensation of employees	750 952				(49 851)				(49 851)	701 101
Goods and services	65 418				(1 310)			4 400	3 090	68 508
Interest and rent on land										
Transfers and subsidies	54 733				13 562			57 349	70 911	125 644
Provinces and municipalities										
Departmental agencies and accounts	17 131									17 131
Higher education institutions	1 782									1 782
Households	35 820				13 562			57 349	70 911	106 731
Payments for capital assets	14 778				748				748	15 526
Buildings and other fixed structures										
Machinery and equipment	14 778				748				748	15 526
Payments for financial assets										
Total economic classification	885 881				(36 851)			61 749	24 898	910 779

TABLE 4.13 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Economic classification	Motivation	From	Motivation	To
Current payments		(102 624)		51 463
Compensation of employees	Funds are shifted to social contributions within the personnel budget. Provision is made to fund placement of nurse graduates in other programmes.	(88 926)	Funds are shifted to salaries and wages within the personnel budget to place health professionals including nurses.	39 075

Economic classification	Motivation	From	Motivation	To
Goods and services	Funds are shifted to alleviate excess expenditure within sub-programmes and to reclassify the budget from operating leases to machinery and equipment for finance leases.	(13 698)	Funds are shifted for the procurement of staff uniform, municipal and security services and for training and development as a result of the increased intake of the Cuban student doctors.	12 388
Interest and rent on land				
Transfers and subsidies				13 562
Households			Funds are shifted for leave gratuity. Furthermore, shifting was to alleviate excess expenditure incurred for Cuban doctor programme to lessen shortage of medical professionals.	13 562
Payments for capital assets				748
Buildings and other fixed structures				
Machinery and equipment			Funds are shifted to make provision for finance leases.	748
Payments for financial assets				
Total economic classification		(102 624)		65 773

Provincial additional funding: R61.7 million

The department is receiving an additional funding of R4.4 million from the HWSETA for skills development and training of health professionals including nurses and radiographers. The programme also received additional funding of R57.3 million to provide for the Cuban doctor programme with the aim of alleviating the shortage of medical professionals.

Virements and shifts

An amount of R49.8 million is shifted from compensation of employees to other programmes due to placement of nurse graduates. Funds are shifted within the sub-programmes to improve human resource development and management, to procure uniforms for student nurses and ensure that the budget for compensation of employees is realigned. Furthermore, funds are shifted to provide for photocopying machines and pay for higher municipal and security tariffs. In addition, R13 million is shifted to the programme to cater for the Cuban doctor programme with the aim of alleviating the shortage of medical professionals.

Programme 7: Health Care Support Services

TABLE 4.14: PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Laundries	189 419									189 419
2. Food Supply Services	60 182									60 182
3. Medicine Trading Account	1									1
Total for programme	249 602									249 602

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	234 017				4 292				4 292	238 309
Compensation of employees	155 345									155 345
Goods and services	78 672				4 292				4 292	82 964
Interest and rent on land										
Transfers and subsidies	303				375				375	678
Households	303				375				375	678
Payments for capital assets	15 282				(4 667)				(4 667)	10 615

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Buildings and other fixed structures Machinery and equipment Payments for financial assets	15 282				(4 667)				(4 667)	10 615
Total economic classification	249 602									249 602

TABLE 4.15: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(4 514)		8 806
Compensation of employees	Funds are shifted within compensation of employees to ensure accurate allocation in a sub-programme.	(223)	Funds are shifted within compensation of employees to ensure accurate allocation in a sub-programme.	223
Goods and services	Due to budget constraints the department has decided to stop the usage of personnel labour brokers. Funds are also shifted between sub-programmes.	(4 291)	Funds shifted to alleviate excess expenditure on the costs of wood and coal and procurement of protective clothing for prevention of infection control.	8 583
Interest and rent on land				
Transfers and subsidies				375
Households				375
Payments for capital assets		(4 667)		
Buildings and other fixed structures Machinery and equipment	Procurement of machinery and equipment has been budgeted for under health facilities management programme thus these funds are shifted to other areas.	(4 667)		
Payments for financial assets				
Total economic classification		(9 181)		9 181

Virements and shifts

Funds are shifted between the sub-programmes in order to alleviate excess expenditure on the costs of wood and coal and to procure protective clothing for the prevention of infection control. In addition an amount of R1 million is allocated to food supply services for the new Zola and Ntalspruit hospitals.

Programme 8: Health Facilities Management

TABLE 4.16: PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Community Health Facilities	298 369	(114 449)			(53 568)				(168 017)	130 352
2. Emergency Medical Rescue Services	1 639	(7)			(261)				(268)	1 371
3. District Hospital Services	252 727	(36 750)		22 000	34 751				20 001	272 728
4. Provincial Hospital Services	605 211	(122 693)			(21 314)				(144 007)	461 204
5. Central Hospital Services	416 630	(179 819)		59 667	59 637				(60 515)	356 115
6. Other Facilities	224 879	(33 785)			(32 245)				(66 030)	158 849
Total for programme	1 799 455	(487 503)		81 667	(13 000)				(418 836)	1 380 619

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	1 206 991	(399 327)			(50 405)				(449 732)	757 259
Compensation of employees	14 778									14 778
Goods and services	1 192 213	(399 327)			(50 405)				(449 732)	742 481
Interest and rent on land										
Transfers and subsidies										
Payments for capital assets	592 464	(88 176)		81 667	37 405				30 896	623 360
Buildings and other fixed structures	509 695	(88 176)			21 208				(66 968)	442 727
Machinery and equipment	82 769			81 667	16 197				97 864	180 633
Payments for financial assets										
Total economic classification	1 799 455	(487 503)		81 667	(13 000)				(418 836)	1 380 619

TABLE 4.17: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME: HEALTH FACILITIES MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(279 024)		228 619
Compensation of employees				
Goods and services	Funds shifted due to delays in the appointment of term contracts, compilation of specifications and lack of capacity.	(279 024)	Funds are shifted to enhance service delivery for commissioning of the revitalised hospitals.	228 619
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(82 698)		120 103
Buildings and other fixed structures	Projects implementation will be extended as projects are not finished on time.	(79 698)	Funds shifted to complete the delayed projects from the previous with a positive impact on service delivery.	100 906
Machinery and equipment	No impact on service delivery as shifting is done within the sub programmes.	(3 000)	Funds are shifted for replacement of ageing and obsolete medical equipment at various institutions with a positive impact on service delivery.	19 197
Payments for financial assets				
Total economic classification		(361 722)		348 722

Surrender: R487.5 million

An amount of R487.5 million will be surrendered from the maintenance programme due to protracted Supply Chain Management (SCM) and implementation processes.

Provincial rollover: R81.6 million

A rollover amounting to R81.6 million of which R22 million is allocated to Zola hospital for procurement of medical equipment and R59.6 million is for replacement of ageing and obsolete equipment at central hospitals.

Virements and shifts

Funds are shifted within various sub-programmes in order to invest in ICT projects to enhance service delivery for commissioning of the revitalized hospitals. Furthermore, funds are shifted from maintenance to capital projects in order to accommodate new projects identified during the year. An amount of R13 million is shifted from maintenance due to deferred maintenance plan.

5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 4.18 EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department R thousand	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014-September 2014	% change 13/14-14/15 Apr-Sept
1. Administration	835 543	292 046	584 151	70%	602 956	266 639	(9%)
2. District Health Service	9 017 899	4 226 685	8 357 432	93%	10 341 026	4 701 642	11%
3. Emergency Medical Services	932 765	445 783	936 278	100%	1 013 348	245 646	(45%)
4. Provincial Hospital Services	5 248 849	2 589 390	5 154 324	98%	6 132 852	3 059 616	18%
5. Central Hospital Services	9 880 967	5 443 351	10 237 795	104%	10 859 997	6 010 694	10%
6. Health Sciences & Training	910 319	411 511	829 485	91%	910 779	406 195	(1%)
7. Health Care Support Services	284 520	103 137	194 870	68%	249 602	101 755	(1%)
8. Health Facilities Management	1 659 923	508 815	1 121 466	68%	1 380 619	488 606	(4%)
Total for programmes	28 770 785	14 020 718	27 415 801	95%	31 491 179	15 280 793	9%
Current payments	25 700 923	12 934 551	25 157 666	98%	28 724 052	14 318 952	(72%)
Compensation of employees	16 998 724	8 639 419	17 096 854	101%	18 743 254	9 427 957	9%
Goods and Services	8 702 199	4 293 898	8 059 289	93%	9 980 798	4 890 935	14%
Interest and rent on land		1 234	1 523			60	(95%)
Transfers and subsidies	1 468 780	694 288	1 423 046	97%	1 471 149	508 427	(20%)
Provinces and municipalities	607 677	262 162	607 677	100%	647 041	128 594	(51%)
Departmental agencies and accounts	16 209	8	16 117	99%	17 131	262	33%
Higher education institutions	1 650		958	58%	1 782		
Non-profit institutions	788 090	361 583	640 453	81%	659 323	297 807	(18%)
Households	55 154	70 535	157 841	286%	145 872	81 764	16%
Payments for capital assets	1 601 082	391 879	832 163	52%	1 295 978	450 791	15%
Buildings and other fixed structures	754 057	219 472	415 135	55%	457 377	166 148	(24%)
Machinery and equipment	847 025	172 231	416 840		838 601	284 643	65%
Software and other intangible assets		176	188				(100%)
Payments for financial assets			2 926			2 623	
Total economic classification	28 770 785	14 020 718	27 415 801	95%	31 491 179	15 280 793	9%

The department's total expenditure for 2013/14 financial year amounted to R27.4 billion which translates to 95 per cent of the total budget. Expenditure incurred on compensation of employees exceeded the budget by 1 per cent as a result of the 2011/12 outstanding performance bonuses paid during the 2013/14 financial year. The overall underspending on goods and services was as a result of non-payment to National Health Laboratory Services (NHLS) which resulted in under spending. Underspending on higher education and training was due to delays in the submission of claims and payment thereof.

During 2013/14 financial year, the department took a policy decision to pay community health workers directly as opposed to transferring funds to non-profit institutions. This resulted in under spending on non-profit organisations as some payments were processed under goods and services.

The over expenditure on households is attributed to an increase of student intake in the Cuban Student Doctor Programme as well as unforeseen increase in staff resignations resulting in increased leave gratuity payments. An under-spending in payments for capital assets was due to the delay in approval of plans, procurement processes and non-delivery of procured equipment before the end of the financial year.

Expenditure trends for the first half of 2014/15

The department spent R15.2 billion in the first half of 2014/15 financial year and R14 billion in the 2013/14 financial year. The increase in spending is due to the payment of accruals from the previous financial years and the main items that are affected include legal costs and property payments.

Programme 1: Administration

The total amount spent at the end of 2014/15 second quarter is R266.6 million which is comparatively less than the R292 million spent in the 2013/14 financial year. The reduced spending is as a result of delays in the filling of funded posts and implementation of cost containment measures. The department replaced desk printers with the heavy duty printers which reduced the cost for cartridges.

Programme 2: District Health Services

Expenditure in this programme increased by R475 million at the end of the second quarter in the current financial year when compared with the second quarter in 2013/14. The increased expenditure is as a result of payment of accruals in the first quarter of the financial year and NHLS invoices.

Programme 3: Emergency Medical Services

The total expenditure for the first six months of the current financial year amounts to R245.6 million which is less when compared with R445.7 million in the same period for 2013/14 financial year. Delays in the approval of service level agreement resulted in delays in the transferring funds to municipalities; hence there is a decrease in expenditure in 2014/15 as compared to 2013/14.

Programme 4: Provincial Hospital Services

During the period under review, the spending in this programme amounts to R3 billion which is higher than R2.5 billion spent in the same period during 2013/14 financial year. The increased spending is due to the payment of accruals from the previous financial years as well as the intake of community service doctors.

Programme 5: Central Hospital Services

The total expenditure for the first six month of the current financial year has increased by R568 million from R5.4 billion in 2013/14 to R6 billion in 2013/14. The increase in spending is due to the payment of accruals from the previous financial years and the affected items are legal costs, inventory clothing material, consumable supplies and property payments.

Programme 6: Health Sciences and Training

The mid-term expenditure for this programme totalled to R406.1 million which is less when compared to the same period for the previous financial year and amounted to R411.5 million. The reduction in expenditure is due to posts of nurse graduates who are paid from other programmes but posts are budgeted for in this programme, hence the amendments implemented during the adjustment budget period.

Programme 7: Health Care Support

The 2014/15 second quarter expenditure in this programme is at R101.7 million as compared to R103.1 million in the 2013/14 financial year. A reduction in the spending trend is as a result of delays in filling of posts.

Programme 8: Health Facilities Management

Spending under this programme amounted to R488.6 million; however the programme has spent R20 million less as compared to previous financial year. The decrease is as a result of underperformance of contractors, delay in processing medical and allied equipment invoices as well as various projects that are still at planning stage.

6. Departmental receipts

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department R thousand	2013/14				2014/15		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% change 13/14-14/15 Apr-Sept
Tax receipts							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							
Sales of goods and services other than capital assets	468 493	203 187	471 332	1%	497 896	225 297	11%
Of which Health							
patient fees	386 191	161 404			430 447	186 146	15%
Transfers received							
Fines, penalties and forfeits	43	30	47	9%	47	28	(7%)
Interest, dividends and rent on land	975	390	6 188	535%	1 147	175	(55%)
Sales of capital assets							
Financial transactions in assets and liabilities	24 210	11 047	50 142	107%	25 420	18 776	70%
Total receipts	493 721	214 654	527 709	651%	524 510	244 276	14%

During the 2014/15 financial year the department budgeted to collect a total of R524.5 million. In the first six months of the current financial year, the department collected a total of R244.2 million which is 47 per cent of the allocated budget. The collection of health patient fees is expected to improve in the remaining months of the financial year.

The collection under sales of goods and services other than capital assets has shown an improvement in sub-items such as sales by market establishments, boarding services, commission, course fees, day care fees, domestic services, fee for recovery of debt, and immunisation.

The collection under financial transactions in assets and liabilities has shown an increase in sub-items such as recovery of previous years' expenditure and deposits on accommodation.

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 1	2 000									2 000
Administration	2 000									2 000
Programme 2	765 394				(32 244)				(32 244)	733 150
Households	14 002				800				800	14 802
Non Profit Institution	440 672				(33 044)				(33 044)	407 628
Provinces and municipalities	310 720									310 720
Programme 3	336 321				820				820	337 141
Provinces and municipalities	336 321									336 321
Households					820				820	820

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 4	257 030				75				75	257 105
Households	5 335				75				75	5 410
Non Profit Institution	251 695									251 695
Programme 5	11 611				3 820				3 820	15 431
Households	11 611				3 820				3 820	15 431
Programme 6	54 733				13 562				13 562	68 295
Departmental agencies and accounts	17 131									17 131
Higher education institutions	1 782									1 782
Households	35 820				13 562				13 562	49 382
Programme 7	303				375				375	678
Households	303				375				375	678
Total changes in transfers and subsidies payments	1 427 392				(13 592)				(13 592)	1 413 800

An amount of R33 million previously allocated for Bronkhorstspuit hospital to assist the department as a step down and referral facility has been shifted to non-negotiable items since the department is no longer utilising their services. The budget for households has been adjusted upward in order to fund excess expenditure on leave gratuity. In addition, an amount of R13 million is allocated to increase funds for the Cuban doctor programme.

7.2 Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 2	2 815 053			3 281					3 281	2 818 334
Comprehensive HIV and Aids Grant	2 632 578									2 632 578
Health Professions Training and Development Grant	161 000									161 000
National Health Insurance Grant	7 000			3 281					3 281	10 281
Social Sector EPWP Incentive Grant	14 475									14 475
Programme 4	114 114									114 114
Health Professions Training and Development Grant	114 114									114 114
Programme 5	4 029 891									4 029 891
Health Professions Training and Development Grant	536 000									536 000
National Tertiary Services Grant	3 493 891									3 493 891
Programme 8	673 043			81 667					81 667	754 710
EPWP Integrated Grant	2 010									2 010
Health Facility Revit Grant	671 033			81 667					81 667	752 700
Total changes in conditional grants	7 632 101			84 948					84 948	7 717 049

Provincial rollover: R84.9 million

A rollover of R84.9 million is approved of which R3.2 million is for the National Health Insurance for the procurement of telecommunication and machinery at clinics and community health centres and R81.7 million is for the Health Facility Revitalization for the procurement of medical and allied equipment at district and central hospitals.

7.3 Changes to infrastructure**TABLE 4.22: CHANGES TO INFRASTRUCTURE**

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
New infrastructure assets	299 823	(45 320)	81 667		78 037				114 384	414 207
Existing Infrastructure assets	1 447 479	(442 183)			(78 037)				(520 220)	927 259
Upgrading and additions	146 709	(9 000)			19 556				10 556	157 265
Rehabilitation, renovation and refurbishment	180 118	(33 856)			(22 186)				(56 042)	124 076
Maintenance and repair	1 120 652	(399 327)			(88 407)				(487 734)	632 918
Infrastructure transfers										
Current Capital										
Capital infrastructure	626 650	(88 176)	81 667		75 407				68 898	695 548
Current infrastructure	1 120 652	(399 327)			(75 407)				(484 734)	632 918
Total changes to infrastructure	1 747 302	(487 503)	81 667		(13 000)				(418 836)	1 328 466

The new infrastructure component budget has increased from R299.8 million to R414.2 million as a result of the approved rollover to fund commitments on medical equipment, staff residence for Natalspruit hospital and shifting within sub-programme in order to make provision for new projects. The budget for existing Infrastructure assets is reduced due to delays in the implementation of other infrastructure projects.

An amount of R487.5 million will be surrendered from the infrastructure allocation. In addition, the upgrading and additions budget has been adjusted upward in order to make provision for completion of works at various institutions, whilst the rehabilitation budget has been adjusted downward due to protracted Supply Chain Management (SCM) and implementation processes.