

Vote 11

Co-operative Governance and Traditional Affairs

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	1 346 341	1 484 959		138 618
MEC remuneration	1 735	1 735		
Total amount to be appropriated	1 348 076	1 486 694		138 618
<i>of which:</i>				
Current payments	1 087 152	1 054 772	(32 380)	
Transfers and subsidies	180 112	317 966		137 854
Payments for capital assets	80 812	113 956		33 144
Payments for financial assets	-	-		
Responsible MEC	Ms N. Dube-Ncube, MEC for Co-operative Governance and Traditional Affairs			
Administering department	Co-operative Governance and Traditional Affairs			
Accounting Officer	Head: Co-operative Governance and Traditional Affairs			

1. Vision and mission

Vision

The vision of the department is: *People centred sustainable co-operative governance, which focuses on effective service delivery responsive to the needs of the communities.*

Mission

The mission of the department is: *To strengthen co-operation among all spheres of government, support and build capacity of local governance institutions, facilitate and co-ordinate stakeholder engagement, in pursuance of people-centred, accelerated service delivery.*

2. Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN Provincial Government Integrated Programme of Action; national outcome relating to responsive, accountable, effective and efficient Local Government system; the Local Government Turnaround Strategy; and the “new mandate” ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation.

The strategic objectives of the department for 2014/15 are as follows:

- *Sustained performance of institutions of local governance* will be achieved through objectives of development, support and strengthening capacity of municipalities and traditional institutions to ensure effective and efficient planning of service delivery and integration of communities. The strategic objective supporting this goal is: effective support to Local Government and Traditional Institutions for:
 - Strengthened governance.
 - Clean financial management.
 - Sustained and accelerated service delivery.
 - Effective integrated planning.

- *Strengthened co-operative governance* will be achieved by improving and strengthening co-ordination across all spheres of government, organs of state and all stakeholders in government programmes, to make government function better in a more integrated manner in order to accelerate development that is sustainable and improves the lives of people. The strategic objectives supporting this goal are:
 - o Empowered stakeholder participation in government programmes at local level (stakeholders are communities including business and unions).
 - o Improved co-operative governance between provincial and local spheres for effective service delivery.
 - o Improved participation of traditional institutions into the governance system.
- *Efficient and effective oversight* will be achieved by supporting municipalities and traditional institutions to enhance accountability to its communities and to comply with all good governance policies, practices and legislation. The strategic objectives supporting this goal are:
 - o Improved oversight of Local Government and Traditional Institutions in respect of governance and service delivery.
 - o Effective departmental monitoring, evaluation and reporting systems in respect of Local Government and Traditional Institutions.
 - o Improved accountability of Local Government and Traditional Institutions to communities in respect of governance and service delivery.

3. Summary of adjusted estimates for the 2014/15 financial year

The main appropriation of the Department of Co-operative Governance and Traditional Affairs (COGTA) was R1.348 billion in 2014/15. During the year, the department's budget increased by R138.618 million, which is the amount that is to be appropriated in the 2014/15 Adjustments Estimate.

The main adjustments that led to this overall increase of the budget are summarised below, and further details are given in Section 4.

- *Roll-overs:* An amount of R3.472 million was rolled over from 2013/14 for the completion of the Provincial Disaster Management Centre (PDMC) at Mkondeni. The renovation of the PDMC was not completed in 2013/14 due to the structural integrity of the existing structure, as most of what was discovered was not in accordance with the drawings that were provided by the department. This is allocated to Programme 3, against *Buildings and other fixed structures*.
- *Virement between programmes:* The department undertook several virements between programmes, as summarised below:
 - o Programme 1: Administration was increased by R24.058 million from Programme 4: Traditional Institutional Management mainly to cater for the higher than anticipated costs relating to the awarding of external bursaries offered by the department in areas such as civil and electrical engineering, town planning, municipal finance and general accounting. Also, the funds cater for the higher than budgeted marketing costs in respect of the 20 years of democracy billboard campaign across the province, as well as radio and newspaper campaigns highlighting the department's key achievements in communities. In addition, the funds cater for the purchase of motor vehicles for the departmental fleet, office furniture and computer equipment for new appointments and the replacement of computer equipment in line with the Information Communication Technology (ICT) policy.
 - o Programme 2: Local Governance was increased by R10.249 million mainly from Programme 3: Development and Planning to cater for the filling of critical vacant posts, as well as officials who were upgraded from levels 9 to 10 and 11 to 12 in line with DPSA requirements, and were back paid to 2012/13.

- o Programme 3 was decreased by R9.656 million mainly due to an internal moratorium on the filling of non-critical vacant posts, the lengthy recruitment processes, as well as the difficulty in finding suitable candidates. In addition, savings were realised from the slow progress with the implementation of the operations and maintenance programme relating to municipal infrastructure assets, which is at the bid specification stage, hence the anticipated savings. The savings also resulted from the slower than anticipated progress with the construction of the Traditional Administration Centres (TACs) and Community Service Centres (CSCs). This was moved to Programme 2, as explained above.
- o Programme 4 was decreased by R24.651 million mainly due to the implementation of financial controls, stringent controls on kilometres travelled with regard to travel and subsistence claims, as well as the internal moratorium placed on the filling of non-critical vacant posts. This was moved to Programmes 1 and 2, as mentioned above.

In addition to these virements between programmes, the department also undertook virements across sub-programmes and economic categories within programmes. Details of these virements are provided per programme in Section 4. All of these virements are permissible in terms of the PFMA and Treasury Regulations, though the virements undertaken from Programme 4 require Legislature approval, as these exceed the 8 per cent threshold in terms of the PFMA. Also, in instances where *Transfers and subsidies* were increased, the required Treasury approval was obtained, and where *Payments for capital assets* were decreased at programme level, Legislature approval is required. In addition, the donation to the South African Planning Institute (SAPI) for the Planning Africa Conference 2014 exceeds the R100 000 threshold in terms of the Treasury Regulations, and thus requires Legislature approval, though it is supported in principle by Provincial Treasury.

- *Shifts*: The following shifts of funds across programmes and economic categories were undertaken, where the original purpose of the funds remains unchanged:
 - o R14.259 million was shifted from Programme 4 to Programme 1 in order to align the financial functions within the department. The Traditional Financial Management unit was moved from Programme 4 to Programme 1. The shift is to allow the department to ensure proper management of financial matters pertaining to the traditional institutions, as well as to ensure accountability in the management of the traditional institutional financial affairs.
 - o R12 million was shifted from *Goods and services* to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 3 for transfer to the uMhlathuze Water Board in respect of the expenditure incurred relating to the 2014 general elections, where the Board was tasked to assist the department with providing voting stations with infrastructure such as sanitation and water. The Board undertook the function on behalf of the department.
 - o R21 million was shifted from *Transfers and subsidies to: Provinces and municipalities* to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 3 for transfer to the uMhlathuze Water Board to provide portable water delivery services to district municipalities. This was originally budgeted for under *Transfers and subsidies to: Provinces and municipalities* as the funds were going to be transferred to the uMhlathuze Municipality to carry out the function. But, after various consultations, it was decided that since the Board was going to carry out the function, it was deemed necessary to transfer the funds to the Board rather than the municipality, hence the shift.
- *Other adjustments*: The following adjustments were made to the main appropriation:
 - o R12 million was allocated for the organisation of the 2014 Nelson Mandela Marathon which took place on 31 August 2014. This was in respect of the hosting of the marathon and all related logistics. The funds were allocated to Programme 3, against *Goods and services*. The funds were moved from Vote 6: Provincial Treasury's Strategic Cabinet Initiatives Fund.
 - o R1 million was allocated back to the department relating to funds returned to the department by the Umdoni Municipality in 2013/14, with these funds now being used for an animal pound in the

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Ingwe Municipality. This was allocated to Programme 2, against *Transfers and subsidies to: Provinces and municipalities*.

- o Additional funding of R40 million was allocated to Programme 3 against *Transfers and subsidies to: Provinces and municipalities* for the electrification projects in Ofafa, Emahehle, Mhunya, Nquthu, Umvoti, eDumbe, Maphumulo, Dannhauser, Ndwedwe and Ubuhlebezwe. This is part of the Premier's 100-day commitments, as mentioned at his inauguration. These are specifically and exclusively allocated funds and therefore may not be used for any other purpose.
- o R85 million was allocated for various projects relating to the Small Town Rehabilitation programme in respect of the development of rural areas. An amount of R35 million was allocated from the provincial cash resources, and R50 million was suspended from Vote 6: Provincial Treasury, being the funds held by Treasury for in-year allocations to departments for the development of rural areas. These funds were allocated to Programme 3, against *Transfers and subsidies to: Provinces and municipalities* (R60.200 million) to be transferred to various municipalities and *Buildings and other fixed structures* (R24.800 million) for projects that will be undertaken by the department. These are specifically and exclusively allocated funds and therefore may not be used for any other purpose.
- o An amount of R2.854 million was deducted from the department's budget under Programme 1 against *Goods and services* relating to previous years' irregular expenditure. Cabinet approved that where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote.

Tables 11.1 and 11.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

Table 11.1: Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	318 005	-	-	24 058	14 259	(2 854)	35 463	353 468
2. Local Governance	208 791	-	-	10 249	-	1 000	11 249	220 040
3. Development and Planning	525 621	3 472	-	(9 656)	-	137 000	130 816	656 437
4. Traditional Institutional Management	295 659	-	-	(24 651)	(14 259)	-	(38 910)	256 749
Total	1 348 076	3 472	-	-	-	135 146	138 618	1 486 694
Amount to be voted								138 618

Table 11.2: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 087 152	-	-	(29 526)	(12 000)	9 146	(32 380)	1 054 772
Compensation of employees	600 466	-	-	(27 697)	-	-	(27 697)	572 769
Goods and services	486 686	-	-	(1 829)	(12 000)	9 146	(4 683)	482 003
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	180 112	-	-	24 654	12 000	101 200	137 854	317 966
Provinces and municipalities	156 057	-	-	13 055	(21 000)	101 200	93 255	249 312
Departmental agencies and accounts	20 651	-	-	-	-	-	-	20 651
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	254	33 000	-	33 254	33 254
Non-profit institutions	-	-	-	-	-	-	-	-
Households	3 404	-	-	11 345	-	-	11 345	14 749
Payments for capital assets	80 812	3 472	-	4 872	-	24 800	33 144	113 956
Buildings and other fixed structures	59 903	3 472	-	(3 023)	-	24 800	25 249	85 152
Machinery and equipment	18 209	-	-	7 799	-	-	7 799	26 008
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	2 700	-	-	96	-	-	96	2 796
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 348 076	3 472	-	-	-	135 146	138 618	1 486 694
Amount to be voted								138 618

4. Changes to programme purposes and service delivery measures

The department has not changed the purpose of any of its programmes, which conform to the sector specific programme and budget structure for the COGTA sector for 2014/15. Also, the non-financial information currently reflected in the 2014/15 *EPRE* largely corresponds to the department's 2014/15 APP with few discrepancies between the *EPRE* and the APP. According to the department, when the *EPRE* was finalised, it was still in the process of finalising the APP. As such, a few of the targets were amended and these changes were not brought into the *EPRE*. The department is now aligning the non-financial information in the 2014/15 Adjustments Estimate to the APP information.

Also, in order to enable the department to ensure the proper management of the financial matters pertaining to the traditional institutions and the alignment of functions within the different programmes, the functions, personnel and funding of the Traditional Financial Management unit in Programme 4 were moved to Programme 1 in the Adjustments Estimate in line with the sector programme structure.

4.1 Programme 1: Administration

This programme is responsible for the provision of all corporate and financial support services to the department, as well as the Office of the MEC.

Tables 11.3 and 11.4 below reflect a summary of the 2014/15 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R35.463 million, are provided in the paragraphs following the tables.

Table 11.3: Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/				Other adjustments		
		Roll-overs	unavoidable	Virement	Shifts			
Office of the MEC	23 802			(1 485)		(1 485)	22 317	
Corporate Services	294 203			25 543	14 259	(2 854)	331 151	
Total	318 005	-	-	24 058	14 259	(2 854)	353 468	
Amount to be voted							35 463	

Table 11.4: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/				Other adjustments		
		Roll-overs	unavoidable	Virement	Shifts			
Current payments	300 224	-	-	8 537	11 337	(2 854)	17 020	317 244
Compensation of employees	155 576			(7 442)	6 672		(770)	154 806
Goods and services	144 648			15 979	4 665	(2 854)	17 790	162 438
Interest and rent on land							-	-
Transfers and subsidies to:	4 615	-	-	9 596	-	-	9 596	14 211
Provinces and municipalities	180			(28)			(28)	152
Departmental agencies and accounts	1 801						-	1 801
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	2 634			9 624			9 624	12 258
Payments for capital assets	13 166	-	-	5 925	2 922	-	8 847	22 013
Buildings and other fixed structures	4 000						-	4 000
Machinery and equipment	9 166			5 629	422		6 051	15 217
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				296	2 500		2 796	2 796
Payments for financial assets							-	-
Total	318 005	-	-	24 058	14 259	(2 854)	35 463	353 468
Amount to be voted							35 463	

Virement – Programme 1: Administration: R24.058 million

The main appropriation of Programme 1 was increased by R24.058 million as a result of the following, which affected the two sub-programmes:

- R24.058 million was identified as savings in Programme 4 under *Compensation of employees* due to the slower than anticipated filling of critical posts, the difficulty in finding suitable candidates, as well as the internal moratorium on the filling of non-critical vacant posts. In addition, savings were identified under *Goods and services* relating to the implementation of financial controls. The amount was moved to the sub-programme: Corporate Services in Programme 1 as follows:
 - R8.537 million was moved to *Goods and services* to provide for various projects such as the improvement in the department's ICT system, advertising costs relating to departmental projects (such as Mooi-Mpofana outreach programme, installation of *Amakhosi*, 2012/13 Municipal Excellence awards, electrification projects, etc.), recruitment processes, and the marketing costs for the 20 years of democracy billboard campaign across the province, as well as radio and newspaper campaigns highlighting the department's key achievements in communities. In addition, the funds cater for audit fees, legal fees connected to legal matters (such as accident claims, etc.) against the department, departmental communication costs and other operating costs relating to the increase in the staff complement, among others, that were all higher than budgeted.
 - R9.596 million was moved to *Transfers and subsidies to: Households* in respect of the higher than budgeted costs relating to the awarding of external bursaries offered by the department. Although the funds were suspended to the Office of the Premier (OTP) with regard to the centralisation of external bursaries in 2013/14, according to the department, there were miscalculations, which resulted in lower amounts being suspended to OTP. The department has submitted the corrected amounts to be moved over the 2015/16 MTEF for centralisation under OTP, and has agreed with OTP to continue awarding external bursaries for 2014/15. In addition, the virement caters for the payment of leave gratuities.
 - R5.629 million was moved to *Machinery and equipment* for the payment of official vehicles ordered in 2013/14 but only delivered and paid for in 2014/15, the purchase of replacement vehicles for the departmental fleet, office furniture and computer equipment for new appointees, as well as the replacement of computer equipment in line with the ICT policy.
 - R296 000 was moved to *Software and other intangible assets* in respect of the purchase of the Pastel Evolution software for the traditional levies and trust account in Traditional Councils, which was higher than budgeted.

In addition to the above virements, the following virements were undertaken across economic categories within the programme, which affected the two sub-programmes:

- Savings of R7.470 million were identified against *Compensation of employees* (R7.442 million) due to the slower than anticipated filling of vacant posts, and *Transfers and subsidies to: Provinces and municipalities* (R28 000) as a result of the payment of motor vehicle licences for the departmental fleet being lower than anticipated. These savings were moved as follows:
 - R7.442 million was moved to *Goods and services* for various projects that were higher than budgeted for, such as the improvement of the department's ICT system, advertising costs relating to various departmental projects, recruitment processes, the marketing cost of the 20 years of democracy campaigns, audit fees, legal fees, departmental communication costs and other operating costs relating to the increase in staff complement.
 - R28 000 was moved to *Transfers and subsidies to: Households* to cater for the higher than anticipated payment of leave gratuities.

All of these virements are permissible in terms of the PFMA and Treasury Regulations.

Shifts – Programme 1: Administration: (R14.259 million)

The department shifted R14.259 million from Programme 4 to Programme 1 within the same economic categories, with the purpose of funds remaining unchanged. This relates to the alignment of financial functions within the department to ensure proper management of financial matters pertaining to the traditional institutions, as previously explained. This shift affected the sub-programme: Corporate Services and various categories including *Compensation of employees, Goods and services, Machinery and equipment* and *Software and other intangible assets*.

Other adjustments – Programme 1: Administration: (R2.854 million)

An amount of R2.854 million was deducted from the sub-programme: Corporate Services against *Goods and services* relating to previous years' irregular expenditure, as previously explained.

4.2 Programme 2: Local Governance

The purpose of this programme is to implement an institutional, administrative, financial and public participation framework.

Tables 11.5 and 11.6 reflect a summary of the 2014/15 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R11.249 million, are provided in the paragraphs below the tables.

Table 11.5: Programme 2: Local Governance

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Municipal Administration	33 811			4 095		1 000	5 095	38 906
Municipal Finance	28 977			2 346			2 346	31 323
Public Participation	126 571			88			88	126 659
Capacity Development	4 990			1 079			1 079	6 069
Municipal Perf. Monitoring, Reporting & Evaluation	14 442			2 641			2 641	17 083
Total	208 791	-	-	10 249	-	1 000	11 249	220 040
Amount to be voted							11 249	

Table 11.6: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	207 419	-	-	5 066	-	-	5 066	212 485
Compensation of employees	157 007			5 446			5 446	162 453
Goods and services	50 412			(380)			(380)	50 032
Interest and rent on land							-	-
Transfers and subsidies to:	450	-	-	5 257	-	1 000	6 257	6 707
Provinces and municipalities				5 000		1 000	6 000	6 000
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	450			257			257	707
Payments for capital assets	922	-	-	(74)	-	-	(74)	848
Buildings and other fixed structures							-	-
Machinery and equipment	922			(74)			(74)	848
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	208 791	-	-	10 249	-	1 000	11 249	220 040
Amount to be voted							11 249	

Virement – Programme 2: Local Governance: R10.249 million

The main appropriation of Programme 2 increased by R10.249 million, which affected all sub-programmes, as a result of the following virements:

- Savings of R9.656 million were identified in Programme 3 under *Compensation of employees, Goods and services* and *Machinery and equipment*, as explained previously, in the various sub-programmes. These savings were moved as follows:
 - R4.992 million was moved to *Compensation of employees*, mainly to cater for officials who were upgraded from levels 9 to 10 and 11 to 12 and received back pay in line with DPSA requirements, the filling of critical posts, as well as for additional Community Development Workers (CDWs) who joined the medical aid scheme.
 - R4.664 million was moved to *Transfers and subsidies to: Provinces and municipalities* in respect of the 2012/13 Municipal Excellence awards.
- Savings of R593 000 were identified under Programme 4 against *Compensation of employees* due to the slower than anticipated filling of critical posts. The savings were moved as follows:
 - In addition to the R4.664 million mentioned above, a further R336 000 was moved to *Transfers and subsidies to: Provinces and municipalities* in respect of the 2012/13 Municipal Excellence awards to honour the best performing municipalities in the province.
 - R257 000 was moved to *Transfers and subsidies to: Households* in respect of higher than anticipated payment of leave gratuities.
- In addition to the above virements, savings of R454 000 were realised against *Goods and services* (R380 000) due to the implementation of financial controls against venues and facilities and *Machinery and equipment* (R74 000) as a result of non-purchase of office furniture and computer equipment due to non-filling of non-critical vacant posts within Programme 2. The funds were moved to *Compensation of employees* to cater for the upgrading of officials from levels 9 to 10 and 11 to 12 in line with DPSA requirements.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Compensation of employees* and *Transfers and subsidies* were approved by Provincial Treasury. However, the decrease in *Machinery and equipment*, which results in a reduction in the allocation for capital in respect of the programme, requires Legislature approval.

Other adjustments – Programme 2: Local Governance: R1 million

An amount of R1 million was allocated to the sub-programme: Municipal Administration against *Transfers and subsidies to: Provinces and municipalities* and relates to funds returned to the department by the Umdoni Municipality in 2013/14. These funds were allocated back for the establishment of an animal pound in the Ingwe Municipality.

Service delivery measures – Programme 2: Local Governance

Table 11.7 shows the service delivery information for Programme 2 as per the APP of COGTA, as well as the actual achievement for the first six months of the year.

Some outputs have been adjusted, as reflected in Table 11.7 (under the column “2014/15 Revised target”), to align them to the targets included in the department’s tabled APP. The outputs reflected as “n/a” indicate that the targets are not being used.

A number of targets were not achieved by mid-year, as the department projected to undertake them in the third and fourth quarters.

Table 11.7: Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Performance targets			
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target	
2.1 Municipal Administration					
2.1.1	To enhance municipal governance by municipalities applying appropriate frameworks, policies and guidelines	<ul style="list-style-type: none"> No. of municipalities supported on LGTAS (moved to Municipal Finance) No. of district municipalities supported to implement appropriate frameworks, policies and guidelines No. of progs supported on strengthening of local govt. legislation No. of progs to support the establishment of municipalities No. of integrated support progs managed No. of draft standard by-laws developed No. of municipal administration support progs developed and implemented No. of packages of support progs developed No. of reports on the filling of municipal managers and section 56 managers' posts compiled (DCOG indicator) 	n/a 10 1 1 new 5 1 1 4	- 6 - - - - - - 2	10 15 1 n/a
2.1.2	To promote effective co-operative governance to improve co-ordination and communication within 10 districts	<ul style="list-style-type: none"> No. of municipalities supported with functional district IGR structures and systems No. of inter-municipal co-operation initiatives facilitated No. of municipalities supported on LGTAS No. of intra-municipal and inter-municipal co-operation 	10 10 new	5 - - 5	n/a 10 10
2.1.3	To improve Councillor oversight in 61 municipalities	<ul style="list-style-type: none"> No. of municipalities supported with functional oversight structures 	15	5	
2.2 Municipal Finance					
2.2.1	Ensure sound financial management in all 61 municipalities in KZN	<ul style="list-style-type: none"> No. of municipalities supported to improve audit outcomes No. of identified municipalities supported to fully implement simplified revenue plans No. of municipalities supported with expenditure management No. of CFO forums convened to support 61 municipalities No. of municipalities supported on LGTAS 	20 15 10 2 10	- - 3 1 -	
2.2.2	To monitor and report on municipal legislative compliance in all 61 municipalities	<ul style="list-style-type: none"> No. of reports submitted on state of municipal finances in terms of Section 131 of MFMA No. of reports submitted on state of municipal finances in terms of Section 80 of the MPRA 	1 1	1 -	
2.2.3	To combat corruption, promote ethics and ensure accountability in all 61 municipalities in KZN by 2014	<ul style="list-style-type: none"> No. of municipalities supported with implementation of anti-corruption/fraud prevention strategies/plans 	15	-	
2.3 Public Participation					
2.3.1	Provision of support to municipal governance structures to improve community participation and accessibility	<ul style="list-style-type: none"> No. of municipalities supported with maintenance of functional ward committees No. of municipalities supported with development of community participation plans No. of municipalities supported with maintenance of functional war rooms No. of procedural frameworks implemented to accommodate community awareness and dissatisfaction No. of municipalities supported on LGTAS 	51 51 50 1 20	- - - - -	25 25
2.4 Capacity Building					
2.4.1	To enhance municipal governance by municipalities applying appropriate frameworks, policies and guidelines	<ul style="list-style-type: none"> No. of formal councillor training programmes 	2	1	
2.4.2	To enhance provincial capacity building	<ul style="list-style-type: none"> No. of provincial capacity strategies developed 	1	-	
2.5 Municipal Performance Monitoring, Reporting and Evaluation					
2.5.1	Establishment and support of 61 functional municipal Organisational Performance Management Systems (OPMS) to report on progress with implementing municipal IDP	<ul style="list-style-type: none"> No. of municipalities supported to develop functional PMS No. of municipalities supported to develop and submit annual performance reports in terms of Sec 46 of MSA No. of consolidated annual municipal performance reports prepared No. of frameworks for report-back to communities on performance No. of Municipal Excellence awards held No. of municipalities supported on LGTAS 	20 20 1 new 1 5	- - 1 - - 5	1

4.3 Programme 3: Development and Planning

The purpose of this programme is to promote Integrated Development Planning and facilitate the development of credible and simplified Integrated Development Plans (IDPs).

Tables 11.8 and 11.9 below reflect a summary of the 2014/15 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R130.816 million, are given in the paragraphs below the tables.

Table 11.8: Programme 3: Development and Planning

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Spatial Planning	39 723			1 739			1 739	41 462
Land Use Management	21 911			(2 803)			(2 803)	19 108
Local Economic Development	236 943			(16 075)		97 000	80 925	317 868
Municipal Infrastructure	128 028			(91)		40 000	39 909	167 937
Disaster Management	76 560	3 472		9 650			13 122	89 682
IDP Co-ordination	22 456			(2 076)			(2 076)	20 380
Total	525 621	3 472	-	(9 656)	-	137 000	130 816	656 437
Amount to be voted								130 816

Table 11.9: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	296 970	-	-	(16 781)	(12 000)	12 000	(16 781)	280 189
Compensation of employees	119 116			(14 455)			(14 455)	104 661
Goods and services	177 854			(2 326)	(12 000)	12 000	(2 326)	175 528
Interest and rent on land							-	-
Transfers and subsidies to:	174 847	-	-	8 217	12 000	100 200	120 417	295 264
Provinces and municipalities	155 877			8 083	(21 000)	100 200	87 283	243 160
Departmental agencies and accounts	18 850						-	18 850
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises				254	33 000		33 254	33 254
Non-profit institutions							-	-
Households	120			(120)			(120)	-
Payments for capital assets	53 804	3 472	-	(1 092)	-	24 800	27 180	80 984
Buildings and other fixed structures	48 903	3 472		(3 023)		24 800	25 249	74 152
Machinery and equipment	4 701			2 131			2 131	6 832
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	200			(200)			(200)	-
Payments for financial assets								
Total	525 621	3 472	-	(9 656)	-	137 000	130 816	656 437
Amount to be voted								130 816

Roll-overs – Programme 3: Development and Planning: R3.472 million

An amount of R3.472 million was allocated to the sub-programme: Disaster Management, against *Buildings and other fixed structures*, being the roll-over from 2013/14 for the completion of the PDMC, as previously explained.

Virement – Programme 3: Development and Planning: (R9.656 million)

The main appropriation for Programme 3 was reduced by R9.656 million due to the following virements that affected all sub-programmes, with the exception of the Spatial Planning and the Disaster Management sub-programmes, as follows:

- Savings of R20.124 million were identified as follows:
 - R14.455 million was identified against *Compensation of employees* due to the internal moratorium on the filling of non-critical posts.

- o R2.326 million was identified from *Goods and services* due to delays with the implementation of the operations and maintenance programme under the Municipal Infrastructure sub-programme, as previously discussed.
- o R120 000 was identified from *Transfers and subsidies to: Households* due to the lower than anticipated staff exit costs.
- o R3.023 million was identified from *Buildings and other fixed structures* due to the slow progress with the construction of CSCs.
- o R200 000 was identified from *Software and other intangible assets* as a result of an existing Geographical Information System (GIS) online system licence that covers the Enterprise software licence that was budgeted for.
- The total savings of R20.124 million were moved as follows:
 - o R9.656 million was moved from *Compensation of employees* to Programme 2 as follows:
 - R4.992 million was moved to *Compensation of employees*, mainly to cater for the officials who were upgraded from levels 9 to 10 and 11 to 12 in line with DPSA requirements, and were back paid to 2012/13, as well as the additional CDWs who joined the medical aid scheme, as previously explained.
 - R4.664 million was moved to *Transfers and subsidies to: Provinces and municipalities* in respect of the 2012/13 Municipal Excellence awards to honour the best performing municipalities in the province, as explained previously.
 - o The balance of R10.468 million was moved within Programme 3 as follows:
 - R8.083 million was moved to *Transfers and subsidies to: Provinces and municipalities* in respect of the electrification projects in the uMngeni, eDumbe and Umzimkulu local municipalities, aimed at addressing high priority and high impact infrastructure projects in the province, thereby accelerating service delivery to communities.
 - R254 000 was moved to *Transfers and subsidies to: Public corporations and private enterprises*. This relates to a donation to SAPI for the Planning Africa Conference 2014, which was held from 20 to 22 October 2014, at the Nkosi Albert Luthuli International Conference Centre in Durban. The donation exceeds the R100 000 threshold in terms of the Treasury Regulations, and thus requires Legislature approval, though it is supported in principle by Provincial Treasury.
 - R2.131 million was moved to *Machinery and equipment* for the supply, delivery and installation of lightning conductors for vulnerable communities in the province.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Transfers and subsidies to: Provinces and municipalities* was approved by Provincial Treasury. The increase in *Transfers and subsidies to: Public corporations and private enterprises*, which comprises a donation to SAPI that exceeds R100 000, as well as the decrease in *Capital* at programme level, require Legislature approval.

Shifts – Programme 3: Development and Planning

The following shifts were undertaken within the programme, across economic categories, for which the purpose of the funds remains unchanged:

- R21 million and R12 million were shifted from *Transfers and subsidies to: Provinces and municipalities* and *Goods and services*, respectively, in the Municipal Infrastructure sub-programme. These funds were moved to *Transfers and subsidies to: Public corporations and private enterprises* in respect of the uMhlathuze Water Board for the provision of portable water delivery services to district municipalities and for the expenditure incurred relating to the 2014 general elections, respectively, as previously explained.

Other adjustments – Programme 3: Development and Planning: R137 million

Adjustments, amounting to an increase of R137 million, were made to the programme as follows:

- R12 million was allocated to the sub-programme: Local Economic Development, against *Goods and services* for the organisation of the 2014 Nelson Mandela Marathon event, as previously discussed.
- R40 million was allocated to the sub-programme: Municipal Infrastructure against *Transfers and subsidies to: Provinces and municipalities* for various electrification projects, which is part of the Premier’s 100-day commitments, as mentioned at his inauguration, as previously discussed.
- R85 million was allocated to the sub-programme: Local Economic Development against *Transfers and subsidies to: Provinces and municipalities* (R60.200 million) and *Buildings and other fixed structures* (R24.800 million) in respect of the Small Town Rehabilitation programme relating to rural development. As previously explained, R35 million is allocated from provincial cash resources and R50 million is suspended from Vote 6, being the funds held by Treasury for in-year allocations to departments for the development of rural areas.

Service delivery measures – Programme 3: Development and Planning

Table 11.10 shows the service delivery information for Programme 3 as per the APP and EPRE of COGTA, as well as the actual achievements for the first six months of the year. Some of the outputs have been adjusted, as reflected in Table 11.10 (under the column “2014/15 Revised target”), to align them to the targets included in the department’s tabled APP.

The outputs reflected as “n/a” indicate that the targets are not being used. Most targets are not reported on at mid-year, as the department projects to undertake them in the third and fourth quarters.

Table 11.10: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance indicators		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
3.1 Spatial Planning				
3.1.1 To provide a provincial Spatial Development Framework (SDF) for improved and aligned municipal SDFs and Land Use Management Systems (LUMS), so as to promote orderly development and investment confidence in 61 municipalities	<ul style="list-style-type: none"> • No. of municipalities supported to produce legally compliant SDFs • No. of regional plans prepared • No. of municipalities supported with developing a densification framework • No. of reports produced i.r.o. SDF compliance (incl. alignment with PGDS) • No. of municipalities supported to produce legally compliant schemes • No. of spatial planning initiatives undertaken • No. of reports produced i.r.o. provincial scheme compliance framework (incl. implementation of LUMS) • No. of municipalities supported on LGTAS 	12 1 2 1 12 2 1 9	- - - - - - - -	61 n/a 51 6 n/a 3
3.2 Development Information Services				
3.2.1 To provide spatial information management support to province, dept., municipalities and traditional institutions to improve govt. services	<ul style="list-style-type: none"> • No. of GIS progs implemented to support the province and municipalities with spatial analysis of infrastructure and services backlogs (electricity, water and sanitation) • No. of progs implemented to support provincial and departmental initiatives supported with management of spatial information • No. of GIS progs implemented to support the management of municipal revenue base (Municipal Property Rates Act Implementation) • No. of web based GIS systems and mobile mapping applications maintained to integrate provincial and municipal spatial data for effective spatial reporting on COGTA and municipal projects • No. of GIS progs implemented to support alignment of COGTA budget and projects with national and provincial priorities • No. of GIS progs implemented to support municipal planning processes (DPSS) & municipal capital infrastructure management 	11 1 1 8 1 1	- - - 3 - -	 n/a n/a

Table 11.10: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance indicators		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
3.3 Land Use Management				
3.3.1 To implement the PDA efficiently and effectively in KZN	<ul style="list-style-type: none"> No. of municipalities evaluated against LUM benchmark No. of municipalities supported by LUM Municipal Support Prog. No. of municipalities supported with formalisation of settlements No. of progs implemented for the development and roll-out of Provincial Norms and Standards No. of municipalities supported with LGTAS 	51 10 12 1 5	- - - - 5	51
3.4 Local Economic Development				
3.4.1 Create decent employment opportunities through municipal LED initiatives in support of Corridor Development Prog.	<ul style="list-style-type: none"> No. of Corridor plans prepared No. of catalytic projects packaged for support No. of strategic infrastructure projects facilitated for implementation in priority nodes and corridors No. of urban renewal framework plans supported for implementation No. of green initiative projects facilitated in response to climatic change No. of districts supported to establish agri-hubs/fresh produce market facilities aligned to the school nutrition prog 	new 10 2 3 2 new	- - - - - -	1 1 1 1 4
3.4.2 Support revitalisation of towns through nodal regeneration plans, rehabilitation of infrastructure and beautification of towns to enhance economic development	<ul style="list-style-type: none"> No. of small town nodes supported to implement macro regeneration plans to inform long term future growth No. of rural nodes supported for revitalisation to attract investment and regenerate economy No. of projects facilitated to support further development of industrial and commercial sites 	4 6 3	- - -	2 29 n/a
3.4.3 To provide LED capacity support and institutional development	<ul style="list-style-type: none"> No. of districts supported with functional LED Forums No. of LED capacity building progs rolled out No. of districts supported with District Wide LED plans aligned to PGDP and PGDS No. of Provincial LED Summits facilitated No. of LED initiatives facilitated in partnership with Local Houses (LHs) of Traditional Leadership No. of LED summits facilitated in partnership with District Houses (DHs) of Traditional Leadership No. of empowerment summits facilitated in partnership with district Houses of Traditional Leadership No. of district municipalities supported to realign and/or facilitate effective Development Agencies No. of municipalities supported with LGTAS 	10 2 10 1 3 4 new new 20	- - - 1 - 2 1 - 20	2 - - 2 - 2 10
3.4.4 To support municipalities with the establishment of CSCs within previously disadvantaged communities and ensure habitability of old CSCs	<ul style="list-style-type: none"> No. of municipalities supported with CSCs establishment in line with CSC Hierarchy Framework No. of municipalities supported with CSC operations No. of district CSC gap analysis reports developed No. of CSCs refurbished and maintained No. of employment opportunities created through the implementation of CSC prog. No. of municipalities supported with business plan development in line with prioritised CSC Spatial Establishment Framework No. of municipalities supported in the implementation of the CSC functionality framework 	5 4 n/a 20 160 10 45	- - - - 63 - -	6 n/a 10 180 n/a 51
3.4.5 To support rural development in KZN in line with national comprehensive rural development prog. and provincial integrated rural development strategy	<ul style="list-style-type: none"> No. of municipalities supported with implementation of CWP with inclusion of traditional communities No. of work opportunities maintained in CWP No. of CWP site business plans reviewed No. of CWP reference committees sustained and functional in all CWP Sites No. of effective partnerships established No. of CWP sites provided with accredited training 	29 30 500 29 29 1 29	- 30 288 29 - - -	
3.4.6 Create decent employment opportunities, through implementation of EPWP, poverty alleviation and food security progs	<ul style="list-style-type: none"> No. of municipalities supported with successful implementation of Food for Waste (FFW) prog. No. of work opportunities created through FFW prog. No. of co-operatives supported for effective functionality No. of municipalities supported to develop and review EPWP policies No. of municipalities supported to implement EPWP policies No. of municipalities supported to sign EPWP protocol agreements No. of municipalities supported to comply with incentive agreements No. of municipalities supported with reporting on EPWP work opportunities No. of EPWP job opportunities created through implementation of COGTA funded initiatives No. of municipalities supported to report and access incentive grants for EPWP 	7 700 new 61 17 61 61 61 1 500 61	- 727 - - - - - - 700 -	4 n/a n/a

Table 11.10: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance indicators			
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target	
	<ul style="list-style-type: none"> No. of EPWP municipal turn-around strategies developed No. of direct employment opportunities secured through corridor projects implementation No. of direct employment opportunities secured through small town rehabilitation projects implementation 	1 250 200	- - -	n/a n/a	
3.5	Municipal Infrastructure				
3.5.1	To manage and co-ordinate municipal infrastructure development through facilitating municipal infrastructure investment planning, infrastructure development programme implementation and appropriate operation and maintenance in 61 municipalities	<ul style="list-style-type: none"> No. of water service authorities supported in the development of UAPs No. of WSAs supported in the quantification of backlogs in water provision No. of municipalities supported in developing infrastructure implementation plans No. of municipalities (WSAs) supported with operation and maintenance plans No. of infrastructure development co-ordinating forums No. of municipalities supported in implementation of LGTAS No. of municipalities supported on MIG implementation No. of municipalities supported on implementation of Massification prog. No. of shared services for infrastructure development No. of capacity building progs implemented 	14 revised UAPs annual review (report) 21 3 5 23 20 12 2 1	5 7 - - 1 23 - - - -	10 districts 10 districts 10 districts 2 60 3 1 2
3.5.2	To monitor and evaluate municipal performance i.r.o. infrastructure development and delivery of basic services	<ul style="list-style-type: none"> No. of reports produced on infrastructure development and service delivery progress No. of reports on water quality and waste water in terms of blue and green drop assessments No. of municipalities evaluated against infrastructure benchmark 	2 2 40	- 1 -	10
3.6	Disaster Management				
3.6.1	To co-ordinate and manage development and effective functioning of provincial disaster management institutions	<ul style="list-style-type: none"> No. of provincial contingency plans developed (winter, summer, events, etc.) No. of Provincial Disaster Management Advisory Forum meetings held for sector co-ordination No. of District Disaster Management Advisory Forums supported for effective co-ordination of disaster management at local level 	2 4 11	1 2 -	
3.6.2	To develop and improve disaster management capacity of stakeholders in order to deal with disaster occurrences in the province	<ul style="list-style-type: none"> No. of buildings (Mkondeni) refurbished into a suitable PDMC No. of municipal DRM plans facilitated for alignment with IDPs No. of municipalities supported with grant funding for the DDMCs No. of municipalities where capacity building is rolled out No. of DRM public awareness campaigns conducted No. of monthly incident reports consolidated and processed No. of municipalities supported with emergency relief measures No. of fire fighters trained from needy municipalities No. of provincial annual reports submitted to NDMC No. of municipalities supported with LGTAS 	1 11 3 11 2 12 11 30 1 9	- - - 2 - 6 11 - 1 9	
3.7	IDP Co-ordination				
3.7.1	To promote improved alignment through implementation of a provincial IDP assessment framework and annual support and assessment plan in order to improve the credibility rating of 61 municipal IDPs and improved service delivery	<ul style="list-style-type: none"> No. of provincial IDP management and support plan adopted No. of municipalities supported in line with provincial IDP management and support plan No. of municipal IDPs supported with capacity building initiatives No. of sector depts and SOEs supported with IDP capacity building initiatives No. of reports produced i.r.o. IDP credibility framework 	1 new 10 10 1	- - - - -	61 n/a
3.7.2	To build dev. planning capacity of municipalities to facilitate improved municipal strategic planning, spatial planning and perf. mgt through establishment of 10 district wide DPSS	<ul style="list-style-type: none"> No. of districts supported to maintain planning capacity in the form of district Development Planning Shared Services No. of districts supported with growth and development plans No. of LGTAS municipal support reports produced No. of reports on districts supported with the development of Growth and Development Plans No. of sustainable reports on development support progs for municipalities No. of sustainable living exhibitions supported No. of traditional settlement master plans reports developed 	10 new 1 1 3 new 4	- - - - - 1 -	10 n/a n/a n/a 1 1 5

4.4 Programme 4: Traditional Institutional Management

The purpose of Programme 4 is to promote and facilitate viable and sustainable Traditional Institutions. Tables 11.11 and 11.12 below reflect a summary of the 2014/15 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R38.910 million, are given in the paragraphs below the tables.

Table 11.11: Programme 4: Traditional Institutional Management

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Traditional Institutional Administration	151 768			(8 831)	(14 259)	(23 090)	128 678
Traditional Resource Administration	101 551			(10 796)		(10 796)	90 755
Rural Development Facilitation	17 976			1 318		1 318	19 294
Traditional Land Administration	24 364			(6 342)		(6 342)	18 022
Total	295 659	-	-	(24 651)	(14 259)	(38 910)	256 749
Amount to be voted							(38 910)

Table 11.12: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Current payments	282 539	-	-	(26 348)	(11 337)	(37 685)	244 854
Compensation of employees	168 767			(11 246)	(6 672)	(17 918)	150 849
Goods and services	113 772			(15 102)	(4 665)	(19 767)	94 005
Interest and rent on land						-	-
Transfers and subsidies to:	200	-	-	1 584	-	1 584	1 784
Provinces and municipalities						-	-
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	200			1 584		1 584	1 784
Payments for capital assets	12 920	-	-	113	(2 922)	(2 809)	10 111
Buildings and other fixed structures	7 000					-	7 000
Machinery and equipment	3 420			113	(422)	(309)	3 111
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets	2 500				(2 500)	(2 500)	-
Payments for financial assets						-	-
Total	295 659	-	-	(24 651)	(14 259)	(38 910)	256 749
Amount to be voted							(38 910)

Virement – Programme 4: Traditional Institutional Management: (R24.651 million)

The main appropriation of Programme 4 decreased by R24.651 million as a result of the following virements, which affected all sub-programmes, excluding Rural Development Facilitation, as follows:

- R26.348 million was identified against *Compensation of employees* (R11.246 million) due to slower than anticipated filling of critical vacant posts as a result of lengthy recruitment processes and the difficulty in finding suitable candidates, as well as the internal moratorium on filling of non-critical vacant posts. Savings were also identified against *Goods and services* (R15.102 million) as a result of the decrease (stringent controls on kilometres travelled) in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls. These funds were moved as follows:
 - o R24.058 million was moved to Programme 1 as follows:
 - R8.537 million was moved to *Goods and services* for various projects such as the improvement in the department's ICT system, increased advertising costs relating to departmental projects, costs relating to recruitment processes, and the 20 years of democracy campaign, audit fees, legal, departmental communication costs and other operating costs directly linked to the increase in the staff complement, as previously explained.

Vote 11: Co-operative Governance and Traditional Affairs

- R9.596 million was moved to *Transfers and subsidies to: Households* for the higher than anticipated costs relating to the awarding of the external bursaries offered by the department, as well as higher than anticipated staff exit costs.
- R5.629 million was moved to *Machinery and equipment* for the purchase of replacement vehicles for the departmental fleet, the payment of official vehicles ordered in 2013/14 but only delivered and paid for in 2014/15, the purchase of office furniture and computer equipment for new appointees and the replacement of equipment in line with the ICT policy.
- R296 000 was moved to *Software and other intangible assets* in respect of the purchase of the Pastel Evolution software for the traditional levies and trust account in Traditional Councils.
- o R593 000 was moved to Programme 2 as follows:
 - R336 000 was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for the 2012/13 Municipal Excellence awards, as previously explained.
 - R257 000 was moved to *Transfers and subsidies to: Households* in respect of the higher than anticipated payment of leave gratuities.

In addition to the virements from Programme 4, the following virements were undertaken within the programme as follows:

- R1.697 million was identified from *Compensation of employees* due to slower than anticipated filling of critical vacant posts. The funds were moved as follows:
 - o R1.584 million was moved to *Transfers and subsidies to: Households* to cater for the payment of leave gratuities, which are not anticipated due to their unpredictable nature.
 - o R113 000 was moved to *Machinery and equipment* for the purchase of office furniture and computer equipment for new appointees.

These virements are permissible in terms of the PFMA and Treasury Regulations. However, the virements from this programme marginally exceed the 8 per cent threshold, and therefore require Legislature approval.

Shifts – Programme 4: Traditional Institutional Management: (R14.259 million)

The following shifts were undertaken from Programme 4 to Programme 1 within the same economic categories in order to align the functions of the department to ensure the proper management of the financial matters pertaining to the traditional institutions, of which the purpose of the funds remain unchanged, as previously discussed, as follows:

- R6.672 million was moved from *Compensation of employees* in respect of personnel costs.
- R4.665 million was moved from *Goods and services* mainly for the hands-on-support on the Pastel Evolution software, valuation on the traditional administration centres and other operational costs.
- R422 000 was moved from *Machinery and equipment* to cater for the purchase of office furniture and computer equipment.
- R2.500 million was moved from *Software and other intangible assets* for the purchase of the Pastel Evolution software for the Traditional Councils.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.13 shows the service delivery for Programme 4 as per the APP and EPRE of COGTA, as well as the actual achievement for the first six months of the year. Some of the outputs have been adjusted, as reflected in Table 11.13 (under the column 2014/15 “Revised target”), to align them to the targets included in the department’s tabled APP. The outputs reflected as “n/a” indicate that the targets are not being used. Some targets are not reported on at mid-year, as the department projects to undertake them in the third and fourth quarters.

Table 11.13: Service delivery measures – Programme 4: Traditional Institutional Management

Outputs	Performance indicators	Performance targets			
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target	
4.1. Traditional Institutional Administration					
4.1.1	To implement financial management tools aimed at improving financial management of 300 traditional institutions (incl. Umzimkulu)	<ul style="list-style-type: none"> No. of TACs with updated movable asset registers No. of consolidated financial statement for TCs No. of TCs using Pastel Evolution Point of Sale Accounting software 	257 1 120	110 1 30	60
4.1.2	To implement financial practice notes in traditional institutions	<ul style="list-style-type: none"> No. of TCs supported to implement financial management practice notes 	267	131	
4.1.3	To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	<ul style="list-style-type: none"> No. of <i>Amakhosi</i> installed No. of <i>Amakhosi</i> recognised No. of research initiatives undertaken for the establishment of traditional learning institution No. of dispute resolution and conflict management frameworks implemented No. of conflict resolution workshops implemented for <i>Amakhosi</i> 	7 10 new 1 framework implemented 12	1 9 - 1 -	1
4.2. Traditional Resource Administration					
4.2.1	To develop and implement a skills capacity building prog. for traditional institutions	<ul style="list-style-type: none"> No. of capacity building progs implemented for <i>Amakhosi</i> No. of capacity building progs implemented for PH and LH No. of capacity building progs implemented for TCs No. of <i>Amakhosi</i> on the UKZN leadership prog 	1 1 1 new	- - 1 24	20
4.2.2	To provide infrastructural support to Traditional institutions	<ul style="list-style-type: none"> No. of <i>Imizi Yesizwe</i> constructed No. of TACs provided with office infrastructure No. of <i>Amakhosi</i> on the leadership prog. provided with IT equipment No. of houses supported with the development of annual plans No. of PMS developed for the Institution of Traditional Leadership 	5 22 20 1 1	- - - - -	n/a n/a n/a n/a
4.3. Rural Development Facilitation					
4.3.1	Formalise and strengthen synergistic partnerships in 11 district houses within the province	<ul style="list-style-type: none"> No. of frameworks in terms of Section 81 of Municipal Structures Act 1998 reviewed No. of reports prepared for the participation of <i>Amakhosi</i> in municipalities No. of workshops facilitated for <i>Amakhosi</i> on development priority 	1 4 4	- 2 -	n/a n/a
4.3.2	To support rural development in KZN in line with national Comprehensive Rural Development Prog. and Provincial Integrated Rural Development Strategy	<ul style="list-style-type: none"> No. of development initiatives supported in traditional communities No. of development initiatives supported in traditional communities in terms of business support plans No. of development partnerships facilitated in traditional communities No. of PHs and LHs supported to promote social cohesion 	3 3 3 12 (1 PH and 11 LH)	- - - 3	n/a
4.4. Traditional Land Administration					
4.4.1	To develop and implement a land utilisation capacity building prog. for TCs	<ul style="list-style-type: none"> No. of capacity building progs undertaken to support TCs with land allocation processes No. of <i>Izizwe</i> supported with alignment of land allocation processes 	1 296	- 112	n/a 145
4.4.2	To develop and maintain a database of <i>Ubukhosi</i> and <i>Izinduna</i> in terms of provincial directives	<ul style="list-style-type: none"> Percentage of received land right applications attended to No. of <i>Izizwe</i> with <i>Izigodi</i> surveyed No. of <i>Izizwe</i> covered in collection of land utilisation information toward development of a database Percentage of TC Areas of Jurisdiction defined, redefined and land related disputes attended to 	100% 35 296 100%	100% 17 157 100%	

5. Gifts, donations and sponsorships

The department donated R254 000 to SAPI for the Planning Africa Conference 2014. This sponsorship will afford the department exhibition space, attendance of eight delegates and the opportunity for the MEC for COGTA to address the conference with regard to municipal planning, and the Provincial and the National Development Plans. The donation exceeds the R100 000 threshold as required by Treasury Regulation 21.1.1, thus Legislature approval is required. It should be noted that this donation is supported in principle by Provincial Treasury.

6. Infrastructure

Table 11.14 shows infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R25.249 million, are provided in the paragraphs following the tables.

Table 11.14: Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	12 173	-	-	(3 683)	-	-	(3 683)	8 490
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital	12 173			(3 683)			(3 683)	8 490
New infrastructure assets: Capital	47 730	3 472		660		24 800	28 932	76 662
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for fin assets							-	-
Infrastructure: Leases							-	-
Capital infrastructure	59 903	3 472	-	(3 023)	-	24 800	25 249	85 152
Current infrastructure	-	-	-	-	-	-	-	-
Total	59 903	3 472	-	(3 023)	-	24 800	25 249	85 152
Amount to be voted								25 249

- *Roll-overs*: An amount of R3.472 million was rolled over in respect of *New infrastructure assets: Capital* from 2013/14 for the completion of the PDMC.
- *Virement*: The infrastructure budget was decreased by R3.023 million as follows:
 - o R3.683 million was identified from *Refurbishment and rehabilitation: Capital* in Programme 3 due to the slow progress with the renovations of CSCs. These funds were moved as follows:
 - R3.023 million was moved to Programme 3, against *Transfers and subsidies to: Provinces and municipalities* (R892 000) in respect of the 2012/13 Municipal Excellence awards, and Programme 3, against *Machinery and equipment* (R2.131 million) for the supply, delivery and installation of lightning conductors for vulnerable communities in the province.
 - R660 000 was moved to *New infrastructure assets: Capital* for the construction of TACs, which were higher than budgeted.

The above virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in *Capital* requires Legislature approval.

- *Other adjustments*: An amount of R24.800 million was allocated to Programme 3 against *New infrastructure assets: Capital* in respect of the Small Town Rehabilitation programme for rural development. This is in respect of projects that the department will undertake on behalf of municipalities, as previously explained.

7. Conditional grants

Table 11.15 provides a summary of changes to conditional grants per main category. There is no change to the conditional grant allocation. The department receives a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces for the first time in 2014/15, which the department is using for its Food for Waste programme in communities, where the most needy members collect domestic waste from households and in public places and, in return, they receive food parcels. The full grant funding is allocated to *Goods and services*.

Table 11.15: Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
3. Development and Planning	3 471	-	-	-	-	-	-	3 471
EPWP Integrated Grant for Provinces	3 471						-	3 471
Total	3 471	-	-	-	-	-	-	3 471
Amount to be voted								-

8. Transfers and subsidies

Table 11.16 shows the summary of transfers and subsidies per programme. Details of the main movements, which resulted in an overall increase of R137.854 million, are provided in the paragraphs following the summary table below.

Table 11.16: Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Virement	Shifts	Other adjustments		
		Roll-overs	unavoidable					
1. Administration	4 615	-	-	9 596	-	-	9 596	14 211
Provinces and municipalities	180	-	-	(28)	-	-	(28)	152
Motor vehicle licences	180	-	-	(28)	-	-	(28)	152
Departmental agencies and accounts	1 801	-	-	-	-	-	-	1 801
PSETA	1 801	-	-	-	-	-	-	1 801
Households	2 634	-	-	9 624	-	-	9 624	12 258
Bursaries				7 307			7 307	7 307
Social benefits - Post retirement benefits	2 634	-	-	2 317	-	-	2 317	4 951
2. Local Governance	450	-	-	5 257	-	1 000	6 257	6 707
Provinces and municipalities	-	-	-	5 000	-	1 000	6 000	6 000
Animal Pound						1 000	1 000	1 000
Municipal Excellence awards				5 000			5 000	5 000
Households	450	-	-	257	-	-	257	707
Social benefits - Post retirement benefits	450	-	-	257	-	-	257	707
3. Development and Planning	174 847	-	-	8 217	12 000	100 200	120 417	295 264
Provinces and municipalities	155 877	-	-	8 083	(21 000)	100 200	87 283	243 160
Small Town Rehabilitation	26 300			(1 500)		60 200	58 700	85 000
Corridor Development	58 500			1 500			1 500	60 000
Disaster Management	5 000						-	5 000
Massification	31 372			8 083		40 000	48 083	79 455
Development Planning Shared Services	4 750						-	4 750
Sustainable Living Exhibition	1 000						-	1 000
Operational Support for TSCs	5 250						-	5 250
uMhlatuze Water Board	21 000					(21 000)	(21 000)	-
Schemes Support	2 705						-	2 705
Departmental agencies and accounts	18 850	-	-	-	-	-	-	18 850
Agri-business Development Agency	18 850	-	-	-	-	-	-	18 850
Public corporations and private enterprises	-	-	-	254	33 000	-	33 254	33 254
uMhlatuze Water Board					33 000			
SAPI				254			254	254
Households	120	-	-	(120)	-	-	(120)	-
Social benefits - Post retirement benefits	120	-	-	(120)	-	-	(120)	-
4. Traditional Institutional Management	200	-	-	1 584	-	-	1 584	1 784
Households	200	-	-	1 584	-	-	1 584	1 784
Social benefits - Post retirement benefits	200	-	-	1 584	-	-	1 584	1 784
Total	180 112	-	-	24 654	12 000	101 200	137 854	317 966
Amount to be voted								137 854

- *Virement*: The department undertook extensive virements in respect of *Transfers and subsidies*. All these virements are permissible in terms of the PFMA and Treasury Regulations, and Treasury approval was granted where transfers were increased. However, Legislature approval is required for the reduction in *Transfers and subsidies: Provinces and municipalities* in respect of the Small Town Rehabilitation programme as these funds were specifically and exclusively appropriated, as well as for the donation to SAPI. These virements, which resulted in a net increase of R24.654 million in respect of *Transfers and subsidies*, are summarised as follows:

- o Programme 1 virements totalling R9.596 million are as follows:

- R9.596 million was identified from *Goods and services* in Programme 4 due to the implementation of financial controls, as well as savings associated with non-filling of vacant posts. This was moved to Programme 1 against *Households* for the higher than anticipated costs in respect of the external bursary programme offered by the department, as well as the payment of leave gratuities.
- R28 000 was moved from *Provinces and municipalities* in Programme 1 relating to savings realised from the lower than anticipated payment of motor vehicle licences. This was moved to *Households* within Programme 1 for the higher than anticipated payment of leave gratuities.

- o Programme 2 virements totalling R5.257 million are as follows:

- R5 million was identified from *Goods and services* (R4.664 million) in Programme 3 due to savings realised from non-filling of non-critical vacant posts, as well as the implementation of

financial controls and *Compensation of employees* (R336 000) in Programme 4 as a result of non-filling of non-critical vacant posts. This was moved to Programme 2, against *Provinces and municipalities* in respect of the 2012/13 Municipal Excellence awards to honour the best performing municipalities in the province.

- R257 000 million was moved from *Compensation of employees* in Programme 4 due to non-filling of non-critical vacant posts to Programme 2 against *Households* in respect of the higher than anticipated payment of leave gratuities.
- o Programme 3 virements amounting to R8.217 million are as follows:
 - R1.500 million was moved within *Provinces and municipalities* from the Small Town Rehabilitation programme to the Corridor Development programme to cater for the additional municipalities under the Corridor Development programme for the implementation of projects in priority corridors to support municipalities to stimulate economic activities. According to the department, some municipalities have not spent their first tranche payment in line with the business plans time frames in respect of the Small Town Rehabilitation programme. As such, the department is transferring the funds to the spending municipalities under the Corridor Development programme. This virement is not visible in the previous tables, as it was undertaken within the programme and economic category. The reduction against the Small Town Rehabilitation programme allocation requires Legislature approval, as these are specifically and exclusively appropriated funds.
 - R8.083 million was moved from *Compensation of employees* (R5.757 million) due to non-filling of non-critical vacant posts and *Goods and services* (R2.326 million) as a result of delays with the implementation of the operations and maintenance programme within Programme 3. This was moved to *Provinces and municipalities* in respect of the electrification projects in uMngeni, eDumbe and Umzimkulu local municipalities, as discussed.
 - R254 000 was moved from *Compensation of employees* (R134 000) due to savings realised from non-filling of non-critical posts and *Households* (R120 000) as a result of the lower than anticipated staff exit costs. The savings were moved to *Public corporations and private enterprises* in respect of the donation to SAPI for the Planning Africa Conference 2014 within Programme 3, as explained previously.
- o With regard to Programme 4 virements, R1.584 million was moved from *Compensation of employees* within the programme due to non-filling of non-critical vacant posts to *Households* for higher than anticipated staff exits costs.
- *Shifts*: The department undertook the following shifts, which resulted in a net increase of R12 million within Programme 3. The original purpose of the funds remains unchanged:
 - o R12 million was moved from *Goods and services* to *Public corporations and private enterprises* for transfer to the uMhlathuze Water Board in respect of the expenditure incurred relating to the 2014 general elections, as previously explained.
 - o R21 million was moved from *Provinces and municipalities* to *Public corporations and private enterprises* to the uMhlathuze Water Board to provide portable water delivery services to district municipalities, as discussed.
- *Other adjustments*: An additional R101.200 million was allocated to *Transfers and subsidies* as follows:
 - o R1 million was allocated to Programme 2 against *Provinces and municipalities* relating to funds that were returned to the department by the Umdoni Municipality in 2013/14. This is now being used for an animal pound in the Ingwe Municipality.
 - o R60.200 million was allocated to Programme 3 against *Provinces and municipalities* relating to the Small Town Rehabilitation programme for the development of rural areas.
 - o R40 million was allocated to Programme 3 against *Provinces and municipalities* relating to the Massification programme for electrification projects in various municipalities, as discussed.

9. Transfers to local government

Tables 11.17 to 11.27 show the details of transfers to local government. It is noted that the amount against *Provinces and municipalities* (reflected in Table 11.17 below) for motor vehicle licences is excluded from the transfers to local government table, as these funds will not be transferred to any municipality. It is further noted that allocations to specific municipalities will be gazetted following the tabling of the Adjustments Estimate, in line with DORA requirements. Details of the main adjustments, which resulted in an overall increase of R93.283 million, are given in the paragraphs before the tables.

- *Virement*: The virement column reflects an increase of R13.083 million, for which Treasury approval has been granted. This comprises of an increase in transfers as follows:
 - R5 million was moved from *Goods and services* (R4.664 million) in Programme 3 and *Compensation of employees* (R336 000) in Programme 4 to Programme 2 against *Provinces and municipalities* in respect of the 2012/13 Municipal Excellence awards to honour the best performing municipalities in the province. Table 11.18 reflects these virements.
 - R1.500 million was moved within *Provinces and municipalities* in Programme 3 being the amount decreased in respect of the Small Town Rehabilitation programme due to slow spending by some municipalities to cater for the increase in the Corridor Development programme, as previously mentioned. This is reflected in Table 11.19 and Table 11.21.
 - R8.083 million was moved from *Compensation of employees* (R5.757 million) and *Goods and services* (R2.326 million) within Programme 3 to *Provinces and municipalities* in respect of the electrification projects in uMngeni, eDumbe and Umzimkulu local municipalities, as discussed. Table 11.22 reflects these virements.
- *Shifts*: The shifts column reflects a decrease of R21 million, as follows:
 - R21 million was moved from *Provinces and municipalities* to *Public corporations and private enterprises* for transfer to the uMhlathuze Water Board for the provision of portable water delivery service to district municipalities in the provinces. It should be noted that further discussions with the department indicated that this funding was transferred to the uMhlathuze Water Board and not the uMhlathuze Municipality as initially indicated and, as such this transfer falls under *Public corporations and private enterprises*. Table 11.23 reflects this shift.
 - During the 2014/15 MTEF process, the department allocated funds for the Small Town Rehabilitation and the Corridor Development programmes for the entire MTEF period against various district municipalities. The department has since indicated that, for 2015/16 and 2016/17, the funds will be transferred to the district municipalities for onward transfer to the District Development Agencies (DDAs), which are currently being established in line with a Cabinet resolution.

These agencies will undertake various projects on behalf of the district municipalities. However, for the transfers in 2014/15, the department has requested approval to amend the recipient municipalities from the various district municipalities to the various local municipalities, as the department felt that the implementation of the projects should take place at the local level. These are consolidated in Table 11.17 and detailed in Table 11.19, and Table 11.21 reflects the shift of funds within *Provinces and municipalities* in Programme 3 being the shifts from the districts to the local municipalities.
- *Other adjustments*: the department was allocated the following additional funding:
 - Table 11.20 relates to R1 million allocated to the Ingwe Municipality for an animal pound.
 - Table 11.21 relates to R60.200 million allocated for the Small Town Rehabilitation programme for the development of rural areas.
 - Table 11.22 relates to R40 million allocated for the Massification programme in respect of the electrification projects.

Vote 11: Co-operative Governance and Traditional Affairs

Table 11.17: Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/			Other			
		Roll-overs	unavoidable	Virement	Shifts	adjustments		
A KZN2000 eThekweni	1 000	-	-	-	-	-	-	1 000
Total: Ugu Municipalities	13 810	-	-	2 000	-	-	2 000	15 810
B KZN213 Umzumbe	500	-	-	-	4 000	-	4 000	4 500
B KZN215 Ezingoleni	-	-	-	1 000	-	-	1 000	1 000
B KZN216 Hibiscus Coast	-	-	-	1 000	5 000	-	6 000	6 000
C DC21 Ugu District Municipality	13 310	-	-	-	(9 000)	-	(9 000)	4 310
Total: uMgungundlovu Municipalities	33 631	-	-	583	-	-	583	34 214
B KZN222 uMngeni	-	-	-	583	15 000	-	15 583	15 583
B KZN225 Msunduzi	4 277	-	-	-	8 000	-	8 000	12 277
C DC22 uMgungundlovu District Municipality	29 354	-	-	-	(23 000)	-	(23 000)	6 354
Total: Uthukela Municipalities	5 850	-	-	3 265	-	7 000	10 265	16 115
B KZN234 Umtshezi	-	-	-	-	-	3 000	3 000	3 000
B KZN235 Okhahlamba	-	-	-	8 865	-	4 000	12 865	12 865
C DC23 Uthukela District Municipality	5 850	-	-	(5 600)	-	-	(5 600)	250
Total: Umzinyathi Municipalities	7 050	-	-	(1 300)	-	9 185	7 885	14 935
B KZN242 Nqutu	-	-	-	-	-	3 970	3 970	3 970
B KZN245 Umvoti	-	-	-	-	-	5 215	5 215	5 215
C DC24 Umzinyathi District Municipality	7 050	-	-	(1 300)	-	-	(1 300)	5 750
Total: Amajuba Municipalities	11 000	-	-	-	-	28 000	28 000	39 000
B KZN252 Newcastle	-	-	-	-	5 000	-	5 000	5 000
B KZN254 Dannhauser	-	-	-	-	5 000	28 000	33 000	33 000
C DC25 Amajuba District Municipality	11 000	-	-	-	(10 000)	-	(10 000)	1 000
Total: Zululand Municipalities	6 850	-	-	4 000	-	10 500	14 500	21 350
B KZN261 eDumbe	-	-	-	4 000	-	3 000	7 000	7 000
B KZN262 uPhongolo	-	-	-	-	5 000	-	5 000	5 000
B KZN263 Abaqulusi	1 600	-	-	-	-	7 500	7 500	9 100
C DC26 Zululand District Municipality	5 250	-	-	-	(5 000)	-	(5 000)	250
Total: Umkhanyakude Municipalities	250	-	-	-	-	-	-	250
C DC27 Umkhanyakude District Municipality	250	-	-	-	-	-	-	250
Total: uThungulu Municipalities	37 055	-	-	(1 700)	(21 000)	-	(22 700)	14 355
B KZN281 Umfolozi	4 855	-	-	-	-	-	-	4 855
B KZN282 uMhlatuze	21 000	-	-	7 000	(21 000)	-	(14 000)	7 000
B KZN285 Mthonjaneni	500	-	-	-	-	-	-	500
C DC28 uThungulu District Municipality	10 700	-	-	(8 700)	-	-	(8 700)	2 000
Total: Ilembe Municipalities	28 131	-	-	-	-	12 000	12 000	40 131
B KZN291 Mandeni	500	-	-	-	-	-	-	500
B KZN292 KwaDukuza	-	-	-	-	5 000	3 000	8 000	8 000
B KZN293 Ndwedwe	7 000	-	-	-	4 700	6 000	10 700	17 700
B KZN294 Maphumulo	-	-	-	-	-	3 000	3 000	3 000
C DC29 Ilembe District Municipality	20 631	-	-	-	(9 700)	-	(9 700)	10 931
Total: Harry Gwala Municipalities	11 250	-	-	6 235	-	34 515	40 750	52 000
B KZN431 Ingwe	-	-	-	-	-	1 000	1 000	1 000
B KZN433 Greater Kokstad	-	-	-	-	3 000	5 000	8 000	8 000
B KZN434 Ubuhlebezwe	-	-	-	1 735	8 000	20 515	30 250	30 250
B KZN435 Umzimkulu	-	-	-	4 500	-	8 000	12 500	12 500
C DC43 Harry Gwala District Municipality	11 250	-	-	-	(11 000)	-	(11 000)	250
Total	155 877	-	-	13 083	(21 000)	101 200	93 283	249 160
Amount to be voted								93 283

Table 11.18: Transfers to local government - Municipal Excellence awards

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/			Other			
		Roll-overs	unavoidable	Virement	Shifts	adjustments		
Total: Ugu Municipalities	-	-	-	2 000	-	-	2 000	2 000
B KZN215 Ezingoleni	-	-	-	1 000	-	-	1 000	1 000
B KZN216 Hibiscus Coast	-	-	-	1 000	-	-	1 000	1 000
Total: uThungulu Municipalities	-	-	-	2 000	-	-	2 000	2 000
B KZN282 uMhlatuze	-	-	-	1 000	-	-	1 000	1 000
C DC28 uThungulu District Municipality	-	-	-	1 000	-	-	1 000	1 000
Total: Harry Gwala Municipalities	-	-	-	1 000	-	-	1 000	1 000
B KZN435 Umzimkulu	-	-	-	1 000	-	-	1 000	1 000
Total	-	-	-	5 000	-	-	5 000	5 000
Amount to be voted								5 000

Table 11.19: Transfers to local government - Corridor Development

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	9 000	-	-	-	-	-	-	9 000
B KZN213 Umzumbe					4 000		4 000	4 000
B KZN216 Hibiscus Coast					5 000		5 000	5 000
C DC21 Ugu District Municipality	9 000				(9 000)		(9 000)	-
Total: uMgungundlovu Municipalities	23 000	-	-	-	-	-	-	23 000
B KZN222 uMngeni					15 000		15 000	15 000
B KZN225 Msunduzi					8 000		8 000	8 000
C DC22 uMgungundlovu District Municipality	23 000				(23 000)		(23 000)	-
Total: Uthukela Municipalities	-	-	-	4 765	-	-	4 765	4 765
B KZN235 Okhahlamba				4 765			4 765	4 765
Total: Umzinyathi Municipalities	1 800	-	-	(1 300)	-	-	(1 300)	500
C DC24 Umzinyathi District Municipality	1 800			(1 300)			(1 300)	500
Total: Amajuba Municipalities	5 000	-	-	-	-	-	-	5 000
B KZN252 Newcastle					5 000		5 000	5 000
C DC25 Amajuba District Municipality	5 000				(5 000)		(5 000)	-
Total: Zululand Municipalities	5 000	-	-	-	-	-	-	5 000
B KZN262 uPhongolo					5 000		5 000	5 000
C DC26 Zululand District Municipality	5 000				(5 000)		(5 000)	-
Total: uThungulu Municipalities	9 700	-	-	(3 700)	-	-	(3 700)	6 000
B KZN282 uMhlatuze				6 000			6 000	6 000
C DC28 uThungulu District Municipality	9 700			(9 700)			(9 700)	-
Total: Ilembe Municipalities	5 000	-	-	-	-	-	-	5 000
B KZN292 KwaDukuza					5 000		5 000	5 000
C DC29 Ilembe District Municipality	5 000				(5 000)		(5 000)	-
Total: Harry Gwala Municipalities	-	-	-	1 735	-	-	1 735	1 735
B KZN434 Ubuhlebezwe				1 735			1 735	1 735
Total	58 500	-	-	1 500	-	-	1 500	60 000
Amount to be voted								1 500

Table 11.20: Transfers to local government - Pounds Act

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Harry Gwala Municipalities	-	-	-	-	-	1 000	1 000	1 000
B KZN431 Ingwe						1 000	1 000	1 000
Total	-	-	-	-	-	1 000	1 000	1 000
Amount to be voted								1 000

Table 11.21: Transfers to local government - Small Town Rehabilitation

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Uthukela Municipalities	5 600	-	-	(1 500)	-	7 000	5 500	11 100
B KZN234 Umstshezi						3 000	3 000	3 000
B KZN235 Okhahlamba				4 100		4 000	8 100	8 100
B KZN236 Imbabazane							-	-
C DC23 Uthukela District Municipality	5 600			(5 600)			(5 600)	-
Total: Amajuba Municipalities	5 000	-	-	-	-	20 000	20 000	25 000
B KZN254 Dannhauser					5 000	20 000	25 000	25 000
C DC25 Amajuba District Municipality	5 000				(5 000)		(5 000)	-
Total: Zululand Municipalities	-	-	-	-	-	7 500	7 500	7 500
B KZN263 Abaqulusi						7 500	7 500	7 500
Total: Ilembe Municipalities	4 700	-	-	-	-	3 000	3 000	7 700
B KZN292 KwaDukuza						3 000	3 000	3 000
B KZN293 Ndwedwe					4 700		4 700	4 700
C DC29 Ilembe District Municipality	4 700				(4 700)		(4 700)	-
Total: Harry Gwala Municipalities	11 000	-	-	-	-	22 700	22 700	33 700
B KZN433 Greater Kokstad					3 000	5 000	8 000	8 000
B KZN434 Ubuhlebezwe					8 000	9 700	17 700	17 700
B KZN435 Umzimkulu						8 000	8 000	8 000
C DC43 Harry Gwala District Municipality	11 000				(11 000)		(11 000)	-
Total	26 300	-	-	(1 500)	-	60 200	58 700	85 000
Amount to be voted								58 700

Table 11.22: Transfers to local government - Massification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	4 060	-	-	-	-	-	-	4 060
C DC21 Ugu District Municipality	4 060							4 060
Total: uMgungundlovu Municipalities	10 381	-	-	583	-	-	583	10 964
B KZN222 uMngeni				583			583	583
B KZN225 Msunduzi	4 277						-	4 277
C DC22 uMgungundlovu District Municipality	6 104						-	6 104
Total: Umzinyathi Municipalities	-	-	-	-	-	9 185	9 185	9 185
B KZN242 Nqutu						3 970	3 970	3 970
B KZN245 Umvoti						5 215	5 215	5 215
C DC24 Umzinyathi District Municipality						-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	8 000	8 000	8 000
B KZN254 Dannhauser						8 000	8 000	8 000
Total: Zululand Municipalities	-	-	-	4 000	-	3 000	7 000	7 000
B KZN261 eDumbe				4 000		3 000	7 000	7 000
Total: Ilembe Municipalities	16 931	-	-	-	-	9 000	9 000	25 931
B KZN293 Ndwedwe	7 000					6 000	6 000	13 000
B KZN294 Maphumulo						3 000	3 000	3 000
C DC29 Ilembe District Municipality	9 931					-	-	9 931
Total: Harry Gwala Municipalities	-	-	-	3 500	-	10 815	14 315	14 315
B KZN434 Ubuhlebezwe						10 815	10 815	10 815
B KZN435 Umzimkulu				3 500		3 500	3 500	3 500
Total	31 372	-	-	8 083	-	40 000	48 083	79 455
Amount to be voted								48 083

Table 11.23: Transfers to local government - uMhlathuze Water

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: uThungulu Municipalities	21 000	-	-	-	(21 000)	-	(21 000)	-
B KZN282 uMhlathuze	21 000				(21 000)		(21 000)	-
Total	21 000	-	-	-	(21 000)	-	(21 000)	-
Amount to be voted								(21 000)

Table 11.24: Transfers to local government - Operational Support for Thusong Service Centres

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Zululand Municipalities	1 250	-	-	-	-	-	-	1 250
B KZN263 Abaqulusi	1 250							1 250
Total: uThungulu Municipalities	4 000	-	-	-	-	-	-	4 000
B KZN281 Umfolozi	4 000							4 000
Total	5 250	-	-	-	-	-	-	5 250
Amount to be voted								-

Table 11.25: Transfers to local government - Schemes Support programme

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	500	-	-	-	-	-	-	500
B KZN213 Umzumbe	500							500
C DC21 Ugu District Municipality								-
Total: Zululand Municipalities	350	-	-	-	-	-	-	350
B KZN263 Abaqulusi	350							350
Total: uThungulu Municipalities	1 355	-	-	-	-	-	-	1 355
B KZN281 Umfolozi	855							855
B KZN285 Mthonjaneni	500							500
Total: Ilembe Municipalities	500	-	-	-	-	-	-	500
B KZN291 Mandeni	500							500
Total	2 705	-	-	-	-	-	-	2 705
Amount to be voted								-

Table 11.26: Transfers to local government - Disaster Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Umzinyathi Municipalities	5 000	-	-	-	-	-	-	5 000
C DC24 Umzinyathi District Municipality	5 000							5 000
Total	5 000	-	-	-	-	-	-	5 000
Amount to be voted								-

Table 11.27: Transfers to local government - Development Planning Shared Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	250	-	-	-	-	-	-	250
C DC21 Ugu District Municipality	250							250
Total: uMgungundlovu Municipalities	250	-	-	-	-	-	-	250
C DC22 uMgungundlovu District Municipality	250							250
Total: Uthukela Municipalities	250	-	-	-	-	-	-	250
C DC23 Uthukela District Municipality	250							250
Total: Umzinyathi Municipalities	250	-	-	-	-	-	-	250
C DC24 Umzinyathi District Municipality	250							250
Total: Amajuba Municipalities	1 000	-	-	-	-	-	-	1 000
C DC25 Amajuba District Municipality	1 000							1 000
Total: Zululand Municipalities	250	-	-	-	-	-	-	250
C DC26 Zululand District Municipality	250							250
Total: Umkhanyakude Municipalities	250	-	-	-	-	-	-	250
C DC27 Umkhanyakude District Municipality	250							250
Total: uThungulu Municipalities	1 000	-	-	-	-	-	-	1 000
C DC28 uThungulu District Municipality	1 000							1 000
Total: Ilembe Municipalities	1 000	-	-	-	-	-	-	1 000
C DC29 Ilembe District Municipality	1 000							1 000
Total: Harry Gwala Municipalities	250	-	-	-	-	-	-	250
C DC43 Harry Gwala District Municipality	250							250
Total	4 750	-	-	-	-	-	-	4 750
Amount to be voted								-

10. Actual payments and revised spending projections for the rest of 2014/15

Tables 11.28 and 11.29 reflect actual payments as at the end of September 2014, projected payments for the rest of the financial year in rand value and as a percentage of the adjusted appropriation per programme and economic classification, and the total revised spending. The tables also show the 2013/14 audited outcome.

The department spent 43.7 per cent of the adjusted appropriation in the first six months of the financial year and projects to spend 56.3 per cent over the remaining six months. The high projections in the second half of the year are mainly due to additional funds allocated in the Adjustments Estimate, which are projected in the second half of the financial year. The department was allocated an additional R141.472 million in respect of the development of rural areas under the Small Town Rehabilitation programme, as well as the electrification projects under the Massification programme. However, this was offset by the reduction of R2.854 million relating to previous years' irregular expenditure, as indicated previously.

Table 11.28: Actual payments and revised spending projections by programme

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014	% of budget	October '14 - March 2015	% of budget	
1. Administration	303 746	353 468	157 054	44.4	196 414	55.6	353 468
2. Local Governance	222 739	220 040	104 305	47.4	115 735	52.6	220 040
3. Development and Planning	430 891	656 437	266 512	40.6	389 925	59.4	656 437
4. Traditional Institutional Management	285 120	256 749	121 357	47.3	135 392	52.7	256 749
Total	1 242 496	1 486 694	649 228	43.7	837 466	56.3	1 486 694

Table 11.29: Actual payments and revised spending projections by economic classification

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014		October '14 - March 2015		
			% of budget		% of budget		
Current payments	931 321	1 054 772	487 571	46.2	567 201	53.8	1 054 772
Compensation of employees	523 273	572 769	281 553	49.2	291 216	50.8	572 769
Goods and services	408 048	482 003	206 018	42.7	275 985	57.3	482 003
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies to:	246 873	317 966	139 006	43.7	178 960	56.3	317 966
Provinces and municipalities	232 228	249 312	110 677	44.4	138 635	55.6	249 312
Departmental agencies and accounts	1 278	20 651	18 850	91.3	1 801	8.7	20 651
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	33 254	-	-	33 254	100.0	33 254
Non-profit institutions	-	-	-	-	-	-	-
Households	13 367	14 749	9 479	64.3	5 270	35.7	14 749
Payments for capital assets	64 276	113 956	22 651	19.9	91 305	80.1	113 956
Buildings and other fixed structures	39 069	85 152	18 383	21.6	66 769	78.4	85 152
Machinery and equipment	21 104	26 008	3 210	12.3	22 798	87.7	26 008
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	4 103	2 796	1 058	37.8	1 738	62.2	2 796
Payments for financial assets	26	-	-	-	-	-	-
Total	1 242 496	1 486 694	649 228	43.7	837 466	56.3	1 486 694

Programme 1 reflects spending at 44.4 per cent of the adjusted appropriation, which is slightly below the straight-line benchmark of 50 per cent for mid-year. This was mainly due to the shifting of funds from Programme 4 to Programme 1 in respect of the Traditional Management Finance unit. The expenditure for the first six months will only be journalised to Programme 1 in the second half of the financial year. Also, the high projections in the second half of the year can be attributed to virements to this programme for various projects, as indicated previously. In addition, payments that were not made by mid-year as a result of a computer virus on the department's computer systems will be made in the remaining six months. This programme was reduced by R2.854 million relating to the previous years' irregular expenditure, as previously explained.

Spending against Programme 2 was, at 47.4 per cent of the adjusted appropriation at mid-year, which is slightly below the straight-line benchmark of 50 per cent. The high projections in the second half of the year can be attributed to the virements to the programme in respect of the high operating costs for the CDWs, officials who were upgraded from levels 9 to 10 and 11 to 12, and the consultant fees paid for the deployment of municipal experts in the municipalities. In addition, the programme received additional funding in respect of an animal pound in the Ingwe municipality.

Spending against Programme 3 was low in comparison to the straight-line benchmark of 50 per cent, at 40.6 per cent at mid-year. This was mainly due to funds earmarked as transfer payments to municipalities in respect of projects relating to the Corridor Development, Massification and Small Town Rehabilitation programmes, which were not transferred due to a computer virus on the department's systems, as well as the slow spending by some municipalities. The department is anticipating that the balance of the funds will be transferred to municipalities in the second half of the year, hence the high projections of 59.4 per cent. The high projections for the second half of the year can also be ascribed to the additional funding allocated to this programme for the continuation of the Small Town Rehabilitation and Massification programmes, among others.

Programme 4 spending was, at 47.3 per cent of the adjusted appropriation at mid-year, slightly below the straight-line benchmark of 50 per cent. This can be attributed to delays with the filling of critical vacant posts due to lengthy recruitment processes and the difficulty in finding suitable candidates. The projections for the remaining six months seem fairly reasonable at 52.7 per cent.

Spending on *Compensation of employees* was largely on track, at 49.2 per cent in the first half of the year, and the projections for the remaining six months are fairly reasonable at 50.8 per cent.

Spending against *Goods and services* was at 42.7 per cent of the adjusted appropriation at mid-year, which is below the straight-line benchmark of 50 per cent. This can be ascribed to savings associated with non-filling of posts, as well as the implementation of financial controls, non-submission of outstanding invoices by service providers, payment not made to UKZN for the training of *Amakhosi*, among others, and hence the high projections of 57.3 per cent in the second half of the year. This category was reduced by R2.854 million relating to the previous years' irregular expenditure, as previously explained.

The low spending against *Transfers and subsidies to: Provinces and municipalities* in the first half of the year, at 44.4 per cent, can be attributed to funds not transferred to municipalities in respect of the Small Town Rehabilitation, Corridor Development, Massification and Disaster Management programmes, as explained previously. The high projections in the second half of the year is due to additional funding allocated in respect of the Massification programme (R40 million) and the Small Town Rehabilitation programme (R60.200 million), which will only be spent in the remaining six months.

Buildings and other fixed structures relates to the construction and rehabilitation of the PDMC, houses for *Amakhosi*, TACs, CSCs, among others. The low spending in the first half of the year is due to the non-completion of the PDMC, as well as the late submission of invoices by IDT for the rehabilitation of CSCs. The department has indicated that these will be finalised in the second half of the year. The projections are high in the second half of the year due to additional funding allocated for the Small Town Rehabilitation programme (R24.800 million), as well as construction projects that were projected in the second half of the year in line with the department's operational/work plan.

Spending against *Machinery and equipment* was extremely low, at 12.3 per cent of the adjusted appropriation at mid-year. The low spending in the first half of the year is due to delays in the filling of critical vacant posts, and the non-filling of non-critical vacant posts. Also, office furniture and computer equipment were not purchased relating to the non-filling of posts. The high projections in the remaining six months are in respect of the payment of official vehicles ordered in 2013/14, and the purchase of replacement vehicles for the departmental fleet.

Spending against *Software and other intangible assets* is in respect of the purchase of the Pastel Evolution software for the traditional levies and trust accounts in Traditional Councils.

The department is projecting a balanced budget at the end of the year.