

Vote 5

Department of Roads and Public Works

Adjusted Budget Summary

Table 5.1: Adjustment Budget Summary

2014/15			
R thousand	Main appropriation	Adjusted appropriation	(Decrease) / Increase
Amount to be appropriated	1 152 494	1 214 474	61 980
<i>of which</i>			-
Current payments	970 471	1 018 185	47 714
Transfers and subsidies	67 659	74 623	6 964
Payments for capital assets	114 364	121 666	7 302
Payments for financial assets	-	-	-
Direct Charge against the Provincial Fund			
Executing authority	MEC of Roads and Public works		
Accounting officer	Head of Department : Roads and Public Works		
Website Address	http://ncrpw.ncpg.gov.za		

Aim

The aim of the department is to provide and maintain all provincial land, building and road infrastructure in an integrated sustainable manner.

Changes to programme purposes, objectives and measures

There were no changes to programme purposes, objectives and measures.

Adjusted Estimates of Provincial Expenditure 2014

Table 5.2: Adjusted Estimate of Provincial Expenditure

2014/15								
Programme	Main appropriation	Additional appropriation						Adjusted appropriation
R thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
Administration	124 028			472			472	124 500
Public Works Infrastructure	119 867	8 678		311		35 000	43 989	163 856
Transport Infrastructure	833 198							833 198
Community Based Programmes	75 401	10 733		(783)		7 569	17 519	92 920
Total	1 152 494	19 411				42 569	61 980	1 214 474
Economic classification								
Current payments	970 471	8 678		(4 964)		44 000	47 714	1 018 185
Compensation of employees	237 834			(2 872)			(2 872)	234 962
Goods and services	732 637	8 678		(2 092)		44 000	50 586	783 223
Interest and rent on land								
Transfers and subsidies to:	67 659	4 092		2 872			6 964	74 623
Provinces and municipalities	49 310	4 092					4 092	53 402
Departmental agencies and accounts	16 348							16 348
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	2 001			2 872			2 872	4 873
Payments for capital assets	114 364	6 641		2 092		(1 431)	7 302	121 666
Buildings and other fixed structures	112 401	6 641		21		(1 431)	5 231	117 632
Machinery and equipment	1 955			2 053			2 053	4 008
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets	8			18			18	26
Payments for financial assets								
Total	1 152 494	19 411				42 569	61 980	1 214 474

The department has been allocated an additional amount of R61.980 million of which an amount of R19.411 million was approved equitable share roll overs from the 2013/14 financial year. An additional amount of R49 million was allocated to the department to fund other provincial priorities.

The equitable share budget was however reduced with an amount of R6.431 million for an Expanded Public Works Programme (EPWP) project to be executed by the Department of Social Development.

Details of adjustments to Estimates of Provincial Expenditure 2014

Programme 1: Administration

Table 5.2.1: Programme 1 : Administration

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Office of the MEC	9 224			209			209	9 433
Management of the Department	7 309			3 360			3 360	10 669
Corporate Support	107 495			(3 097)			(3 097)	104 398
Total	124 028			472			472	124 500
Economic classification								
Current payments	106 162			(416)			(416)	105 746
Compensation of employees	69 567			(416)			(416)	69 151
Goods and services	36 595							36 595
Interest and rent on land	-							
Transfers and subsidies to:	16 902			416			416	17 318
Provinces and municipalities								
Departmental agencies and accounts	16 348							16 348
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	554			416			416	970
Payments for capital assets	964			472			472	1 436
Buildings and other fixed structures								
Machinery and equipment	964			472			472	1 436
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	124 028			472			472	124 500

Virements and shifts

The budget for households has been increased with an amount of R0.416 million through a shift of funds from compensation of employees. The over expenditure was mainly as a result of additional expenditure resulting from payments of gratuities.

Payments on capital assets has been increased with an amount of R0.472 million by reducing payments for capital assets in programme 4.

Programme 2: Public Works Infrastructure

Table 5.2.2: Programme 2: Public Works Infrastructure

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
R thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
Programme Support	1 677			1 999			1 999	3 676
Design	8 418			(2 404)			(2 404)	6 014
Construction	7 884			170			170	8 054
Maintenance	28 767	8 678		525		30 000	39 203	67 970
Immovable Asset Management	64 156			13		5 000	5 013	69 169
Facility Operations	8 965			8			8	8 973
Total	119 867	8 678		311		35 000	43 989	163 856
Economic classification								
Current payments	70 163	8 678		(6)		30 000	38 672	108 835
Compensation of employees	43 152			(6)			(6)	43 146
Goods and services	27 011	8 678				30 000	38 678	65 689
Interest and rent on land								
Transfers and subsidies to:	49 310			6			6	49 316
Provinces and municipalities	49 310							49 310
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households				6			6	6
Payments for capital assets	394			311		5 000	5 311	5 705
Buildings and other fixed structures						5 000	5 000	5 000
Machinery and equipment	394			293			293	687
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets				18			18	18
Payments for financial assets								
Total	119 867	8 678		311		35 000	43 989	163 856

Roll - overs – R8.678 million

An amount of R8.678 million has been received as a roll over for the conditional assessment of immovable assets.

Virements and shifts

Compensation of employees has been decreased with an amount of R0.006 million that has been shifted in the same program to transfers and subsidies in order to defray excess expenditure mainly as a result of payments of leave gratuities.

Payments for capital assets have been increased with an amount of R0.311 million by reducing payments for capital assets in programme 4, of which an amount of R0.293 million was allocated to machinery and equipment and an amount of R0.018 million to Software and other intangible assets.

Other adjustments – R30 million

The programme has been allocated an additional amount of R30 million for the conditional assessments of immovable assets in the province and furthermore, an amount of R5 million has been provided for the procurement of houses for Members of Provincial Legislature (MPLs).

Programme 3: Transport Infrastructure

Table 5.2.3: Programme 3: Transport Infrastructure

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
R thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
Programme Support Infrastructure	1 896			63			63	1 959
Infrastructure Planning	35 497			(2 144)			(2 144)	33 353
Infrastructure Design	5 431			(11)			(11)	5 420
Construction	407 514			1 309			1 309	408 823
Maintenance	382 860			783			783	383 643
Total	833 198							833 198
Economic classification								
Current payments	758 981			(4 542)			(4 542)	754 439
Compensation of employees	115 287			(2 450)			(2 450)	112 837
Goods and services	643 694			(2 092)			(2 092)	641 602
Interest and rent on land	-							
Transfers and subsidies to:	1 447			2 450			2 450	3 897
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	1 447			2 450			2 450	3 897
Payments for capital assets	72 770			2 092			2 092	74 862
Buildings and other fixed structures	72 280			871			871	73 151
Machinery and equipment	482			1 221			1 221	1 703
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets	8							8
Payments for financial assets								-
Total	833 198							833 198

Virements and shifts

Compensation of employees has been decreased with an amount of R2.450 million that has been shifted in the same program to transfers and subsidies as a result of additional expenditure resulting from payments of leave gratuities.

Goods and services have been reduced with an amount of R2.092 million, which has been shifted to defray excess expenditure on payments for capital assets in the same programme.

Programme 4: Community Based Programmes

Table 5.2.4: Programme 4: Community Based Programme

2014/15								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
R thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
Programme Support Community Based	1 296			(373)			(373)	923
Community Development	61 878	10 733		78		7 569	18 380	80 258
Innovation and Empowerment	7 072			(1 293)			(1 293)	5 779
EPWP co-ordination and monitoring	5 155			805			805	5 960
Total	75 401	10 733		(783)		7 569	17 519	92 920
Economic classification								
Current payments	35 165					14 000	14 000	49 165
Compensation of employees	9 828							9 828
Goods and services	25 337					14 000	14 000	39 337
Interest and rent on land								
Transfers and subsidies to:		4 092					4 092	4 092
Provinces and municipalities		4 092					4 092	4 092
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households								
Payments for capital assets	40 236	6 641		(783)		(6 431)	(573)	39 663
Buildings and other fixed structures	40 121	6 641		(850)		(6 431)	(640)	39 481
Machinery and equipment	115			67			67	182
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	75 401	10 733		(783)		7 569	17 519	92 920

Rollovers – R10.733 million

Roll overs amounting to R10.733 million have been approved for the programme of which R2.958 million relates to the Bloodhound project, R3.683 million relates to the Khotso Pula Nala: Olifantshoek project and an amount of R4.092 million for the Khotso Pula Nala project (Transfers to municipalities).

Virements and shifts

An amount of R0.783 million has been moved from payments for capital assets as a means of reprioritizing projects of which an amount of R0.472 million and R0.311 million have been moved to programme 1 and 2 respectively in order to defray excess expenditure on payments for capital assets in those programmes.

Other adjustments

An additional amount of R14 million has been allocated to the programme for EPWP related projects. Furthermore, an amount of R6.431 million has been suspended from the programme and allocated to the Department of Social Development for an EPWP related project.

Virements and shifts

Table 5.3: Virements and shifts within a department

FROM			TO		
Programme by Economic classification	R thousand	Motivation	Programme by Economic classification	R thousand	Motivation
Programme 1:	(416)		Programme 1:	888	
Current payments	(416)		Current payments	-	
Compensation of employees	(416)	Shifting of funds to households for salary related expenditure.	Compensation of employees		
Transfers and Subsidies			Transfers and Subsidies	416	Shifting of funds from Compensation of employees for salary related expenditure.
Payment for capital assets			Payment for capital assets	472	Shifting of funds from Programme 4 for finance leases and other capital equipment
Percentage of programme budget	0%		Percentage of programme budget	1%	
Programme 2:	(6)		Programme 2:	317	
Current payments	(6)		Current payments	-	
Compensation of employees	(6)	Shifting of funds to households for salary related expenditure.	Compensation of employees		
Transfers and Subsidies			Transfers and Subsidies	6	Shifting of funds from Compensation of employees for salary related expenditure.
Payment for capital assets			Payment for capital assets	311	Shifting of funds from Programme 4 for finance leases, other capital equipment and software.
Percentage of programme budget	0%		Percentage of programme budget	0%	
Programme 3:	(4 542)		Programme 3:	4 542	
Current payments	(4 542)		Current payments	-	
Goods and services	(2 092)	Shifting of funds to capital project expenditure.	Goods and services		
Compensation of employees	(2 450)	Shifting of funds from Compensation of employees for salary related expenditure.	Compensation of employees		
Transfers and Subsidies			Transfers and Subsidies	2 450	Shifting of funds from Compensation of employees for salary related expenditure.
Payment for capital assets			Payment for capital assets	2 092	Shifting of funds from goods and services for capital project expenditure.
Percentage of programme budget	-1%		Percentage of programme budget	1%	
Programme 4:	(850)		Programme 4:	67	
Payment for capital assets	(850)		Payment for capital assets	67	
Percentage of programme budget	-1%		Percentage of programme budget	0%	
Total for Vote	(5 814)		Total for Vote	5 814	

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

Table 5.4: Expenditure for 2013/14 and preliminary expenditure for 2014/15

Programme	2013/14					2014/15			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 2013 - Sep 2013	Apr 2013 - Sep 2013 - percentage of adjusted estimate	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014 - percentage of adjusted estimate	Adjusted appropriation	Apr 2014 - Sep 2014	Apr 2014 - Sep 2014 - percentage of adjusted estimate	% change in Expenditure 2013/14 - 2014/15 Apr - Sep
Administration	120 660	66 850	55%	119 842	99%	124 500	64 007	51%	-4%
Public Works Infrastructure	146 704	33 621	23%	137 697	94%	163 856	66 030	40%	96%
Transport Infrastructure	898 239	473 707	53%	898 223	100%	833 198	411 701	49%	-13%
Community Based Programmes	135 895	37 703	28%	125 156	92%	92 920	60 458	65%	60%
Total	1 301 498	611 881	47%	1 280 918	98%	1 214 474	602 196	50%	-2%
Economic classification									
Current payments	1 042 222	535 038	51%	1 043 087	100%	1 018 185	528 718	52%	-1%
Compensation of employees	201 362	103 299	51%	210 713	105%	234 962	117 803	50%	14%
Goods and services	840 860	431 739	51%	832 374	99%	783 223	410 915	52%	-5%
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	105 697	25 391	24%	90 945	86%	74 623	7 979	11%	-69%
Provinces and municipalities	84 386	14 728	17%	80 023	95%	53 402	1 162	2%	-92%
Departmental agencies and accounts	15 517	8 118	52%	5 131	33%	16 348	4 402	27%	-46%
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 794	2 545	44%	5 791	100%	4 873	2 415	50%	-5%
Payments for capital assets	153 579	51 452	34%	146 886	96%	121 666	65 499	54%	27%
Buildings and other fixed structures	146 658	49 197	34%	139 975	95%	117 632	63 373	54%	29%
Machinery and equipment	6 837	2 255	33%	6 828	100%	4 008	2 108	53%	-7%
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	84	-	-	83	99%	26	18	69%	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Total	1 301 498	611 881	47%	1 280 918	98%	1 214 474	602 196	50%	-2%

Main expenditure trends for the first half of 2014/15

Expenditure for the first six months of 2014/15 financial year amounted to R602.196 million or 50 per cent of the adjusted budget of R1.214 billion. This shows an expenditure growth of 3 per cent when compared to the same period in the 2013/14 financial year. The higher expenditure patterns can be attributed to ongoing capital projects and payments of accruals from the previous financial year.

Expenditure on goods and services amounts to 52 per cent for the current year compared to 51 per cent in the previous year. For the 2013/14 financial year expenditure on payments for capital assets was at 34 per cent compared to the 54 per cent for the current year. This can be attributed to ongoing capital projects running from the previous financial year.

Programme 1: Administration

Expenditure in programme 1 for the first six months of the financial year amounts to R64.007 million or 51 per cent of the adjusted budget of R124.500 million. The expenditure is 4 per cent lower when compared to the same period during the 2013/14 financial year.

Programme 2: Public Works Infrastructure

Expenditure in programme 2 for the first six months of the financial year amounts to R66.030 million or 40 per cent of the adjusted budget of R163.856 million. The expenditure in this programme is 17 per cent higher when compared to the same period in the 2013/14 financial year. The higher expenditure can be attributed to the expenditure on the conditional assessment of immovable assets.

Programme 3: Transport Infrastructure

Expenditure in programme 3 for the first six months of the financial year amounts to R411.701 million or 49 per cent of the adjusted budget of R833.198 million. The expenditure shows a decline of 4 per cent when compared to the same period in the 2013/14 financial year.

Programme 4: Community Based Programme

Expenditure in programme 4 for the first six months of the financial year amounts to R60.458 million or 65 per cent of the adjusted budget of R92.920 million. This amount is 37 per cent higher when compared to the same period in the 2013/14 financial year. The growth in expenditure can be attributed to the recurring expenditure on the Sol Plaatje Cleaning project.

Economic Classification

Current payments

The department has spent R410.915 million or 52 per cent of the adjusted budget of R1.018 billion during the first 6 months of the current financial year. This represents only a 1 per cent increase when compared to the same period during the previous financial year.

Transfers and subsidies

The department has spent R7.979 million or 11 per cent of the adjusted budget of R74.623 million during the first 6 months. The expenditure is 13% lower when compared to the same period during the 2013/14 financial year, and this is as a result of unsettled accounts of rates and taxes.

Payments for capital assets

The department has spent R65.499 million or 54 per cent of the adjusted budget of R121.666 million during the first 6 months of the financial year. The expenditure is 20 per cent higher when compared to the same period during the 2013/14 financial year. The high expenditure patterns can be attributed to the late implementation of capital projects in the previous financial year and therefore overlapped into the current financial year.

Departmental receipts

Table 5.5: Departmental Receipts

R thousand	2013/14					2014/15			
	Adjusted appropriation	Receipts Outcome				Preliminary Receipts			
		Apr 2013 - Sep 2013	Apr 2013 - Sep 2013 - percentage of adjusted estimate	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014 - percentage of adjusted estimate	Budget estimate	Adjusted estimate	Apr 2014 - Sep 2014	Apr 2014 - Sep 2014 - percentage of adjusted estimate
Departmental Receipts	5 015	2 948	59%	4 268	85%	5 469	5 469	3 363	61%
Tax receipts									
Sales of goods and services other than capital assets	4 961	2 900	58%	4 126	83%	5 469	5 469	2 771	51%
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities	54	48	89%	142	263%	-		592	
Total	5 015	2 948	59%	4 268	85%	5 469	5 469	3 363	61%

Revenue collection up to the end of September 2014 amounted to R3.363 million or 61 per cent of the adjusted budget. When compared to the same period of the previous financial year, the department had collected 59 per cent of its adjusted budget.

Changes to transfers and subsidies, and conditional grants

Table 5.6: Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Other adjustments	Total adjustment appropriation	
Programme 1: Administration.							
Economic sphere							
Current	16 902	-	-	416	-	-	17 318
Departmental agencies and accounts	16 348	-	-	-	-	-	16 348
Households	554	-	-	416	-	-	970
Programme 2: Public Works							
Current	49 310	-	-	6	-	-	49 316
Provinces and municipalities	49 310						49 310
Households				6			6
Programme 3: Transport Infrastructure							
Current	1 447	-	-	2 450	-	-	3 897
Households	1 447			2 450			3 897
Programme 4: Community Based Programme							
Current	-	4 092	-	-	-	-	4 092
Provinces and municipalities	-	4 092					4 092
Total	67 659	4 092	-	2 872	-	-	74 623

The increase in programme 1, 2 and 3 on households relates to gratuity payments to employees leaving the public service, while the increase in Programme 4 relates to an approved roll over Khotso Pula Nala Project, transfer to municipalities.

There were no changes to the Conditional Grant allocations.