

# VOTE 6

## DEPARTMENT OF SOCIAL DEVELOPMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	4 235 362	4 271 602		36 240
of which:				
Current payments	1 845 588	1 846 893		1 305
Transfers and subsidies	2 221 844	2 265 209		43 365
Payments for capital assets	167 930	159 449	(8 481)	
Payment for financial assets		51		51
Executive authority	MEC of Social Development			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

A Caring and Self-reliant Society.

#### Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 6.1: DEPARTMENT OF SOCIAL DEVELOPMENT

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	519 461				(1 662)				(1 662)	517 799
2. Social Welfare Services	733 925				(2 591)			3 000	409	734 334
3. Children and Families	2 080 636				(29 600)				(29 600)	2 051 036
4. Restorative Services	446 879				985			15 300	16 285	463 164
5. Development and Research	454 461				32 868			17 940	50 808	505 269
<b>Total for programmes</b>	<b>4 235 362</b>							<b>36 240</b>	<b>36 240</b>	<b>4 271 602</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 845 588</b>				<b>(7 635)</b>			<b>8 940</b>	<b>1 305</b>	<b>1 846 893</b>
Compensation of employees	1 338 081							8 940	8 940	1 347 021
Salaries & wages	1 154 470				(11 083)			8 940	(2 143)	1 152 327
Social contribution	183 611				11 083				11 083	194 694
Goods and services	507 507				(7 635)				(7 635)	499 872
<b>Transfers and subsidies</b>	<b>2 221 844</b>				<b>16 065</b>			<b>27 300</b>	<b>43 365</b>	<b>2 265 209</b>
Departmental agencies and accounts	100				6 584				6 584	6 684
Non-profit institutions	2 212 842				9 481			27 300	36 781	2 249 623
Households	8 902									8 902
<b>Payments for capital assets</b>	<b>167 930</b>				<b>(8 481)</b>				<b>(8 481)</b>	<b>159 449</b>
Buildings and other fixed structures	155 860				(8 481)				(8 481)	147 379
Machinery and equipment	12 070									12 070
<b>Payments for financial assets</b>					<b>51</b>				<b>51</b>	<b>51</b>
<b>Total economic classification</b>	<b>4 235 362</b>							<b>36 240</b>	<b>36 240</b>	<b>4 271 602</b>

The main appropriation of the department is adjusted upwards by an additional funding of R36.2 million. This additional fund consists of an amount of R15.3 million to fund the increase of bed capacity in the Randfontein Life Recovery Treatment Centre and establishment of a treatment centre in the Sedibeng region. An amount of R12 million is also allocated for the establishment of centres of excellence at Sedibeng and Johannesburg Regions as a replica to the model implemented at Father Smangalisso Mkhathshwa Centre of Excellence. A further R8.9 million is allocated to compensation of employees mainly to fund the appointment of Assistant Community Development Practitioners (ACDP) and Nurses who are currently appointed on a contract basis and will now be appointed on a permanent basis.

A total amount of R43.7 million is shifted within the compensation of employees between the programmes to align the budget to the expenditure. The department is in the process of aligning officials to the posts on the Persal system based on the concurred structure approved by the Department of Public Service and Administration (DPSA). It is estimated that this process will be finalised by the end of the current financial year.

A total amount of R6.6 million is shifted from goods and services to fund the expenditure incurred on departmental agencies and accounts as a result of a liability payment towards the Government Employees Pension Fund (GEPF) for the officials who retires prior to the normal retirement age. A further R51 000 is shifted from goods and services to theft and losses to offset the expenditure incurred in relation to deceased debtors balances written-off since the beginning of the 2016/17 financial year.

An amount of R22.6 million is shifted within non-profit institutions allocation from Care and Services to Older Persons sub-programme to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels at all Home Based Care (HBC) sites. An additional amount of R5 million is also shifted to Restorative Services programme to intensify prevention and awareness campaigns including capacity building. The department shifted an amount of R9.4 million from infrastructure projects due to delays in land acquisition. This amount is allocated to non-profit institutions to increase bed capacity in Randfontein Life Recovery Treatment Centre.

The budget for minor assets and machinery and equipment is centralised in Administration programme, as part of control measures implemented on the procurement of the assets in the department. A total amount of R2.8 million is shifted from Administration programme to offset expenditure incurred for minor assets and machinery and equipment in other programmes across the department.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 6.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office Of The MEC	6 790				2 970				2 970	9 760
2. Corporate Management Services	250 010				12 865				12 865	262 875
3. District Management	262 661				(17 497)				(17 497)	245 164
<b>Total for programme</b>	<b>519 461</b>				<b>(1 662)</b>				<b>(1 662)</b>	<b>517 799</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>500 641</b>				<b>(5 775)</b>				<b>(5 775)</b>	<b>494 866</b>
Compensation of employees	242 179				9 951				9 951	252 130
Salaries & wages	209 916				8 208				8 208	218 124
Social contribution	32 263				1 743				1 743	34 006
Goods and services	258 462				(15 726)				(15 726)	242 736
<b>Transfers and subsidies</b>	<b>6 750</b>				<b>6 215</b>				<b>6 215</b>	<b>12 965</b>
Departmental agencies and accounts	100				6 584				6 584	6 684
Households	6 650				(369)				(369)	6 281
<b>Payments for capital assets</b>	<b>12 070</b>				<b>(2 108)</b>				<b>(2 108)</b>	<b>9 962</b>
Machinery and equipment	12 070				(2 108)				(2 108)	9 962
<b>Payments for financial assets</b>					<b>6</b>				<b>6</b>	<b>6</b>
<b>Total economic classification</b>	<b>519 461</b>				<b>(1 662)</b>				<b>(1 662)</b>	<b>517 799</b>

**TABLE 6.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(29 183)</b>		<b>23 408</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(426)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 377
Goods and services	The budget for the procurement of minor assets is centralised in administration programme for control measures implemented by the department. Funds are shifted to other programmes where expenditure is incurred. Funds were also reprioritised from fleet services due to delayed process by National Treasury relating to the award of a National Transversal contract for procurement and leasing vehicles used by government.	(28 757)	Funds to cover new awards, annual increases on outsourced services, installation of data points for new offices acquired and other operational costs within the programme.	13 031
<b>Transfers and subsidies</b>		<b>(411)</b>		<b>6 626</b>
Departmental agencies and accounts			Funds to offset payment to the Government Employees Pension fund as a result of early retirement of officials.	6 584
Households	Budget for payment of leave gratuity for officials leaving the public sector will not be spent in full.	(411)	Provision for leave gratuity payment to former employees.	42
<b>Payments for capital assets</b>		<b>(4 374)</b>		<b>2 266</b>
Machinery and equipment	The budget for the procurement of machinery and equipment is centralised in administration programme as a control measures implemented for procurement of assets. Funds are shifted to programmes where expenditure was incurred.	(4 374)	Funds received to offset expenditure related to procurement of machinery and equipment for various Regional Offices. The budget for procurement of these assets is centralised in Corporate Management Support sub-programme.	2 266
Payments for financial assets			Provision is made for deceased debtors balances written-off since the beginning of the financial year.	6
<b>Total economic classification</b>		<b>(33 968)</b>		<b>32 306</b>

**Virements and shifts**

The programme received an amount of R9.9 million within compensation of employees from Children and Families programme to align budget to expenditure. The department is in the process of aligning officials to posts on Persal to ensure that expenditure interfaces to correct budget segment codes. It is estimated that the process will be finalised by end of the current financial year.

A total amount of R6.6 million is reprioritised from goods and services to departmental agencies and accounts to fund the expenditure incurred on payment of pension liability towards the Government Employees Pension Fund which occurs when officials in the department retires from the public service through Employee Initiated Severance Package (EISP) prior to the normal retirement age. The programme shifted an amount of R8.4 million from goods and services to Children and Families programme to cover part of the estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicle which resulted in an increase in usage. An amount of R1 million is shifted from maintenance projects at the regional offices mainly to complete refurbishment project at Zanele Mbeki Frail Care Centre.

An amount of R2.8 million is shifted to other programmes to offset expenditure incurred on the procurement of minor assets and machinery and equipment. The budget is centralised in this programme as part of control measure for procurement. In addition, an amount of R6 000 is shifted from goods and services to offset the expenditure incurred as a result of deceased debtors balances written-off since the beginning of the financial year.

## Programme 2: Social Welfare Services

**TABLE 6.4: PROGRAMME 2: SOCIAL WELFARE SERVICES**

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Management and Support	3 413				1 240				1 240	4 653
2. Care and Services To Older Persons	314 863				(30 560)			1 500	(29 060)	285 803
3. Services to Persons With Disabilities	127 720				2 944			1 500	4 444	132 164
4. HIV And AIDS	287 929				23 785				23 785	311 714
<b>Total for programme</b>	<b>733 925</b>				<b>(2 591)</b>			<b>3 000</b>	<b>409</b>	<b>734 334</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>98 650</b>				<b>1 410</b>			<b>3 000</b>	<b>4 410</b>	<b>103 060</b>
Compensation of employees	62 121				(720)			3 000	2 280	64 401
Salaries & wages	52 153				1 763			3 000	4 763	56 916
Social contribution	9 968				(2 483)				(2 483)	7 485
Goods and services	36 529				2 130				2 130	38 659
<b>Transfers and subsidies</b>	<b>633 275</b>				<b>(5 000)</b>				<b>(5 000)</b>	<b>628 275</b>
Non-profit institutions	632 792				(5 000)				(5 000)	627 792
Households	483									483
<b>Payments for capital assets</b>	<b>2 000</b>				<b>987</b>				<b>987</b>	<b>2 987</b>
Buildings and other fixed structures	2 000				795				795	2 795
Machinery and equipment					192				192	192
<b>Payments for financial assets</b>					<b>12</b>				<b>12</b>	<b>12</b>
<b>Total economic classification</b>	<b>733 925</b>				<b>(2 591)</b>			<b>3 000</b>	<b>409</b>	<b>734 334</b>

**TABLE 6.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SOCIAL WELFARE SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(9 310)</b>		<b>10 720</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(5 974)	Funds received within the compensation of employees to align officials to the posts on Persal.	5 254
Goods and services	Funds shifted mainly from non-core items as a result of control measures implemented for inventory management system. Funds also identified on food supplies due to fluctuation of number of beneficiaries at the institutions.	(3 336)	Funds received to offset expenditure incurred in the procurement of minor assets. The budget is also increased to cover shortfall on outsourced services such as Security and cleaning, and National Older Person's Golden games which were hosted in Limpopo province.	5 466
<b>Transfers and subsidies</b>		<b>(27 696)</b>		<b>22 696</b>
Non-profit institutions	Funds which were earmarked for the operational costs of proto-types to be completed during the financial year will not be spent in the current financial year.	(27 657)	Funds increased to cover spending pressures as a result of the streamlining of food parcels at all Home Based Care Services.	22 657

Economic classification	Motivation	From	Motivation	To
Households	Saving due to the reduced number of clients receiving allowance. Costing was done based on capacity level of the institutions.	(39)	Funds to cover the shortfall for leave gratuity.	39
<b>Payments for capital assets</b>		<b>(200)</b>		<b>1 187</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(200)	To cover costs related to the refurbishment of the Zanele Mbeki institution.	995
Machinery and equipment			Funds received from administration programme to offset expenditure incurred on procurement of assets.	192
<b>Payments for financial assets</b>			Provision is made for deceased debtors balances written-off since the beginning of the financial year.	12
<b>Total economic classification</b>		<b>(37 206)</b>		<b>34 615</b>

### Virements and shifts

The programme shifted an amount of R720 000 within compensation of employees to Development and Research programme as a result of the appointment of Assistant Community Development Practitioners to do household profiling in various communities and alignment of budget to expenditure. The department is in process of aligning officials to the posts on Persal.

The programme receives an amount of R2.1 million under goods and services from Restorative Services programme to fund mainly the shortfall on newly awarded contracts for outsourced services at the departmental institutions.

A total amount of R22.6 million is reprioritised within non-profit institutions allocation from Care and Services to Older Persons sub-programme to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels by food banks which was implemented as from 01 April 2016 to all Home Based Care sites. A further amount of R5 million is shifted to Restorative Services programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users.

The programme received an amount of R557 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment. An amount of R12 000 is shifted from goods and services to offset the expenditure incurred relating to deceased debtors balances written-off in the programme.

The budget for buildings and other fixed structure is increased by an amount of R795 000 mainly to complete refurbishment projects at Zanele Mbeki Frail Care Centre.

### Additional provincial funding: R3 million

An additional amount of R3 million is allocated to compensation of employees for the appointment of nurses at the departmental institutions to address capacity challenges. The appointment of the additional nurses will assist the department to continue with the 24 hour health care services for beneficiaries at the department's institutions.

## Programme 3: Children and Families

TABLE 6.6: PROGRAMME 3: CHILDREN AND FAMILIES

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Management and Support	5 724				1 904				1 904	7 628
2. Care and Services To Families	127 282				(466)				(466)	126 816
3. Child Care and Protection	560 601				(32 335)				(32 335)	528 266
4. ECD and Partial Care	433 610				13 293				13 293	446 903
5. Child And Youth Care Centres	536 365				(11 996)				(11 996)	524 369

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
6. Community Based Care Services For Children	417 054									417 054
<b>Total for Programmes</b>	<b>2 080 636</b>				<b>(29 600)</b>				<b>(29 600)</b>	<b>2 051 036</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>860 966</b>				<b>(33 067)</b>				<b>(33 067)</b>	<b>827 899</b>
Compensation of employees	734 528				(42 974)				(42 974)	691 554
Salaries & wages	638 649				(52 490)				(52 490)	586 159
Social contribution	95 879				9 516				9 516	105 395
Goods and services	126 438				9 907				9 907	136 345
<b>Transfers and subsidies</b>	<b>1 084 810</b>				<b>150</b>				<b>150</b>	<b>1 084 960</b>
Non-profit institutions	1 083 573									1 083 573
Households	1 237				150				150	1 387
<b>Payments for capital assets</b>	<b>134 860</b>				<b>3 293</b>				<b>3 293</b>	<b>138 153</b>
Buildings and other fixed structures	134 860				1 573				1 573	136 433
Machinery and equipment					1 720				1 720	1 720
<b>Payments for financial assets</b>					<b>24</b>				<b>24</b>	<b>24</b>
<b>Total economic classification</b>	<b>2 080 636</b>				<b>(29 600)</b>				<b>(29 600)</b>	<b>2 051 036</b>

TABLE 6.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: CHILDREN AND FAMILIES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(62 737)</b>		<b>29 670</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(53 773)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 799
Goods and services	Funds reduced mainly due to a decrease in Social Workers applying for Scheme B vehicle subsidy, and savings identified on food supplies due to fluctuation of number of beneficiaries at the institutions.	(8 964)	Funds to cover estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicles.	18 871
<b>Transfers and subsidies</b>		<b>(11)</b>		<b>161</b>
Households	Reprioritisation within households as the payment of leave gratuities and injury on duty claims will not be fully spent by the end of the current financial year.	(11)	Funds to cover the shortfall for leave gratuity payments for resigned and retired officials.	161
<b>Payments for capital assets</b>		<b>(15 756)</b>		<b>19 049</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(15 756)	Funds increased to cover projects that are progressing faster.	17 329
Machinery and equipment			Funds received to offset expenditure incurred on the procurement of machinery and equipment.	1 720
<b>Payments for financial assets</b>			Funds to offset deceased debtors' balances written-off in this programme.	<b>24</b>
<b>Total economic classification</b>		<b>(78 504)</b>		<b>48 904</b>

**Virements and shifts**

Amounts of R9.9 million and R33 million are shifted to Administration programme and Development and Research programme respectively, within compensation of employees mainly as part of the alignment of budget to expenditure. The department is in the process of re-aligning officials to the posts on PERSAL.

The programme receives an amount of R9.4 million in goods and services from various programmes to cover the estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicles which resulted in an increase in usage. An amount of R2.2 million is received from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment. An amount of R24 000 is shifted from goods and services to offset the expenditure incurred on deceased debtors balances written-off.

The programme reprioritised the funds within infrastructure allocation in order to fund the projects that are on construction stage and progressing faster and also to address refurbishment needs at the department's institutions such as Walter Sisulu and Desmond Tutu Child and Youth Care Centres.

**Programme 4: Restorative Services****TABLE 6.8: PROGRAMME 4: RESTORATIVE SERVICES**

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Management And Support	1 405				(175)				(175)	1 230
2. Crime Prevention and Support	185 210				(16 757)				(16 757)	168 453
3. Victim Empowerment	87 114				(6 768)				(6 768)	80 346
4. Substance Abuse, Prevention and Rehabilitation	173 150				24 685			15 300	39 985	213 135
<b>Total for programme</b>	<b>446 879</b>				<b>985</b>			<b>15 300</b>	<b>16 285</b>	<b>463 164</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>165 113</b>				<b>(2 703)</b>				<b>(2 703)</b>	<b>162 410</b>
Compensation of employees	88 432									88 432
Salaries & wages	75 735				1 554				1 554	77 289
Social contribution	12 697				(1 554)				(1 554)	11 143
Goods and services	76 681				(2 703)				(2 703)	73 978
<b>Transfers and subsidies</b>	<b>262 766</b>				<b>14 481</b>			<b>15 300</b>	<b>29 781</b>	<b>292 547</b>
Non-profit institutions	262 324				14 481			15 300	29 781	292 105
Households	442									442
<b>Payments for capital assets</b>	<b>19 000</b>				<b>(10 802)</b>				<b>(10 802)</b>	<b>8 198</b>
Buildings and other fixed structures	19 000				(10 849)				(10 849)	8 151
Machinery and equipment					47				47	47
<b>Payments for financial assets</b>					<b>9</b>				<b>9</b>	<b>9</b>
<b>Total economic classification</b>	<b>446 879</b>				<b>985</b>			<b>15 300</b>	<b>16 285</b>	<b>463 164</b>



TABLE 6.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: RESTORATIVE SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 616)</b>		<b>17 913</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(10 030)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 030
Goods and services	Funds reduced due to implementation of strict telephone control measures. Funds also identified after the detailed costing of outsourced services under crime prevention.	(10 586)	Funds to cover estimated shortfall on newly awarded contracts for outsourced services at the institutions, and also for launching an integrated movie which will be broadcast on SABC.	7 883
<b>Transfers and subsidies</b>		<b>(232)</b>		<b>14 713</b>
Non-profit institutions			Funds to augment capacity at Randfontein Life Recovery Treatment Centre, and to intensify prevention and awareness campaigns including capacity building.	14 481
Households	Funds allocated for leave gratuities will not be spent in full by the end of the financial year.	(232)	Funds to cover shortfall on the payment of leave gratuities and injury on duty.	232
<b>Payments for capital assets</b>		<b>(11 349)</b>		<b>547</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(11 349)	Increased funding for fast paced projects.	500
Machinery and equipment			Funds to offset expenditure incurred on the procurement of machinery and equipment.	47
<b>Payments for financial assets</b>			Provision is made for bad debts written-off.	<b>9</b>
<b>Total economic classification</b>		<b>(32 197)</b>		<b>33 182</b>

### Virements and shifts

The programme shifted an amount of R2.7 million under goods and services mainly to Children and Families programme to cover the estimated shortfall on outsourced services as a result of the new contracts and annual increases.

An amount of R5 million is received under non-profit institutions from Social Welfare Services programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users. Further amount of R9.4 million is reprioritised from infrastructure allocation in this programme to augment bed capacity at Randfontein Life Recovery Treatment Centre. The reduction of infrastructure allocation is as a result of unavailability of land acquisition to implement new construction projects.

The programme received an amount of R56 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment.

### Additional provincial funding: R15.3 million

The programme receives an additional amount of R15.3 million to increase capacity at Randfontein Treatment Centre to 400 beds and the establishment a treatment centre in the Sedibeng region to address the increase demand for substance abuse intervention programmes.

## Programme 5: Development and Research

TABLE 6.10: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Management And Support	4 436				764				764	5 200
2. Community Mobilisation	10 256				178				178	10 434
3. Institutional Capacity and Support For NPOs	161 950				23 310			5 940	29 250	191 200

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
4. Poverty Alleviation and Sustainable Livelihoods	235 503				8 127			12 000	20 127	255 630
5. Community Based Research and Planning	5 566				(4)				(4)	5 562
6. Youth Development	25 078				(35)				(35)	25 043
7. Woman Development	9 000									9 000
8. Population Policy Promotion	2 672				528				528	3 200
<b>Total for programme</b>	<b>454 461</b>				<b>32 868</b>			<b>17 940</b>	<b>50 808</b>	<b>505 269</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>220 218</b>				<b>32 500</b>			<b>5 940</b>	<b>38 440</b>	<b>258 658</b>
Compensation of employees	210 821				33 743			5 940	39 683	250 504
Salaries & wages	178 017				29 882			5 940	35 822	213 839
Social contribution	32 804				3 861				3 861	36 665
Goods and services	9 397				(1 243)				(1 243)	8 154
<b>Transfers and subsidies</b>	<b>234 243</b>				<b>219</b>			<b>12 000</b>	<b>12 219</b>	<b>246 462</b>
Non-profit institutions	234 153							12 000	12 000	246 153
Households	90				219				219	309
<b>Payments for capital assets</b>					<b>149</b>				<b>149</b>	<b>149</b>
Machinery and equipment					149				149	149
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>454 461</b>				<b>32 868</b>			<b>17 940</b>	<b>50 808</b>	<b>505 269</b>

TABLE 6.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 142)</b>		<b>35 642</b>
Compensation of employees			Funds received to cover expenditure incurred as a result of appointment of Assistant Community Development Practitioners and also to align the budget to the expenditure.	33 743
Goods and services	Funds reduced due to a decrease in approval of officials applying for Scheme B vehicle subsidy, and implementation of strict telephone control measures at the regions.	(3 142)	Funds mainly to cover payment for Population Association of Southern Africa (PASA) conference and for community development workshops held with NGOs and cooperatives. Funds also required for the annual increase and new contracts signed for the photocopier leases.	1 899
<b>Transfers and subsidies</b>				<b>219</b>
Households			Funds to offset expenditure for leave gratuity.	219
<b>Payments for capital assets</b>				<b>149</b>
Machinery and equipment			Funds to offset expenditure relating to procurement of assets which the budget is centralised in administration programme.	149

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
<b>Total economic classification</b>		<b>(3 142)</b>		<b>36 010</b>

### Virements and Shifts

The programme receives an amount of R33.7 million mainly from Children and Families programme within compensation of employees to align budget to expenditure and also for the appointment of Assistant Community Development Workers.

An amount of R1.3 million is shifted from goods and services to Social Welfare Services programme mainly to fund the shortfall for outsourced services and other items experiencing spending pressures such as travel and subsistence to cover the costs for the delegates who are on a study tour in Columbia to benchmark on substance abuse intervention programmes. The saving was realized on communication item because no new cellphone were issued as the department was still waiting for National Treasury to finalise transversal contract.

An amount of R219 000 is received from Administration programme to offset the incurred expenditure for leave gratuity. The programme receives an amount of R174 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment.

### Additional provincial funding: R17.9 million

An additional amount of R17.9 million is allocated to this programme, which consist of R12 million that will be used to establish Centres of Excellence in Sedibeng and Johannesburg regions as a replica of the Father Smangalis Mkhathshwa model. The Centres of Excellence will be established to develop young recovering addicts who completed their rehabilitation programme and to prepare them to participate in the mainstream economy. The skills programme includes provision of accredited training such as bricklaying, carpentry, tiling and computer literacy. The centre will also include a job centre where young people will have access to internet and apply for available job opportunities in the market.

A balance of R5.9 million received is allocated to compensation of employees to fund the appointment of Assistant Community Development Practitioners to do household profiling in communities.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 6.12: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: SOCIAL DEVELOPMENT

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
1. Administration	481 248	231 622	480 121	100%	517 799	268 396	16%
2. Social Welfare Services	710 398	330 645	697 285	98%	734 334	350 889	6%
3. Children and Families	1 956 637	959 900	1 925 638	98%	2 051 036	1 004 089	5%
4. Restorative Services	430 128	176 709	407 075	95%	463 164	217 185	23%
5. Development and Research	418 728	230 668	432 122	103%	505 269	251 173	9%
<b>Total for programmes</b>	<b>3 997 139</b>	<b>1 929 544</b>	<b>3 942 241</b>	<b>99%</b>	<b>4 271 602</b>	<b>2 091 732</b>	<b>8%</b>
<b>Current payments</b>	<b>1 753 494</b>	<b>816 386</b>	<b>1 674 373</b>	<b>95%</b>	<b>1 846 893</b>	<b>917 899</b>	<b>12%</b>
Compensation of employees	1 290 791	599 532	1 233 601	96%	1 347 021	664 507	11%
Goods and Services	462 703	216 854	440 772	95%	499 872	253 392	17%
<b>Transfers and subsidies</b>	<b>2 103 323</b>	<b>1 046 736</b>	<b>2 104 668</b>	<b>100%</b>	<b>2 265 209</b>	<b>1 108 361</b>	<b>9813%</b>
Departmental agencies and accounts	67	67	67	100%	6 684	6 652	9828%
Non-profit institutions	2 094 837	1 043 180	2 095 086	100%	2 249 623	1 098 932	5%
Households	8 419	3 489	9 515	113%	8 902	2 777	(20%)

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
Payments for capital assets	140 285	66 386	162 734	116%	159 449	65 422	(1%)
Buildings and other fixed structures	129 250	59 766	114 154	88%	147 379	57 722	(3%)
Machinery and equipment	10 988	6 573	48 533	442%	12 070	7 700	17%
Software and other intangible assets	47	47	47	100%			(100%)
Payments for financial assets	37	36	466	1259%	51	50	39%
Total economic classification	3 997 139	1 929 544	3 942 241	99%	4 271 602	2 091 732	8%

### Expenditure trends for 2015/16

In 2015/16 financial year, the department recorded an underspending of R54.9 million, which comprises of R39.3 million on compensation of employees due to delays experienced in the finalisation of the filling of vacant posts by the end of the financial year.

The goods and services budget underspent by R501 000 as a result of challenges experienced with the roll out of Garankuwa Rearabilwe Expanded Public Works painting project not finalised by the end of the financial year. The unspent funds of Building and Other Fixed Structures is due to Occupational Health and Safety Act and construction of office accommodation projects at various departmental institutions which were still in progress at the end of the financial year.

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

The programme spending for the second quarter of this financial year has increased to R268.4 million as compared to the R231.6 million spent in the 2015/16 financial year in the same period. The compensation of employees increased as a result of alignment of officials to posts on Persal and filling of some vacant posts in the programme.

A further increase is attributable to a payment of liability towards the Government Employees Pension Fund for employees opting for early retirement. The department also paid the annual Microsoft license during the second quarter compared to fourth quarter in previous financial year. Early payment of Microsoft license is due to a new contract entered into by E-Governance Department for all Gauteng Provincial Government Departments. The revised rates and price adjustments for outsourced services at head office and regions also contributed to the increase in expenditure in this period of the financial year.

#### Programme 2: Social Welfare Services

The programme spent more by R20.3 million for the second quarter of this financial year as compared to the same period in the 2015/16 financial year. The increased spending is mainly recorded under the HIV and AIDS sub-programme as a result of the streamlining of food parcels by food banks which was implemented as from 01 April 2016 to all Home Based Care sites. Spending on Expanded Public Work Programme conditional grant in the first six months of the financial year has also improved in the current financial year as compared to the previous financial year.

#### Programme 3: Children and Families

The programme spent R1 billion in the second quarter of this financial year as compared to R959.9 million spent in the 2015/16 financial year. The increase in expenditure is attributable to absorption of Social Work graduates and appointment of nurses in various institutions of the department. The increased spending in goods and services is due to the renewal of outsourced services contracts such as security, cleaning and gardening at the institutions.

#### Programme 4: Restorative Services

The aggregated spending for this programme amount to R217.2 million as compared to the R176.7 million spent in the 2015/16 financial year. The increased spending on non-profit institutions is due to the department's efforts of reaching a high number of prevalence of alcohol and drug abuse in Gauteng.

#### Programme 5: Development and Research

The programme spending for the second quarter of this financial year has improved by R20.5 million as compared to

the R230.7 million spent in the 2015/16 financial year. The main increase in expenditure is recorded on compensation of employees as a result of the appointment of Assistant Community Development Practitioners from the beginning of the financial year.

## 6. Departmental receipts

**TABLE 6.13: DEPARTMENTAL RECEIPTS**

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
Sales of goods and services other than capital assets	2 400	1 250	2 589	108%	2 520	1 368	9%
Fines, penalties and forfeits							
Interest, dividends and rent on land	24	6	69	288%	25	21	250%
Financial transactions in assets and liabilities	500	715	1 318	264%	525	902	26%
<b>Total receipts</b>	<b>2 924</b>	<b>1 971</b>	<b>3 976</b>	<b>136%</b>	<b>3 070</b>	<b>2 291</b>	<b>16%</b>

### Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2016/17 financial year. The revenue estimates from previous financial year has increased from R2.9 million to R3 million in the current financial year. Revenue collection for the current financial year as at 30 September 2016 is R2.3 million and this represents a growth rate of 16 per cent as compared to the 2015/16 financial year.

The sales of goods and services collection is R1.4 million, this source includes garnishee orders, parking fees from employees, and boarding fees from officials who occupy official residence at the departmental institutions. Financial transactions in assets and liabilities contributed an amount of R902 000 due to recoveries from previous financial year's expenditure. The department cannot increase its projection due to recoveries from previous financial year's expenditure as this source of revenue is not predictable.

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

### 7.1 Changes in transfers and subsidies

**TABLE 6.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES**

Programme	Main appropriation	2016/17 Adjustments							Total Adjustments	Adjusted appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 2</b>	<b>632 792</b>				(5 000)				(5 000)	<b>627 792</b>
Care and Services to Older Persons	253 933				(27 657)				(27 657)	226 276
Services to Persons with Disability	94 901									94 901
HIV and AIDS	283 958				22 657				22 657	306 615
<b>Programme 3</b>	<b>1 083 573</b>									<b>1 083 573</b>
Care and Services to Families	125 060									125 060
Child Care and Protection	23 000									23 000
ECD and Partial Care	359 265									359 265
Child and Youth Care Centres	159 194									159 194
Community- Based Care Services for Children	417 054									417 054

Programme R thousand	Main appropriation	2016/17 Adjustments							Total Adjustments	Adjusted appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 4</b>	262 324				14 481			15 300	29 781	292 105
Crime Prevention and Support	87 990									87 990
Victim Empowerment	68 254									68 254
Substance Abuse, Prevention and Rehabilitation	106 080				14 481			15 300	29 781	135 861
<b>Programme 5</b>	234 153							12 000	12 000	246 153
Institutional Capacity and Support for NPOs	21 348									21 348
Poverty Alleviation and Sustainable Livelihoods	180 677							12 000	12 000	192 677
Youth Development	23 128									23 128
Woman Development	9 000									9 000
<b>Total changes in transfers</b>	<b>2 212 842</b>				<b>9 481</b>			<b>27 300</b>	<b>36 781</b>	<b>2 249 623</b>

### Virements and shifts

A total amount of R27.6 million is reprioritised within non-profit institutions allocation from Care and Services to Older Persons sub-programme, which consist of R22.6 million to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels by food banks which was implemented to all Home Based Care sites. Further amount of R5 million is shifted to Substance Abuse, Prevention and Rehabilitation sub-programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users.

In addition, an amount of R9.4 million is reprioritised from infrastructure baseline allocation to augment the additional allocation received to increase bed capacity in Randfontein Life Recovery Treatment Centre under Substance Abuse, Prevention and Rehabilitation sub-programme.

### Additional provincial funding: R27.3 million

Non-profit institutions baseline is increased by an additional amount of R27.3 million, which comprises of R15.3 million allocated to Substance Abuse, Prevention and Rehabilitation sub-programme to increase the capacity in Randfontein Life Recovery Treatment Centre to 400 beds and establishment of a treatment centre in the Sedibeng region.

Further amount of R12 million is allocated to Poverty Alleviation and Sustainable Livelihoods sub-programme to establish Centres of Excellence in Sedibeng and Johannesburg regions as a replica to Father Smangalisso Mkhathshwa model.

### 7.1. Changes in Conditional Grants

No changes.

### 7.2. Changes in Infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE)