

# Vote 13

## Social Development

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	2 496 217	2 488 025	(8 192)	
MEC remuneration	1 735	1 735		
<b>Total amount to be appropriated</b>	<b>2 497 952</b>	<b>2 489 760</b>	<b>(8 192)</b>	
<i>of which:</i>				
Current payments	1 492 215	1 524 788		32 573
Transfers and subsidies	839 119	798 354	(40 765)	
Payments for capital assets	166 618	166 618		
Payments for financial assets	-	-		
Responsible MEC	Mrs. W. G. Thusi, MEC for Social Development			
Administering department	Social Development			
Accounting Officer	Head: Social Development			

### 1. Vision and mission

#### Vision

The vision of the Department of Social Development (DSD) is: *A caring and self-reliant society.*

#### Mission

The department's mission is: *To transform our society by building conscious and capable citizens through the provision of integrated social development services.*

### 2. Strategic objectives

**Strategic policy direction:** By focussing on its role in the enhancement of the quality of life of the people of KwaZulu-Natal, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all, as well as to create sustainable rural communities. The strategic objectives of the department include the following:

#### *Social welfare services*

- To provide care and support welfare services to older persons.
- To provide care and support social welfare services to persons with disabilities.
- To provide integrated community based care services to persons affected and infected by HIV and AIDS.
- To provide emergency relief to distressed and households.

#### *Children and families*

- To provide equitable services that promote functional families.
- To provide effective child care and protection services.
- To provide equitable access to Early Childhood Development (ECD) and partial care.
- To provide access to alternative care for vulnerable children.
- To provide community-based care services for children.

**Restorative services**

- To provide effective crime prevention and support services.
- To provide effective services to persons affected by substance abuse.
- To provide effective service to victims of crime and violence.

**Development and research**

- To promote effective community networks.
- To providing effective support to Non-Profit Organisations (NPOs).
- To alleviate poverty through sustainable and effective community development initiatives.
- To provide reliable information on households and communities for effective social interventions.
- To provide effective youth development services.
- To provide effective support structures for women development.
- To promote population policy implementation and planning.

**Core functions**

- To provide developmental social welfare services.
- To provide community development services.

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

The main appropriation of the department was R2.498 billion in 2014/15.

During the year, the adjustments made to the department's appropriation resulted in a reduction of R8.192 million, as outlined below:

- *Virement between programmes:* The following virements were undertaken between programmes:
  - The overall increase of R17.237 million for Programme 1: Administration was from Programme 3: Children and Families (R15.500 million) and Programme 4: Restorative Services (R5.674 million), due to an extensive reprioritisation exercise, where savings were identified against items such as catering, consultants' fees, computer services, etc., in line with the department's internal cost containment plan in order to remain within budget. This was mitigated by a reduction of R3.937 million against *Machinery and equipment* in Programme 1 due to enforced savings, which was moved to Programme 2: Social Welfare Services to ease pressures under *Buildings and other fixed structures*.
  - These savings were to cater for spending pressures against *Compensation of employees* due to the higher than budgeted 2014 annual wage adjustment, and carry-through costs of DPSA directives, including officials who were upgraded from level 9 to 10 and level 11 to 12 in line with PSCBC resolution 3 of 2009, which were implemented without sufficient funding, carry-through costs from the 2012/13 wage agreement and the salary costs related to the implementation of the district management model.
  - Programme 2 was increased by R3.937 million from Programme 1 mainly to cater for spending pressures in *Buildings and other fixed structures* related to ongoing projects for upgrades and refurbishment of state facilities and service offices which are in a poor condition and some which have been condemned and shutdown. The savings are as a result of extensive reprioritisation and an internal cost containment plan against *Machinery and equipment*.

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, and the required Treasury approval was received for the increase in *Compensation of employees*.

- *Shifts*: The following shifts were undertaken by the department:
  - R37.765 million was shifted within Programme 3: Children and Families to correct an error which occurred during the finalisation of the main budget, whereby the entire budget was inadvertently allocated against *Transfers and subsidies*. These funds were shifted from *Transfers and subsidies to: Non-profit institutions* to *Compensation of employees* in respect of payments of stipends to CCGs who provide Home Community Based Care (HCBC) services for children, in line with the business plan relating to the national priority funding for the *Isibindi* model. The original purpose of the funds remains unchanged.
  - R3 million was shifted within Programme 5: Development and Research from *Transfers and subsidies to: Public corporations and private enterprises* to *Goods and services*, in respect of funds which were specifically and exclusively allocated for support to the NGO sector. The department appointed an implementing agent, the National Development Agency (NDA), to implement programmes to capacitate emerging NPOs in areas such as NPO management, financial management, etc. However, there were discrepancies which were identified by the department in the performance of the implementing agent. Thus, a decision was taken by the department to utilise its own capacity in the training of NPOs. The original purpose of the funds remains unchanged.
  - R4.513 million was shifted within Programme 4: Restorative Services to correct an error which occurred during the finalisation of the main budget, whereby the entire budget for victim empowerment programmes was allocated against *Transfers and subsidies*. These funds were shifted from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* in respect of administration of the programme activities, including 16 days of activism against women and children abuse and Advocacy campaigns, etc. The purpose for the funds remains unchanged, which is to provide for victim empowerment programmes.
- *Other adjustments*: An adjustment was made to the department's operational budget, resulting in a net decrease of R8.192 million. This adjustment, which affects Programme 1, is summarised below, and further details are provided in Section 4.1:
  - R231 000 was reduced from the department's allocation and suspended to the Office of the Premier (OTP) in respect of the centralisation of funds for external bursaries. This reduction was made against *Goods and services* in Programme 1. According to the department, these funds were erroneously omitted in the final preparation of the main budget, and were supposed to form part of funds to be suspended to OTP.
  - R7.961 million was deducted from Programme 1 in *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 13.1 and 13.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

**Table 13.1: Summary by programmes**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Administration	444 523	-	-	17 237	-	(8 192)	453 568
2. Social Welfare Services	509 926	-	-	3 937	-	-	513 863
3. Children and Families	985 143	-	-	(15 500)	-	-	969 643
4. Restorative Services	288 131	-	-	(5 674)	-	-	282 457
5. Development and Research	270 229	-	-	-	-	-	270 229
<b>Total</b>	<b>2 497 952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8 192)</b>	<b>2 489 760</b>
<b>Amount to be voted</b>							<b>(8 192)</b>

Table 13.2: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>1 492 215</b>	-	-	-	45 278	(8 192)	<b>37 086</b>	<b>1 529 301</b>
Compensation of employees	1 093 582	-	-	21 174	37 765	-	58 939	1 152 521
Goods and services	398 633	-	-	(21 209)	7 513	(8 192)	(21 888)	376 745
Interest and rent on land	-	-	-	35	-	-	35	35
<b>Transfers and subsidies to:</b>	<b>839 119</b>	-	-	-	(45 278)	-	<b>(45 278)</b>	<b>793 841</b>
Provinces and municipalities	1 670	-	-	-	-	-	-	1 670
Departmental agencies and accounts	1 157	-	-	-	-	-	-	1 157
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	13 500	-	-	-	(3 000)	-	(3 000)	10 500
Non-profit institutions	803 011	-	-	-	(42 278)	-	(42 278)	760 733
Households	19 781	-	-	-	-	-	-	19 781
<b>Payments for capital assets</b>	<b>166 618</b>	-	-	-	-	-	-	<b>166 618</b>
Buildings and other fixed structures	106 005	-	-	12 821	-	-	12 821	118 826
Machinery and equipment	59 438	-	-	(12 821)	-	-	(12 821)	46 617
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	1 175	-	-	-	-	-	-	1 175
<b>Payments for financial assets</b>	<b>-</b>	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>2 497 952</b>	-	-	-	-	<b>(8 192)</b>	<b>(8 192)</b>	<b>2 489 760</b>
<b>Amount to be voted</b>								<b>(8 192)</b>

#### 4. Changes to programme purposes and service delivery measures

The department implemented a new budget programme structure with effect from 1 April 2014, which conforms to the sector specific programme and budget structure for the Social Development sector for 2014/15.

The service delivery measures reflected in the 2014/15 *EPRE* are closely aligned to those in the department's APP, with only a few discrepancies. According to the department, when the *EPRE* was finalised, it was still in the process of finalising the APP. The department is now aligning the non-financial information in the 2014/15 Adjustments Estimate to the APP information.

##### 4.1 Programme 1: Administration

This programme mainly provides overall strategic management and support services to the department, political and legislative interface between government, civil society and all relevant stakeholders, address policy interpretation and the strategic direction of the department and provides support with regard to corporate management, human resource management, logistics, communication, finance, and legal services, etc.

Tables 13.3 and 13.4 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 R9.045 million, are provided in the paragraphs following the tables.

Table 13.3: Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Office of the MEC	16 078	-	-	-	-	-	-	16 078
Corporate Management Services	190 296	-	-	1 737	-	(8 192)	(6 455)	183 841
District Management	238 149	-	-	15 500	-	-	15 500	253 649
<b>Total</b>	<b>444 523</b>	-	-	<b>17 237</b>	-	<b>(8 192)</b>	<b>9 045</b>	<b>453 568</b>
<b>Amount to be voted</b>								<b>9 045</b>

Table 13.4: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments			
<b>Current payments</b>	<b>413 837</b>	-	-	<b>21 174</b>	-	<b>(8 192)</b>	<b>12 982</b>	<b>426 819</b>
Compensation of employees	276 345			21 174		(8 192)	21 174	297 519
Goods and services	137 492			(35)		(8 192)	(8 227)	129 265
Interest and rent on land				35			35	35
<b>Transfers and subsidies to:</b>	<b>6 509</b>	-	-	-	-	-	-	<b>6 509</b>
Provinces and municipalities	1 670							1 670
Departmental agencies and accounts	1 157							1 157
Higher education institutions								-
Foreign governments and international organisations								-
Public corporations and private enterprises								-
Non-profit institutions								-
Households	3 682							3 682
<b>Payments for capital assets</b>	<b>24 177</b>	-	-	<b>(3 937)</b>	-	-	<b>(3 937)</b>	<b>20 240</b>
Buildings and other fixed structures								-
Machinery and equipment	23 002			(3 937)			(3 937)	19 065
Heritage assets								-
Specialised military assets								-
Biological assets								-
Land and subsoil assets								-
Software and other intangible assets	1 175							1 175
<b>Payments for financial assets</b>								-
<b>Total</b>	<b>444 523</b>	-	-	<b>17 237</b>	-	<b>(8 192)</b>	<b>9 045</b>	<b>453 568</b>
<b>Amount to be voted</b>								<b>9 045</b>

### Virement – Programme 1: Administration: R17.237 million

The main appropriation of Programme 1 was increased by R17.237 million as a result of the following:

- Savings of R15.500 million were identified in Programme 3 under *Goods and services* due to an extensive reprioritisation exercise relating to the department's internal cost containment plan in order to remain within budget, in areas such as catering, consultants and business advisory services, computer services, etc. These savings were moved to the sub-programme: District Management in Programme 1 to offset spending pressures under *Compensation of employees*.
- Similarly, savings of R5.674 million were identified in Programme 4 under *Goods and services* to offset spending pressures under *Compensation of employees* in the sub-programme: Corporate Management Services. The increase in *Compensation of employees* in Programme 1 was required to ease the pressures due to the higher than budgeted 2014 annual wage adjustment, carry-through costs of DPSA directives including PSCBC resolution 3 of 2009 for upgrading of levels 9 to 10 and 11 to 12, which were implemented without sufficient funding, carry-through costs from the 2012/13 wage agreement, as well as salary costs for district offices related to the implementation of the district management model.
- R3.937 million was moved from *Machinery and equipment* in the sub-programme: Corporate Management Services to *Buildings and other fixed structures* in Programme 2. This was due to previously mentioned enforced savings and extensive reprioritisation relating to the department's internal cost containment plan in order to remain within budget.
- R35 000 was moved from *Goods and services* in the sub-programme: Corporate Management Services to *Interest and rent on land* within the same sub-programme to cater for the unanticipated payment of overdue accounts.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Compensation of employees* was approved by Provincial Treasury.

### Other adjustments – Programme 1: Administration: (R8.192 million)

- Programme 1 reflects a net decrease of R8.192 million which relates to the following:
  - R231 000 which was suspended from the department in respect of the centralisation of the external bursaries budget under OTP. The reduction is reflected under the sub-programme:

Corporate Management Services against *Goods and services* to correct an omission during the final preparation of the main budget, as previously mentioned.

- o R7.961 million was deducted from the sub-programme: Corporate Management Services against *Goods and services* relating to previous year's irregular expenditure, as previously mentioned.

## 4.2 Programme 2: Social Welfare Services

This programme mainly caters for the provision of developmental social welfare services. These services are provided either directly by the department or by subsidised welfare organisations.

Tables 13.5 and 13.6 below 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 R3.937 million, are provided in the paragraphs below the tables.

**Table 13.5: Programme 2: Social Welfare Services**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Management and Support	188 080			3 937			3 937	192 017
Services to Older Persons	111 277						-	111 277
Services to Persons with Disabilities	81 223						-	81 223
HIV and AIDS	116 293						-	116 293
Social Relief	13 053						-	13 053
<b>Total</b>	<b>509 926</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>513 863</b>
<b>Amount to be voted</b>							<b>3 937</b>	<b>3 937</b>

**Table 13.6: Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>253 525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253 525</b>
Compensation of employees	175 836						-	175 836
Goods and services	77 689						-	77 689
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>215 615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215 615</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	200 667						-	200 667
Households	14 948						-	14 948
<b>Payments for capital assets</b>	<b>40 786</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>44 723</b>
Buildings and other fixed structures	33 805			5 993			5 993	39 798
Machinery and equipment	6 981			(2 056)			(2 056)	4 925
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>509 926</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>-</b>	<b>-</b>	<b>3 937</b>	<b>513 863</b>
<b>Amount to be voted</b>							<b>3 937</b>	<b>3 937</b>

### Virement – Programme 2: Social Welfare Services: R3.937 million

The main appropriation of Programme 2 increased by R3.937 million as a result of the following virements:

- Savings of R3.937 million were identified under *Machinery and equipment* in Programme 1 to offset spending pressures under *Buildings and other fixed structures* in the sub-programme: Management and Support. This relates to projects pertaining to upgrades and refurbishments of state facilities and service offices, as previously mentioned.

- R2.056 million was moved from *Machinery and equipment* within the sub-programme: Management and Support to offset spending pressures under *Buildings and other fixed structures*. This was a result of enforced savings and extensive reprioritisation relating to the department's internal cost containment plan in order to remain within budget and address projects related to upgrades and refurbishments of state facilities and service offices, as previously mentioned.

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

### Service delivery measures – Programme 2: Social Welfare Services

Table 13.7 shows the service delivery information for Programme 2, including the actual achievement for the first six months of the year. One output has been added, as reflected in the table, to align it to the department's tabled APP, and this is shown in the "2014/15 Revised target" column.

**Table 13.7: Service delivery measures – Programme 2: Social Welfare Services**

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
<b>1. Services to Older Persons</b>				
	• No. of older persons accessing funded residential facilities	3 123	2 078	
	• No. of older persons accessing community based care and support services	19 462	16 114	
<b>2. Services Persons with Disabilities</b>				
	• No. of persons with disabilities in funded residential facilities	1 000	891	
	• No. of persons with disabilities accessing services in funded protective workshops	2 732	1 911	
<b>3. HIV and AIDS</b>				
	• No. of beneficiaries receiving Psychosocial Support Services	-	8 487	34 114
	• No. of organisations trained on social and behaviour change programmes	298	26	
	• No. of people reached through social and behaviour change programmes	18 691	2 408	
	• No. of community conversations on HIV and AIDS response conducted	497	253	
<b>4. Social Relief</b>				
	• No. of beneficiaries who benefited from social relief of distress programmes	35 630	3 527	

### 4.3 Programme 3: Children and Families

This programme provides for comprehensive child and family care and support services to communities in partnerships with stakeholders and civil society organisations.

Tables 13.8 and 13.9 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 movements within and between the programmes, which resulted in a decrease of R15.500 million, are provided in the paragraphs following the tables.

**Table 13.8: Programme 3: Children and Families**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Management and Support	368 846						-	368 846
Care and Services to Families	5 611						-	5 611
Child Care and Protection	217 263			(15 500)			(15 500)	201 763
ECD and Partial Care	219 108						-	219 108
Child and Youth Care	72 236						-	72 236
Community-Based Care Services to Children	102 079						-	102 079
<b>Total</b>	<b>985 143</b>	<b>-</b>	<b>-</b>	<b>(15 500)</b>	<b>-</b>	<b>-</b>	<b>(15 500)</b>	<b>969 643</b>
<b>Amount to be voted</b>								<b>(15 500)</b>

Table 13.9: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>492 478</b>	-	-	(15 500)	37 765	-	<b>22 265</b>	<b>514 743</b>
Compensation of employees	390 569				37 765		37 765	428 334
Goods and services	101 909			(15 500)			(15 500)	86 409
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>480 371</b>	-	-	-	(37 765)	-	<b>(37 765)</b>	<b>442 606</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	479 883				(37 765)		(37 765)	442 118
Households	488						-	488
<b>Payments for capital assets</b>	<b>12 294</b>	-	-	-	-	-	-	<b>12 294</b>
Buildings and other fixed structures							-	-
Machinery and equipment	12 294						-	12 294
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>985 143</b>	-	-	(15 500)	-	-	<b>(15 500)</b>	<b>969 643</b>
<b>Amount to be voted</b>								<b>(15 500)</b>

### Virement – Programme 3: Children and Families: (R15.500 million)

An amount of R15.500 million was reduced from *Goods and services* in Programme 3 due to an extensive reprioritisation exercise relating to the internal departmental cost containment plan, in areas such as catering, consultants and business advisory services and computer services. These savings were moved to Programme 1 to offset pressures under *Compensation of employees*, as mentioned previously.

This virement is permissible in terms of the PFMA and Treasury Regulations.

### Shifts – Programme 3: Children and Families

An amount of R37.765 million was shifted within the sub-programme: Community-Based Care Services to Children from *Transfers and subsidies to: Non-profit institutions* to *Compensation of employees* in respect of funds allocated for the *Isibindi* model. In the main budget, the entire funding for the *Isibindi* model was inadvertently allocated against transfers for support to NGOs, while a portion of these funds was intended for the payment of stipends to CCGs who provide HCBC services for children. This shift is therefore required to correct the error that occurred. The purpose for the funds remains unchanged, which is to provide support to HCBC services.

### Service delivery measures – Programme 3: Children and Families

Table 13.10 shows the service delivery information for Programme 3, including the actual achievement for the first six months of the year. Changes have been made to two performance measures in order to fully align the department's APP and EPRE. These are shown in the revised target column.

Table 13.10: Service delivery measures – Programme 3: Children and Families

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
<b>1. Care and services to families</b>				
	• No. of families participating in family preservation programmes	11 661	3 519	
	• No. of family members reunited with their families	1 100	155	
	• No. of families participating in the parenting programme	7 079	3 111	



**Table 13.10: Service delivery measures – Programme 3: Children and Families**

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
<b>2. Child care and protection</b>				
	• No. of orphans and vulnerable children receiving psychosocial support	34 353	6 768	
	• No. of children placed in foster care	19 124	5 011	
<b>3. ECD and partial care</b>				
	• No. of registered ECD sites	2 319	-	
	• No. of children between 0-5 years accessing registered ECD programmes	99 520	63 616	
	• No. of registered partial care sites (excl. ECD)	14	-	
	• No. of children accessing registered partial care sites (excl. ECD)	620	67	
<b>4. Child and youth care</b>				
	• No. of children in need of care and protection placed in funded CYCCs	4 019	3 046	
<b>5. Community based care services for children</b>				
	• No. of children accessing drop-in centres	9 887	2 755	
	• No. of children accessing services through the <i>Isibindi</i> model	1 396	3 272	20 819
	• No. of CYCWs trainees who received training through the <i>Isibindi</i> model	20 819	-	1 396

#### 4.4 Programme 4: Restorative Services

Programme 4 provides for integrated development social crime prevention and anti-substance abuse services to the most vulnerable with stakeholders and civil society organisations. Tables 13.11 and 13.12 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 movements, which resulted in a decrease of R5.674 million, are provided in the paragraphs following the tables.

**Table 13.11: Programme 4: Restorative Services**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Management and Support	128 879			(2 674)		(2 674)	126 205
Crime Prevention and Support	85 143			(3 000)		(3 000)	82 143
Victim Empowerment	26 848					-	26 848
Substance Abuse, Prevention and Rehabilitation	47 261					-	47 261
<b>Total</b>	<b>288 131</b>	<b>-</b>	<b>-</b>	<b>(5 674)</b>	<b>-</b>	<b>(5 674)</b>	<b>282 457</b>
<b>Amount to be voted</b>							<b>(5 674)</b>

**Table 13.12: Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>Current payments</b>	<b>207 530</b>	<b>-</b>	<b>-</b>	<b>(5 674)</b>	<b>4 513</b>	<b>-</b>	<b>206 369</b>
Compensation of employees	151 809						151 809
Goods and services	55 721			(5 674)	4 513		54 560
Interest and rent on land							-
<b>Transfers and subsidies to:</b>	<b>67 322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 513)</b>	<b>-</b>	<b>62 809</b>
Provinces and municipalities							-
Departmental agencies and accounts							-
Higher education institutions							-
Foreign governments and international organisations							-
Public corporations and private enterprises							-
Non-profit institutions	67 202				(4 513)		62 689
Households	120						120
<b>Payments for capital assets</b>	<b>13 279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 279</b>
Buildings and other fixed structures	10 998						10 998
Machinery and equipment	2 281						2 281
Heritage assets							-
Specialised military assets							-
Biological assets							-
Land and subsoil assets							-
Software and other intangible assets							-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>288 131</b>	<b>-</b>	<b>-</b>	<b>(5 674)</b>	<b>-</b>	<b>(5 674)</b>	<b>282 457</b>
<b>Amount to be voted</b>							<b>(5 674)</b>

**Virement – Programme 4: Restorative Services: (R5.674 million)**

Savings of R5.674 million were identified under *Goods and services* in the sub-programmes: Management and Support and Crime Prevention and Support, due to an extensive reprioritisation exercise relating to the department's internal cost containment plan, in areas such as catering, consultants and business advisory services, computer services, etc. These savings were moved to Programme 1 to offset spending pressures under *Compensation of employees* in the sub-programme: Corporate Management Services.

This virement is permissible in terms of the PFMA and Treasury Regulations.

**Shifts – Programme 4: Restorative Services**

An amount of R4.513 million was shifted within the sub-programme: Victim Empowerment from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* with regard to national priority funding for victim empowerment programmes. In the main budget, the funding was inadvertently allocated against transfers to NPOs, while a portion of these funds was intended for the administration of programme activities, including 16 days of activism against women and children abuse, advocacy campaigns, etc. The purpose for the funds remains unchanged, which is to provide victim empowerment programmes.

**Service delivery measures – Programme 4: Restorative Services**

Table 13.13 shows the service delivery information for Programme 4, including the actual achievement for the first six months of the year. There were no changes to the targets as reflected on the *EPRE*.

**Table 13.13: Service delivery measures – Programme 4: Restorative Services**

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
<b>1. Crime prevention and support</b>				
	• No. of children in conflict with the law assessed	4 523	977	
	• No. of children in conflict with the law awaiting trial in secure care centres	674	185	
	• No. of children in conflict with the law referred to diversion programmes	1 613	318	
	• No. of children in conflict with the law who completed diversion programmes	1 126	205	
<b>2. Victim empowerment</b>				
	• No. of victims of crime and violence in funded VEP service sites	1 885	486	
	• No. of victims of crime and violence receiving psychosocial support	4 375	994	
<b>3. Substance abuse, prevention and rehabilitation</b>				
	• No. of children 18 years and below reached through drug prevention programmes	31 394	6 346	
	• No. of youth between 19 and 35 reached through drug prevention programmes	19 052	2 963	
	• No. of users who accessed inpatient treatment services at funded treatment centres	615	258	
	• No. of service users who accessed outpatient based treatment services	823	441	

**4.5 Programme 5: Development and Research**

Programme 5 provides for sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.

Tables 13.14 and 13.15 below reflect a summary of the 2014/15 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification.

Details of the main movements within the programme, which did not result in any adjustments to the programme allocation, are provided in the paragraphs following the tables.

Table 13.14: Programme 5: Development and Research

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Management and Support	153 150						-	153 150
Community Mobilisation	1 070						-	1 070
Institutional Capacity Building and Support for NPOs	53 010						-	53 010
Poverty Alleviation and Sustainable Livelihoods	11 037						-	11 037
Community-Based Research and Planning	1 681						-	1 681
Youth Development	42 089						-	42 089
Women Development	4 600						-	4 600
Population Policy Promotion	3 592						-	3 592
<b>Total</b>	<b>270 229</b>	-	-	-	-	-	-	<b>270 229</b>
Amount to be voted								-

Table 13.15: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>124 845</b>	-	-	-	3 000	-	3 000	127 845
Compensation of employees	99 023						-	99 023
Goods and services	25 822				3 000		3 000	28 822
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>69 302</b>	-	-	-	(3 000)	-	(3 000)	66 302
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	13 500				(3 000)		(3 000)	10 500
Non-profit institutions	55 259						-	55 259
Households	543						-	543
<b>Payments for capital assets</b>	<b>76 082</b>	-	-	-	-	-	-	76 082
Buildings and other fixed structures	61 202			6 828			6 828	68 030
Machinery and equipment	14 880			(6 828)			(6 828)	8 052
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>270 229</b>	-	-	-	-	-	-	<b>270 229</b>
Amount to be voted								-

### Virement – Programme 5: Development and Research

An amount of R6.828 million was moved within Programme 5 due to an extensive reprioritisation exercise relating to the department's internal cost containment plan against *Machinery and equipment* in order to offset spending pressures against *Buildings and other fixed structures*. These savings related to the effort by the department to improve the infrastructure which is currently in poor condition, which includes state facilities and service offices.

This virement is permissible in terms of the PFMA and Treasury Regulations.

### Shifts – Programme 5: Development and Research

An amount of R3 million was shifted from *Transfers and subsidies to: Public corporations and private enterprises* to *Goods and services* within the sub-programme: Institutional Capacity Building and Support for NPOs, in respect of funds which were specifically and exclusively allocated for support to the NGO sector. The department appointed an implementing agent, NDA to implement programmes to capacitate emerging NPOs in areas such as NPO management, financial management, etc. However, due to some discrepancies in the performance of the implementing agent, the department has decided to undertake the training on its own in order to speed up the process. The original purpose of the funds remains unchanged.

**Service delivery measures – Programme 5: Development and Research**

Table 13.16 shows the service delivery information for Programme 5, including the actual achievement for the first six months of the year. There were no changes to the *EPRE* service delivery measures as they are fully aligned to the APP.

**Table 13.16: Service delivery measures – Programme 5: Development and Research**

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
<b>1. Community mobilisation</b>				
	• No. of people reached through community mobilisation programmes	30 525	9 766	
<b>2. Institutional capacity building and support for NPOs</b>				
	• No. of NPOs capacitated according to the capacity building framework	3 679	1 292	
<b>3. Poverty alleviation and sustainable livelihoods</b>				
	• No. of poverty reduction projects supported through capacity building and/or funding initiative	585	168	
	• No. of people participating in income generating programmes	3 019	782	
	• No. of households accessing food through DSD food security programmes	17 822	3 695	
	• No. of people accessing food through DSD feeding programmes (centre based)	40 253	26 026	
<b>4. Community-based research and planning</b>				
	• No. of households profiled	20 709	3 074	
	• No. of communities profiled	487	88	
	• No. of community based plans developed	469	45	
<b>5. Youth development</b>				
	• No. of youth development structures supported through capacity building and/or funding initiatives	309	85	
	• No. of youth participating in National Youth Service Programme	1 968	909	
	• No. of youth participating in skills development programmes	3 136	1 078	
	• No. of youth participating in entrepreneurship programmes	1 704	259	
<b>6. Women development</b>				
	• No. of women participating in socio-economic empowerment programmes	2 749	973	
<b>7. Population policy promotion</b>				
	• No. of dissemination workshops for population and development conducted	13	3	
	• No. of stakeholders who participated in dissemination workshops for population development	160	36	
	• No. of stakeholders who participated in capacity building training	80	137	
	• No. of research projects completed	2	-	
	• No. of demographic profiles completed	2	-	

**5. Gifts, donations and sponsorships**

The department is not envisaging any gifts, donation or sponsorships exceeding R100 000 during 2014/15.

**6. Infrastructure**

Table 13.17 below provides a summary of infrastructure payments per main category.

Details of the main adjustments, which resulted in an overall increase of R12.821 million, are provided in the paragraphs following the tables.

Table 13.17: 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		
<b>Existing infrastructure assets</b>	<b>29 185</b>	-	-	<b>12 821</b>	-	-	<b>12 821</b>	<b>42 006</b>
Maintenance and repair: Current	16 307						-	16 307
Upgrades and additions: Capital	12 878						-	12 878
Refurbishment and rehabilitation: Capital				12 821			12 821	12 821
<b>New infrastructure assets: Capital</b>	<b>93 127</b>						-	<b>93 127</b>
<b>Infrastructure transfers</b>	<b>-</b>	-	-	-	-	-	-	<b>-</b>
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
<b>Infrastructure: Payments for fin assets</b>	<b>-</b>						-	<b>-</b>
<b>Infrastructure: Leases</b>	<b>-</b>						-	<b>-</b>
Capital infrastructure	106 005	-	-	12 821	-	-	12 821	118 826
Current infrastructure	16 307	-	-	-	-	-	-	16 307
<b>Total</b>	<b>122 312</b>	-	-	<b>12 821</b>	-	-	<b>12 821</b>	<b>135 133</b>
<b>Amount to be voted</b>								<b>12 821</b>

- *Virement*: Savings of R12.821 million were identified from *Machinery and equipment* in Programmes 1, 2 and 5, as previously mentioned. These savings were moved to *Refurbishment and rehabilitation: Capital* in order to offset spending pressures related to various projects in an effort to address the poor condition of the state facilities and service offices.

The above virement is permissible in terms of the PFMA and Treasury Regulations.

## 7. Conditional grants

Table 13.18 provides a summary of conditional grants per programme and economic classification. No changes were made to the conditional grant main appropriation.

The full allocation of both the grants is allocated to *Compensation of employees* in Programme 2.

Table 13.18: 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		
<b>2. Social Welfare Services</b>	<b>5 746</b>	-	-	-	-	-	-	<b>5 746</b>
EPWP Integrated Grant for Provinces	2 000						-	2 000
Social Sector EPWP Incentive Grant for Provinces	3 746						-	3 746
<b>Total</b>	<b>5 746</b>	-	-	-	-	-	-	<b>5 746</b>
<b>Amount to be voted</b>								<b>-</b>

## 8. Transfers and subsidies

Table 13.19 below provides a summary of transfers and subsidies per programme relating to the department.

Details of the main movements, which resulted in an overall decrease of R45.278 million in the department's transfers and subsidies budget, are provided in the paragraphs following the table.

It is noted that during the preparation of the *EPRE*, an amount of R13.500 million was inadvertently allocated against *Non-profit institutions*, instead of *Public corporations and private enterprises* in this table under Programme 5, and this is now corrected under *Other adjustments*.

Table 13.19: Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>1. Administration</b>	<b>6 509</b>	-	-	-	-	-	<b>6 509</b>
Provinces and municipalities	1 670	-	-	-	-	-	1 670
Motor vehicle licences	1 670	-	-	-	-	-	1 670
Departmental agencies and accounts	1 157	-	-	-	-	-	1 157
HWSETA	1 157	-	-	-	-	-	1 157
Households	3 682	-	-	-	-	-	3 682
Social benefit - post retirement benefit	3 682	-	-	-	-	-	3 682
<b>2. Social Welfare Services</b>	<b>215 615</b>	-	-	-	-	-	<b>215 615</b>
Non-profit institutions	200 667	-	-	-	-	-	200 667
Care and Services to Older Persons	96 586	-	-	-	-	-	96 586
Services to Persons with Disabilities	64 315	-	-	-	-	-	64 315
HIV and AIDS	39 766	-	-	-	-	-	39 766
Households	14 948	-	-	-	-	-	14 948
Social benefit - post retirement benefit	1 895	-	-	-	-	-	1 895
Social relief	13 053	-	-	-	-	-	13 053
<b>3. Children and Families</b>	<b>480 371</b>	-	-	-	<b>(37 765)</b>	<b>(37 765)</b>	<b>442 606</b>
Non-profit institutions	479 883	-	-	-	(37 765)	(37 765)	442 118
Care and Services to Families	5 266	-	-	-	-	-	5 266
Child Care and Protection	81 194	-	-	-	-	-	81 194
ECD and Partial Care	219 108	-	-	-	-	-	219 108
Child and Youth Care	72 236	-	-	-	-	-	72 236
Community-Based Care Services for Children	102 079	-	-	-	(37 765)	(37 765)	64 314
Households	488	-	-	-	-	-	488
Social benefit - post retirement benefit	488	-	-	-	-	-	488
<b>4. Restorative Services</b>	<b>67 322</b>	-	-	-	<b>(4 513)</b>	<b>(4 513)</b>	<b>62 809</b>
Non-profit institutions	67 202	-	-	-	(4 513)	(4 513)	62 689
Crime Prevention and Support	21 439	-	-	-	-	-	21 439
Victim Empowerment	25 959	-	-	-	(4 513)	(4 513)	21 446
Substance Abuse, Prevention and Rehabilitation	19 804	-	-	-	-	-	19 804
Households	120	-	-	-	-	-	120
Social benefit - post retirement benefit	120	-	-	-	-	-	120
<b>5. Development and Research</b>	<b>69 302</b>	-	-	-	<b>(3 000)</b>	<b>(3 000)</b>	<b>66 302</b>
Public corporations and private enterprises	-	-	-	-	(3 000)	13 500	10 500
Institutional Capacity Building for NPO's	-	-	-	-	(3 000)	13 500	10 500
Non-profit institutions	68 759	-	-	-	-	(13 500)	55 259
Institutional Capacity Building for NPO's	13 500	-	-	-	-	(13 500)	-
Poverty Alleviation and Sustainable Livelihoods	11 037	-	-	-	-	-	11 037
Youth Development	39 622	-	-	-	-	-	39 622
Women Development	4 600	-	-	-	-	-	4 600
Households	543	-	-	-	-	-	543
Social benefit - post retirement benefit	543	-	-	-	-	-	543
<b>Total</b>	<b>839 119</b>	-	-	-	<b>(45 278)</b>	<b>(45 278)</b>	<b>793 841</b>
<b>Amount to be voted</b>							<b>(45 278)</b>

- *Shifts*: Funds were moved as follows:
  - R37.765 million was shifted within Programme 3 from *Non-profit institutions* to *Compensation of employees* with regard to funds allocated for the *Isibindi* model. In the main budget, the *Isibindi* model funding was inadvertently allocated against transfers for support to NGOs, while a portion of these funds was intended for the payment of stipends to CCGs who provide HCBC services for children. As previously mentioned, the purpose of the funds remains unchanged.
  - R4.513 million was shifted within Programme 4 from *Non-profit institutions* to *Goods and services* with regard to national priority funding for victim empowerment programmes. In the main budget, the funding was inadvertently allocated against transfers to NPOs, while a portion of these funds was intended for the administration costs of implementing these programmes, including 16 days of activism against women and children abuse, advocacy campaigns, etc. As previously mentioned, the purpose of the funds remains unchanged, which is to provide victim empowerment programmes.
  - R3 million was shifted within Programme 5 from *Public corporations and private enterprises* to *Goods and services* in respect of funds which were specifically and exclusively allocated for support to the NGO sector. As mentioned, the shift is due to the discrepancies in the performance of the implementing agent, NDA. The original purpose of the funds remains unchanged.

- *Other adjustments:* As mentioned, R13.500 million was inadvertently allocated against *Non-profit institutions* instead of *Public corporations and private enterprises* in Programme 5 in this table during the preparation of the *EPRE*, and this is now corrected.

## 9. Transfers to local government

The department makes no transfer payments to local government. It is noted that an amount of R1.670 million is reflected against *Transfers and subsidies to: Provinces and municipalities* in Table 13.4 above. This relates to the payment of motor vehicle licences. As this amount will not be transferred to any municipality, the table reflecting transfers to local government is excluded.

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

Tables 13.20 and 13.21 below reflect actual payments as at the end of September 2014, projected payments for the rest of the year in rand value and as a percentage of the adjusted appropriation per programme and economic classification, and revised projected spending. The tables also show the 2013/14 audited outcome.

**Table 13.20: 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	454 764	457 505	246 947	54.0	210 558	46.0	457 505
2. Social Welfare Services	604 170	509 926	530 788	104.1	(20 862)	(4.1)	509 926
3. Children and Families	230 826	969 643	260 478	26.9	709 165	73.1	969 643
4. Restorative Services	838 410	282 457	54 649	19.3	227 808	80.7	282 457
5. Development and Research	202 074	270 229	72 638	26.9	197 591	73.1	270 229
<b>Total</b>	<b>2 330 244</b>	<b>2 489 760</b>	<b>1 165 500</b>	<b>46.8</b>	<b>1 324 260</b>	<b>53.2</b>	<b>2 489 760</b>

**Table 13.21: 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	% of budget	October '14 - March 2015	% of budget	
<b>Current payments</b>	<b>1 372 633</b>	<b>1 529 301</b>	<b>746 401</b>	<b>48.8</b>	<b>782 900</b>	<b>51.2</b>	<b>1 529 301</b>
Compensation of employees	1 015 893	1 152 521	576 260	50.0	576 261	50.0	1 152 521
Goods and services	356 414	376 745	170 106	45.2	206 639	54.8	376 745
Interest and rent on land	326	35	35	100.0	-	-	35
<b>Transfers and subsidies to:</b>	<b>751 210</b>	<b>793 841</b>	<b>363 576</b>	<b>45.8</b>	<b>430 265</b>	<b>54.2</b>	<b>793 841</b>
Provinces and municipalities	365	1 670	235	14.1	1 435	85.9	1 670
Departmental agencies and accounts	2 832	1 157	1 144	98.9	13	1.1	1 157
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	16 607	10 500	-	-	10 500	100.0	10 500
Non-profit institutions	714 290	760 733	353 556	46.5	407 177	53.5	760 733
Households	17 116	19 781	8 641	43.7	11 140	56.3	19 781
<b>Payments for capital assets</b>	<b>206 401</b>	<b>166 618</b>	<b>55 523</b>	<b>33.3</b>	<b>111 095</b>	<b>66.7</b>	<b>166 618</b>
Buildings and other fixed structures	182 990	118 826	50 826	42.8	68 000	57.2	118 826
Machinery and equipment	22 926	46 617	4 697	10.1	41 920	89.9	46 617
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	485	1 175	-	-	1 175	100.0	1 175
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 330 244</b>	<b>2 489 760</b>	<b>1 165 500</b>	<b>46.8</b>	<b>1 324 260</b>	<b>53.2</b>	<b>2 489 760</b>

The department spent 46.8 per cent of its adjusted budget in the first six months of the year. This level of spending is fairly low compared to the straight-line benchmark of 50 per cent.

Programme 1 reflects spending at 54 per cent of the adjusted appropriation, which is slightly high. The decrease in the projections for the second half of the year relates to the correct allocation of expenditure

in respect of salaries for finance monitors and other operational costs including computer services, fleet services, etc.

Programme 2 spent at 104.1 per cent of the adjusted budget by mid-year, which is substantially higher than straight-line benchmark of 50 per cent. As at mid-year, most salary costs for social workers were paid against this programme, which was not according to the new budget programme structure implemented from 1 April 2014. The decrease in the projections for the second half of the year relate to the correct linking of staff, which has now been finalised. The expenditure will be journalised once the quantum for each programme has been accurately determined.

Spending against Programmes 3 and 4 was low in comparison to the straight-line benchmark of 50 per cent, at 26.9 per cent and 19.3 per cent respectively at mid-year. The increases in the projections for the second half of the year relate to the correct linking of staff to be moved from Programme 2.

Programme 5 spending was low at 26.9 per cent of the adjusted appropriation at mid-year. The increase in the projections for the second half of the year relates to finalisation of SLAs for the transfers for Sustainable Livelihood and Youth Development projects and processing of transfer payments, which will not be back-dated, but will be paid from the month of approval going forward.

Spending on *Compensation of employees* was on track, at 50 per cent in the first half of the year, and the projections for the remaining six months are in line with this.

Spending against *Goods and services* was at 45.2 per cent of the adjusted appropriation at mid-year which is below the straight-line benchmark of 50 per cent at mid-year. This is attributed to delays in the finalisation of procurement plans for items, including minor assets, stationery, contractors, etc. The projections for the second half of the year relate to the anticipated payments for repairs and maintenance projects, property payments for new leases, and fleet services based on the available fleet for the department.

The low spending against *Transfers and subsidies to: Non-profit institutions* in the first half of the year, at 46.5 per cent, can be attributed to the anticipated payment of Sustainable Livelihood and Youth Development projects, which were delayed due to finalisation of SLAs with emerging NPOs once the PFMA requirements are met.

*Buildings and other fixed structures* was low at 42.8 per cent, and relates to the reconciliation process implemented by the department whereby invoices are verified before payments are processed. The increase in projections for the second half of the year is reflective of the payment of verified invoices.

Spending against *Machinery and equipment* was extremely low at 10.1 per cent of the adjusted appropriation at mid-year. The low spending in the first half of the year is due to the delays with the finalisation of the procurement plans, as well as delays in the purchase of motor vehicles of which the department indicated that they were awaiting prices from the Department of Transport. However, the procurement process is anticipated to be finalised in the second half of the year, accounting for the increase in projection.

*Software and other intangible assets* is in respect of the purchase of the Anti-virus software for the department which is anticipated in the second half of the year.

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