

COOPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS

Adjusted budget summary

R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 158 033	2 335 016	-	176 983
<i>of which:</i>				
Current payments	924 764	932 614	-	7 850
Transfers and Subsidies	1 230 802	1 398 506	-	167 704
Payments for Capital Assets	2 467	3 896	-	1 429
Payments for Financial Assets	-	-	-	
Direct charge against the Provincial Revenue Fun	1 735	1 735		-
Executive authority	MEC for Co-operative Governance Human Settlement and Traditional Affairs			
Accounting officer	Superintendent General			

Aim

To give our clients and stakeholders quality service by living up to our commitments and investing in our people.

Adjusted 2014 Estimates of Provincial Payments

Table 11.1: Adjusted estimates

2014/15								
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation
Programme								
1. Administration	268 608	-	-	-	-	-	9 286	9 286
2. Human Settlements	1 322 528	167 428	560	-	-	-	(4 992)	162 996
3. Cooperative Governance	239 396	-	-	-	-	-	(3 158)	(3 158)
4. Traditional Institutional Development	325 766	-	-	-	-	-	7 859	7 859
Sub-total	2 156 298	167 428	560	-	-	-	8 995	176 983
Direct charge against the Provincial Revenue Fund								
Statutory	1 735	-	-	-	-	-	-	-
Total	2 158 033	167 428	560	-	-	-	8 995	176 983
Economic classification								
Current Payments	924 764	2 000	-	(1 759)	-	-	7 609	7 850
Compensation of employees	763 429	-	-	-	-	-	8 995	8 995
Goods and services	161 335	2 000	-	(1 759)	-	-	(1 386)	(1 145)
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	1 230 802	165 428	560	-	-	-	1 716	167 704
Provinces and municipalities	1 169	-	-	-	-	-	998	998
Departmental agencies and accounts	1 070	-	-	-	-	-	190	190
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	4 096	-	-	-	-	-	(711)	(711)
Households	1 224 467	165 428	560	-	-	-	1 239	167 227
Payment for capital assets	2 467	-	-	1 759	-	-	(330)	1 429
Building and other fixed structures	40	-	-	-	-	-	-	-
Machinery and equipment	2 427	-	-	1 759	-	-	(330)	1 429
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 158 033	167 428	560	-	-	-	8 995	176 983

Programme 1: Administration

Table 11.1.1: Adjusted estimates

2014/15								
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation
Subprogramme								
1. Office of the MEC	1 735	-	-	-	-	-	-	-
2. Corporate Services	268 608	-	-	-	-	-	9 286	9 286
Total	270 343	-	-	-	-	-	9 286	9 286
Economic classification.								
Current Payments	264 108	-	-	(1 759)	-	-	9 700	7 941
Compensation of employees	156 827	-	-	-	-	-	6 922	6 922
Goods and services	107 281	-	-	(1 759)	-	-	2 778	1 019
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	4 860	-	-	-	-	-	174	174
Provinces and municipalities	1 010	-	-	-	-	-	998	998
Departmental agencies and accounts	1 070	-	-	-	-	-	190	190
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-
Households	2 780	-	-	-	-	-	(1 014)	(1 014)
Payment for capital assets	1 375	-	-	1 759	-	-	(588)	1 171
Building and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	1 375	-	-	1 759	-	-	(588)	1 171
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	270 343	-	-	-	-	-	9 286	9 286

An amount of R9.286 million is received from other programmes to address compensation of employees as well as lease of offices. An amount of R1.759 million was shifted from Goods and Services to Payments for Capital Assets to fund the purchase of MEC's vehicle which has exhausted mileage threshold.

Programme 2: Human Settlements

Table 11.1.2: Adjusted estimates

Table 11.1: Adjusted Estimates								
Human Settlements		2014/15						
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Function shifts	Declared unspent funds		
Subprogramme								
1. Housing Needs, Research and Planning	17 714	2 000	-	-	-	-	40 827	60 541
2. Housing Development, Implementation, Planning and Targets	1 259 410	165 428	560	-	-	-	(65 737)	1 359 661
3. Housing Asset Management and Property management	45 404	-	-	-	-	-	19 918	65 322
Total	1 322 528	167 428	560	-	-	-	(4 992)	1 485 524
Economic classification.								
Current Payments		100 690	2 000	-	-	-	(5 553)	97 137
Compensation of employees	86 652	-	-	-	-	-	(5 128)	81 524
Goods and services	14 038	2 000	-	-	-	-	(425)	15 613
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	1 221 446	165 428	560	-	-	-	507	1 387 941
Provinces and municipalities	159	-	-	-	-	-	-	159
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-
Households	1 221 287	165 428	560	-	-	-	507	1 387 782
Payment for capital assets	392	-	-	-	-	-	54	446
Building and other fixed structures	40	-	-	-	-	-	-	40
Machinery and equipment	352	-	-	-	-	-	54	406
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets		-	-	-	-	-	-	-
Total	1 322 528	167 428	560	-	-	-	(4 992)	1 485 524

- An amount of R165.988 million was received as a roll-over for Human settlement Grant and R2 million for Govan Mbeki award.
- An amount of R4.992 million is shifted from the programme savings to address shortfall on compensation of employees in Programme 1 (Administration).

Programme 3: Cooperative Governance

Table 11.1.3: Adjusted estimates

Cooperative Governance		2014/15						
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Function shifts	Declared unspent funds		
Subprogramme								
1. Local Governance	185 008	-	-	-	-	-	(7 313)	177 695
2. Development Planning	54 388	-	-	-	-	-	4 155	58 543
Total	239 396	-	-	-	-	-	(3 158)	236 238
Economic classification.								
Current Payments	238 396	-	-	-	-	-	(4 340)	234 056
Compensation of employees	210 239	-	-	-	-	-	(3 481)	206 758
Goods and services	28 157	-	-	-	-	-	(859)	27 298
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	300	-	-	-	-	-	1 076	1 376
Provinces and municipalities	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-
Households	300	-	-	-	-	-	1 076	1 376
Payment for capital assets	700	-	-	-	-	-	106	806
Building and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	700	-	-	-	-	-	106	806
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	239 396	-	-	-	-	-	(3 158)	236 238

An amount of R3.158 million is adjusted to Programme 1(Administration-R1.930 million) and Programme 4 (Traditional Affairs-R1.228 million) to fund shortfall on arrear payments for Traditional Leaders.

Programme 4: Traditional Institutional Development

Table 11.1.4: Adjusted estimates

Traditional Institutional Development		2014/15						
		Adjustments appropriation						Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	
Subprogramme								
1. Traditional Institutional Administration	317 295	-	-	-	-	-	9 414	326 709
2. Administration of Houses of Traditional Leaders	8 471	-	-	-	-	-	(1 555)	6 916
Total	325 766	-	-	-	-	-	7 859	333 625
Economic classification.								
Current Payments	321 570	-	-	-	-	-	7 802	329 372
Compensation of employees	309 711	-	-	-	-	-	10 682	320 393
Goods and services	11 859	-	-	-	-	-	(2 880)	8 979
Interest and rent on land	-	-	-	-	-	-	-	-
Transfer and subsidies to:	4 196	-	-	-	-	-	(41)	4 155
Provinces and municipalities	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-
Non-profit making institutions	4 096	-	-	-	-	-	(711)	3 385
Households	100	-	-	-	-	-	670	770
Payment for capital assets	-	-	-	-	-	-	98	98
Building and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	98	98
Biological assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	325 766	-	-	-	-	-	7 859	333 625

An amount of R7.859 million consists of part of the R8.995 million received from Treasury in respect of Traditional Leaders arrear payments as well as adjustments from other programmes due to delayed filling of vacant positions.

Virements and shifts

Virements done for the period are illustrated hereunder:

Table 11.2: Details on virements per programme and economic classification

Programmes					
1.Administration					
FROM			TO		
Programme and economic classification	Motivation	R thousand	Programme and economic classification	Motivation	R thousand
Programme 1		(1 759)	Programme 1		1 759
Goods & Services	Anticipated savings on subsistence and travel	(1 759)	Payment of Capital assets	To fund purchase of MEC's car which has reached its mileage threshold.	1 759
Virements to other programmes as a percentage of the programme budget		0.65%			
Total		(1 759)			1 759

Other adjustments-R176.983 million

Rollovers of funds- R167.428 million

An amount of R167.428 million was received as roll-over in respect of Human Settlement (R165.428 million) and Govan Mbeki Award (R2.0 million).

Unforeseeable and unavoidable expenditure- R9.555 million

Programme 4: Traditional Institutional Development

Additional amounts of R8.995 million and R0.560 million have been allocated to cover costs related to arrear payments for Traditional Leaders as well flood damaged houses in the province respectively.

Expenditure for 2013/14 and preliminary expenditure for 2014/15

Table 11.3: Expenditure trends

R thousand	2013/14					2014/15		
	Expenditure outcome					Preliminary outcome		
	Adjusted appropriation	Apr 2013-Sept 2013	Apr 13-Sept 13 % of adjusted appropriation	Apr 2013-Mar 2014	Apr 13-Mar 14 % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sept 2014	14 % of adjusted appropriation
1. Administration	261 216	130 814	50.1%	256 760	98.3%	279 629	137 410	49.1%
2. Human Settlements	776 695	201 900	26.0%	394 693	50.8%	1 485 524	151 036	10.2%
3. Cooperative Governance	239 627	115 653	48.3%	233 880	97.6%	236 238	118 752	50.3%
4. Traditional Institutional Development	311 455	153 791	49.4%	301 303	96.7%	333 625	173 607	52.0%
Total	1 588 993	602 158	37.9%	1 186 636	74.7%	2 335 016	580 805	24.9%
Economic classification								
Current payments	884 263	439 574	49.7%	860 294	97.3%	932 614	470 789	50.5%
Compensation of employees	715 978	357 553	49.9%	698 385	97.5%	772 424	394 932	51.1%
Goods and services	168 285	82 021	48.7%	161 909	96.2%	160 190	75 857	47.4%
Interest and rent on land	-	-	0.0%	-	0.0%	-	-	0.0%
Transfer and subsidies to:	696 410	161 457	23.2%	314 875	45.2%	1 398 506	108 591	7.8%
Provinces and municipalities	1 936	115	5.9%	1 911	98.7%	2 167	1 025	47.3%
Departmental agencies and accounts	1 942	1 060	54.6%	1 798	92.6%	1 260	6	0.0%
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	2 250	1 331	59.2%	2 614	116.2%	3 385	964	0.0%
Households	690 282	158 951	23.0%	308 552	44.7%	1 391 694	106 596	7.7%
Payments for capital assets	8 320	1 127	13.5%	5 658	68.0%	3 896	1 425	36.6%
Buildings and other fixed structures	-	-	-	-	-	40	-	-
Machinery and equipments	8 320	1 127	13.5%	5 658	68.0%	3 856	1 425	37.0%
Biological assets	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	5 809	-100.0%	-	-	-
Total	1 588 993	602 158	37.9%	1 186 636	74.7%	2 335 016	580 805	24.9%

- Expenditure for the current financial year decreased by two percent as compared to the 2013/14 financial year. The decrease is attributed to procurement process delays for Human Settlement Development Grant contractors.
- Only seven percent of Housing Grant budget (Housing Grant constitute 60 percent of the Departmental budget) was spent by the end of September 2014.

Departmental receipts

Table 11.4: Receipts

Table 11.4: Receipts									
R thousand	2013/14					2014/15			
	Audited outcome					Actual receipts			
	Adjusted estimate	Apr 13 - Sept 13	Apr 13- Sept 13 % of adjusted estimate	Apr 13 - Mar 14	Apr 13- Mar 14 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 14 - Sept 14	Apr 14- Sept 14 % of adjusted estimate
Tax receipts									
Sales of goods and services	988	485	49.1%	1 082	109.5%	1 169	1 232	707	57.4%
Transfers received				2 000					
Fines, penalties and forfeits	11					11	11		
Interest, dividends and rent on land	61	30	49.2%	230	377.0%	95	102	69	67.6%
Sales of capital assets	225					300	268	268	100.0%
Financial transactions in assets and liabilities	1 215	600	49.4%	1 247	102.6%	1 350	1 312	653	49.8%
Total departmental receipts	2 500	1 115	44.6%	4 559	182.4%	2 925	2 925	1 697	58.0%

The Department's revenue collection for the current financial year increased by 14 percent compared with the previous financial year. The increase is as a result of a once-off auction sale of capital assets which took place earlier than the planned date. The Department projects to stay within the original estimates by the end of the financial year.

Summary of changes to transfers and subsidies per programme

Table 11.5: Summary of changes to transfers and subsidies per programme.

2014/15									
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments		Total adjustments appropriation
1. Administration	4 860	-	-	-	-	-	174	174	5 034
Provinces and municipalities	1 010	-	-	-	-	-	998	998	2 008
Departmental agencies and accounts	1 070	-	-	-	-	-	190	190	1 260
Households	2 780	-	-	-	-	-	(1 014)	(1 014)	1 766
2. Human Settlements	1 221 446	165 428	560	-	-	-	507	166 495	1 387 941
Provinces and municipalities	159	-	-	-	-	-	-	-	159
Households	1 221 287	165 428	560	-	-	-	507	166 495	1 387 782
3. Cooperative Governance	300	-	-	-	-	-	1 076	1 076	1 376
Households	300	-	-	-	-	-	1 076	1 076	1 376
4. Traditional Institutional Development	4 196	-	-	-	-	-	(41)	(41)	4 155
Non-profit institutions	4 096	-	-	-	-	-	(711)	(711)	3 385
Households	100	-	-	-	-	-	670	670	770
Total	1 230 802	165 428	560	-	-	-	1 716	167 704	1 398 506

Summary of changes to conditional grants

Table 11.6: Summary of changes to conditional grants per programme.

2014/15									
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments		Total adjustments appropriation
2. Human Settlements									
Human Settlement Development	1 219 115	165 428	560	-	-	-	-	165 988	1 385 103
Expanded Public Work Programme	2 144	-	-	-	-	-	-	-	2 144
Total	1 221 259	165 428	560	-	-	-	-	165 988	1 387 247