

Cooperative Governance, Human Settlements and Traditional Affairs

Adjustment Budget Summary

Table 9.1: Adjustment Budget Summary

2016/17			
R thousand	Main appropriation	Adjusted appropriation	(Decrease) / Increase
Amount to be appropriated of which	676 175	705 996	29 821
Current payments	285 105	311 105	26 000
Transfers and subsidies	387 646	391 467	3 821
Payments for capital assets	3 424	3 424	-
Payments for financial assets			
Direct Charge against the Provincial Fund			
Executing authority	MEC: Co-Operative Governance, Human Settlements and Traditional Affairs		
Accounting officer	Deputy Director General : Co-Operative Governance, Human Settlements and Traditional Affairs		
Website Address:	www.northern-cape.gov.za		

Aim

To improve the quality of life for all and to promote, partner and monitor systems and structures geared at meeting socio-economic and service delivery needs, for all citizens of the Northern Cape.

Changes to programme purposes, objectives and measures

No changes were made to programme purpose, objectives and measures.

Adjusted Estimate of Provincial Expenditure 2016

Table 9.2: Adjusted Estimate of Provincial Expenditure

2016/17								
Programme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Administration	89 977	-		-		15 000	15 000	104 977
Human Settlements	431 634	3 821				11 000	14 821	446 455
Co-Operative Governance	134 548					-	-	134 548
Traditional Affairs	20 016			-		-	-	20 016
Total	676 175	3 821				26 000	29 821	705 996
Economic classification								
Current payments	285 105			-		26 000	26 000	311 105
Compensation of employees	239 800					-	-	239 800
Goods and services	45 305			-		26 000	26 000	71 305
Interest and rent on land								
Transfers and subsidies to:	387 646	3 821	-	-	-	-	3 821	391 467
Provinces and municipalities	13 332							13 332
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	374 314	3 821				-	3 821	378 135
Payments for capital assets	3 424	-		-		-	-	3 424
Buildings and other fixed structures								
Machinery and equipment	3 424	-		-		-	-	3 424
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	676 175	3 821	-	-	-	26 000	29 821	705 996

Rollovers – R3.821 million

The Human Settlement grant was approved an amount of R3.821 million as a roll over from the 2015/16 year for transfers to households commitments made in this financial year.

Other Adjustment – R26 million

An additional amount of R26 million has been allocated for 2016/17 financial year for goods and services to cover the budget pressure caused by unavoidable expenditure due to consultants, the 2016 elections process, as well as secondments and support to municipalities.

Details of Adjustments to Estimates of Provincial Expenditure 2016

Programme 1: Administration

Table 9.2.1: Programme 1: Administration

2016/17								
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	13 084							13 084
Corporate Services	76 893					15 000	15 000	91 893
Total	89 977	-	-	-	-	15 000	15 000	104 977
Economic classification								
Current payments	88 489					15 000	15 000	103 489
Compensation of employees	74 350						-	74 350
Goods and services	14 139					15 000	15 000	29 139
Interest and rent on land								
Transfers and subsidies to:								
Provinces and municipalities								
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	1 488	-	-	-	-	-	-	1 488
Buildings and other fixed structures								
Machinery and equipment	1 488						-	1 488
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	89 977	-	-	-	-	15 000	15 000	104 977

Other Adjustment – R15 million

Additional amount of R15 million has been allocated to this programme under goods and service to cover the budget pressure caused by unavoidable expenditure on consultants as well as secondments and support to municipalities.

Programme 2: Human Settlements

Table 9.2.2: Programme 2 Human Settlements

2016/17								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Housing Needs, Research and Planning	25 637					11 000	11 000	36 637
Housing Development	392 317	3 821					3 821	396 138
Housing Asset Management	13 680							13 680
Total	431 634	3 821	-	-	-	11 000	14 821	446 455
Economic classification								
Current payments	57 900	-				11 000	11 000	68 900
Compensation of employees	40 369							40 369
Goods and services	17 531					11 000	11 000	28 531
Interest and rent on land								
Transfers and subsidies to:	373 109	3 821				-	3 821	376 930
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	373 109	3 821				-	3 821	376 930
Payments for capital assets	625							625
Buildings and other fixed structures								
Machinery and equipment	625							625
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	431 634	3 821				11 000	14 821	446 455

Rollovers – R3.821 million

An amount of R3.821 million was approved as a roll over from the 2015/16 year for Human Settlement grant.

Other Adjustment – R11.499 million

Additional amount of R11.499 million has been allocated to this programme under goods and service to cover the budget pressure caused by unforeseeable and unavoidable expenditure on consultants as well as the 2016 elections process.

Programme 3: Co-Operative Governance

Table 9.2.3: Programme 3: Co-Operative Governance

2016/17								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Local Governance	108 429						-	108 429
Development and Planning	26 119							26 119
Total	134 548					-	-	134 548
Economic classification								
Current payments	120 027					-	-	120 027
Compensation of employees	108 529						-	108 529
Goods and services	11 498							11 498
Interest and rent on land								
Transfers and subsidies to:	13 332					-	-	13 332
Provinces and municipalities	13 332						-	13 332
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	1 189							1 189
Buildings and other fixed structures								
Machinery and equipment	1 189							1 189
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	134 548					-	-	134 548

No adjustments were made for this programme.

Programme 4: Traditional Affairs

Table 9.2.4: Programme 4: Traditional Affairs

2016/17								
Subprogramme	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared Savings	Other adjustments	Total adjustment appropriation	
R thousand								
Traditional Affairs	20 016						-	20 016
Economic classification								
Current payments	18 689			-			-	18 689
Compensation of employees	16 552							16 552
Goods and services	2 137						-	2 137
Interest and rent on land								
Transfers and subsidies to:	1 205							1 205
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households	1 205							1 205
Payments for capital assets	122					-	-	122
Buildings and other fixed structures								
Machinery and equipment	122						-	122
Heritage assets								
Specialised military assets								
Biological assets								
Land and sub-soil assets								
Software and other intangible assets								
Payments for financial assets								
Total	20 016			-		-	-	20 016

No adjustments were made for this programme.

Virements and shifts

Table 9.3: Virements and shifts within a department

FROM			TO		
Programme by Economic classification	R thousand	Motivation	Programme by Economic classification	R thousand	Motivation
Programme 4: Traditional Institutional Development	-		Programme 1: Administration	-	
Current payments	-		Current payments		
Goods and services			Goods and services		
Compensation of employees			Compensation of employees		
Interest on rent and land			Interest on rent and land		
Transfers and Subsidies			Transfers and Subsidies		
Payment for capital assets			Payment for capital assets		
Payment for financial assets			Payment for financial assets		
Percentage of programme budget	0%		Percentage of programme budget	0%	
Total for Vote	-		Total for Vote	-	

No shifts / virements were effected.

Expenditure for 2015/16 and preliminary expenditure for 2016/17

Table 9.4: Expenditure for 2015/16 and preliminary expenditure for 2016/17

Programme	2015/16					2016/17			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 2015 - Sep 2015	Apr 2015 - Sep 2015 - percentage of adjusted appropriation	Apr 2015 - Mar 2016	Apr 2015 - Mar 2016 - percentage of adjusted appropriation	Adjusted appropriation	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 - percentage of adjusted appropriation	% change in Expenditure 2015/16 - 2016/17 Apr - Sep
Administration	110 155	53 112	48%	117 113	106%	104 977	67 045	64%	26%
Human Settlements	470 259	205 014	44%	545 586	116%	446 954	164 162	37%	-20%
Co-Operative Governance	115 618	59 251	51%	128 114	111%	134 548	61 793	46%	4%
Traditional Affairs	20 440	9 012	44%	20 296	99%	20 016	9 636	48%	7%
Total	716 472	326 389	46%	811 109	113%	706 495	302 636	43%	-7%
Economic classification									
Current payments	302 539	142 155	47%	307 372	102%	311 604	167 740	54%	18%
Compensation of employees	223 634	110 484	49%	222 310	99%	239 800	119 374	50%	8%
Goods and services	78 905	31 671	40%	85 062	108%	71 804	48 366	67%	53%
Interest and rent on land									
Transfers and subsidies to:	407 160	181 115	44%	497 082	122%	391 467	133 324	34%	-26%
Provinces and municipalities	9 013	2 675		18 425	204%	13 332	3 888	23%	
Departmental agencies and accounts							2	-	
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	398 147	178 440	45%	478 657	120%	378 135	129 434	34%	-27%
Payments for capital assets	6 773	3 119	46%	6 649	98%	3 424	1 572	46%	-50%
Buildings and other fixed structures									
Machinery and equipment	6 773	3 119	46%	6 649	98%	3 424	1 355	40%	-57%
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets							217		
Payments for capital assets				6					
Total	716 472	326 389	46%	811 109	113%	706 495	302 636	43%	-7%

Selected expenditure trends for the first half of the 2016/17

Total expenditure as at end September 2016 amounted to R302.636 million or 43 per cent of the total adjusted budget of R706.495 million. The recorded expenditure is slightly lower than the 46 per cent spent in the corresponding period of 2015/16 financial year.

Programme 1: Administration

Expenditure for the first half of the 2016/17 financial year amounted to R67.045 million or 64 per cent of the adjusted allocation. This is higher than the calculated spending norm of 50 per cent for the second quarter of the financial year. It is also noticeably higher than the 48 per cent reported for the same period last year. The department has implemented cost containment measures to curb expenditure and contain it with allocation.

Programme 2: Human Settlements

Expenditure for the first half of the 2016/17 financial year amounted to R164.162 million or 37 per cent of the adjusted budget of R446.954 million. The spending trend has regressed from 44 per cent spent in the same period of previous financial year. The slow spending pace is largely attributed to the slow spending on projects particularly on the Human Settlement Development Grant. Expenditure on this grant is mainly through transfers and subsidies, of which according to the current year's projections, the bulk of them is to take place on the last month of the current financial year, which is March of 2017.

Programme 3: Co-operative Governance

Expenditure for the first half of the 2016/17 financial year amounted to R61.793 million or 46 per cent, which is less than the calculated spending norm of 50 per cent for the second quarter of the financial year. This expenditure level is also lower than the 51 per cent recorded for the same period last year. The slow expenditure is mainly on goods and services which is under strict cost containment measures.

Programme 4: Traditional Affairs

Expenditure for the first half of the 2016/17 financial year amounted to R9.636 million, which represents 48 per cent which is fairly par with the calculated spending norm of 50 per cent and also higher than the 44 per cent reported for the same period last year. This under expenditure is mainly on compensation of employees which under moratorium at the moment.

Expenditure per economic classification

Current expenditure

Expenditure for the first half of the financial year amounted to R167.740 million or 54 per cent of the adjusted budget. This is higher than the calculated norm of 50 per cent for the second quarter and also slightly higher than the 49 per cent reported for the same period last year. Compensation of employees have spent 50 per cent while goods and services have spent 67 per cent of the adjusted budget.

Transfer and Subsidies

Expenditure for the first half of the financial year amounted to R133.324 million or 34 per cent of an adjusted budget of R391.467 million. The under spending on conditional grant is due slow spending on projects at the moment. This is expected to pick up by the end of March 2017 in line with projections.

Capital Assets

Expenditure for the first half of the financial year amounted to R1.572 million or 46 per cent. The slow acquisition of capital assets is a contributing factor to the slow spending recorded thus far. This standard item had also recorded 46 per cent spending in the same period of previous financial year.

Departmental receipts

Table 9.5: Departmental Receipts

R thousand	Adjusted appropriation	2015/16				2016/17			
		Receipts Outcome				Preliminary Receipts			
		Apr 2015 - Sep 2015	Apr 2015 - Sep 2015 - percentage of adjusted estimate	Apr 2015 - Mar 2016	Apr 2015 - Mar 2016 - percentage of adjusted estimate	Budget estimate	Adjusted estimate	Apr 2016 - Sep 2016	Apr 2016 - Sep 2016 - percentage of adjusted estimate
Departmental Receipts	501	852	170%	1 208	241%	528	528	395	75%
Tax receipts									
Sales of goods and services other than capital assets	396	192	48%	424	107%	417	417	215	52%
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	24	23		40		25	25	5	20%
Sales of capital assets									
Financial transactions in assets and liabilities	81	637		744		86	86	175	203%
Total	501	852	170%	1 208	241%	528	528	395	75%

The department is not a major revenue collector. For the first half of 2016/17 financial year, the department managed to collect per cent on its budgeted receipts. This is mainly attributed to money recovered from debtors (Bursaries) and sale of tender documents.

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies

Table 9.6: 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 3, Cooperative Governance							
Economic sphere							
Current	386 441				-	3 821	390 262
Provinces and municipalities	13 332						13 332
Departmental agencies and accounts							
Universities and technikons							
Foreign governments and international organisations							
Public corporations and private enterprises							
Non-profit institutions							
Households	373 109	3 821			-	3 821	376 930
Total	386 441				-	3 821	390 262

Summary of changes to conditional grants

Table 9.7: Summary of changes to conditional grants: Provinces

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement and shifts	Other adjustments	Total adjustment appropriation	
Programme number, name							
Human Settlements Development Grant	371 109	3 821				3 821	374 930
Expanded Public Works Programme: Integrated Grant	2 000					-	2 000
Total	373 109	3 821			-	3 821	376 930

An amount of R3.821 million was approved as a roll over from the 2015/16 year for Human Settlement grant. This is but the only change that occurred with transfers and subsidies.