

Vote 7

Health

R thousand	2020/21			
	Special adjustments appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	53 137 732	51 406 088	(1 731 644)	
MEC remuneration ¹	1 978	1 978		
Total amount to be appropriated	53 139 710	51 408 066	(1 731 644)	
<i>of which:</i>				
Current payments	48 843 845	47 076 526	(1 767 319)	
Transfers and subsidies	700 512	665 201	(35 311)	
Payments for capital assets	3 595 353	3 666 339		70 986
Payments for financial assets	-	-		
Responsible MEC	MEC Health			
Administering department	Health			
Accounting Officer	Head: Health			

1. Vision and mission

Vision

The vision of the department is: *Optimal health for all persons in KZN.*

Mission

The mission of the department is: *To develop and implement a sustainable, co-ordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system, to ensure universal access to health care.*

2. Strategic outcomes

The impact and outcomes of the department are as follows:

- Impact: Increased life expectancy.
- Outcome: Universal health coverage.
- Outcome: Improved client experience of care.
- Outcome: Reduced morbidity and mortality.

3. Summary of the second adjustments estimate for 2020/21

The main appropriation of the Department of Health was R48.058 billion in 2020/21. During the year, the Covid-19 pandemic resulted in the department's budget being increased by R5.082 billion, and this was formalised with the tabling of the Special Adjustments Estimate in July. Following the Special Adjustments Estimate, the department received an additional allocation totalling R102.433 million, as well as budget cuts totalling R1.834 billion, reducing the baseline to R51.408 billion.

The main reasons for this net decrease, as well as other adjustments, are summarised below, and explained in detail in Section 4:

¹ At the time of going to print, the proclamation determining the 2020 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2020/21 EPRE

- *Roll-overs:* An amount of R655 000 was rolled over from 2019/20 for the National Health Insurance (NHI) grant in respect of committed funds for general practitioner services at NHI pilot sites, and was allocated to Programme 2: District Health Services against *Compensation of employees*.
- *Virement between programmes:* The following virements were undertaken across programmes:
 - Savings of R536.578 million were identified in Programme 4: Provincial Hospital Services, across a number of categories, as follows:
 - R273.650 million was identified against *Compensation of employees* mainly related to the delays in the commissioning of the Dr. Pixley ka Isaka Seme Memorial Hospital (PKISMH). The savings were moved as follows:
 - R125.033 million was moved to Programme 1: Administration to cover pressures emanating from 2019/20 carry-over costs for motor vehicles ordered but not received (R111.765 million) and to offset unbudgeted medico-legal expert services (R13.268 million), previously funded in 2019/20 by the National Department of Health (NDOH). Mitigating this movement to Programme 1, is a movement from the programme of R24.567 million in savings, mainly due to over-budgeting for Covid-19 related PPE and medical equipment. This funding was moved to address pressures in *Compensation of employees* in Programme 2 (R24.554 million) related to the extension of contracts for temporary Covid-19 staff, as well as to *Machinery and equipment* in Programme 2 (R13 000) to address for 2019/20 carry-over expenditure for motor vehicles.
 - R43.899 million was moved to Programme 2, mainly to *Goods and services* to offset the under-budgeted Central Chronic Medicine Dispensing and Distribution (CCMDD) programme (R40.566 million), and to *Machinery and equipment* for 2019/20 carry-over expenditure for motor vehicles (R3.333 million).
 - R63.517 million was moved to Programme 3: Emergency Medical Services, which was under pressure due to carry-over expenditure from 2019/20 for ambulances.
 - R41.201 million was moved to Programme 5: Central Hospital Services to *Machinery and equipment* (R25 million) to defray carry-over costs related to medical equipment such as linear accelerators and to *Goods and services* (R16.201 million) for carry-over costs from 2019/20 for the PPP at Inkosi Albert Luthuli Central Hospital (IALCH), as well as laboratory services pressures due to lower than expected savings from the National Health Laboratory Services (NHLS) electronic gatekeeping.
 - R80.896 million was identified against *Goods and services* related to both the Covid-19 allocated budget (R54.375 million) and the non Covid-19 budget (R26.521 million). The Covid-19 related savings were due to the central procurement of PPE items under Programme 1 with some over-budgeting for Covid-19 and these savings were moved as follows:
 - R50.567 million was moved to Programme 2 utilised to offset *Compensation of employees* pressures related to the extension of contracts for temporary Covid-19 staff.
 - R3.808 million was moved to Programme 5 under *Goods and services* for carry-over costs from 2019/20 for the PPP at IALCH.
 - R26.521 million was mainly related to the planned decommissioning of the Don McKenzie and Doris Goodwin TB Hospitals, and was utilised to offset pressures in Programme 5 under *Goods and services* resulting from the carry-over costs from 2019/20 for the PPP at IALCH.
 - R182.032 million was identified against *Machinery and equipment* due to the receipt of donated continuous positive airway pressure (CPAP) ventilators (a mechanical ventilator which assists with breathing when patients cannot breathe on their own, as opposed to the invasive mechanical ventilator with a tube inserted into the lungs), the challenges in the supply of medical equipment due to the lockdown, as well as the decline in the number of

Covid-19 cases at regional hospital level. These savings were moved to address pressures in *Compensation of employees* in Programme 2 related to the extension of contracts for temporary Covid-19 staff, as previously mentioned.

- o In Programme 6: Health Sciences and Training, savings of R26.788 million were identified against *Transfers and subsidies to: Households*, related to bursary payments due to anticipated delays in the receipt of invoices from tertiary institutions for the 2021/22 academic year. This amount was utilised to defray excess expenditure in Programme 5 under *Goods and services* related to carry-over expenditure from 2019/20 for the PPP at IALCH.
- o Programme 7: Health Care Support Services was decreased by R40.886 million largely against *Goods and services* (R33.265 million) due to less linen procured due to fewer Covid-19 cases than expected, as well as against *Compensation of employees* (R7.621 million) due to delays in filling laundry posts. This funding was moved as follows:
 - R7.621 million was moved to Programme 5 to address the previously mentioned PPP at IALCH carry-over expenditure from 2019/20.
 - R33.265 million was moved to Programme 2 for the contract extension to the end of March 2021 for temporary Covid-19 related staff.
- Programme 8: Health Facilities Management was decreased by R82.762 million due to Covid-19 isolation and quarantine sites, which are not going ahead as planned as infection numbers are less than initially anticipated, with savings in both *Buildings and other fixed structures* and *Machinery and equipment*. This funding was moved to *Compensation of employees* in Programme 2 to address pressures from the extension of temporary Covid-19 staff, as mentioned.

In addition to the above virements, the department undertook virements across sub-programmes and economic categories within programmes, and these are discussed in detail in Section 4. All these virements are permissible in terms of the PFMA and Treasury Regulations.

Legislature approval is required for the net reduction in Programme 7 as this exceeds 8 per cent of the surrendering programme. In addition, Legislature approval is required for the movement of specifically and exclusively appropriated funds from Programmes 1, 4, 7 and 8 to Programmes 2 and 5. Details are provided in Section 4.

- *Shifts:* In the Special Adjustments Estimate, the department placed funding for the province's response to the Covid-19 pandemic in Programmes 1, 4 and 5, largely as spending trends were not known at that stage, and this funding is now moved to where the expenditure was incurred, as follows:
 - o Programme 1 was decreased by R165.225 million, with funding moved as follows:
 - R83.257 million was moved from *Goods and services* where the department originally budgeted R68.257 million under the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant for Covid-19 related laboratory services. These funds were moved within the category and within the grant to Programme 2 where the expenditure was incurred. The remaining R15 million was allocated for Covid-19 medicines, and was moved to the same category in Programme 4 to where the spending was incurred. There is no change in purpose for this funding.
 - R81.968 million moved within *Machinery and equipment* in respect of the budget for Covid-19 related medical equipment. These funds were initially placed under Programme 1, but were moved to the same category in Programme 2 for the same purpose.
 - o Programme 4 was decreased by a net amount of R163.890 million with R181.790 million moved from *Compensation of employees* under this programme, to the same category in Programme 2 to address the extension of contracts for temporary Covid-19 staff, such as nurses and tracing agents. There is no change in purpose for this funding. This movement was mitigated by the

previously mentioned R15 million allocated to Programme 1 for Covid-19 medicines, moved to this programme where spending was incurred. In addition, R2.900 million was moved from Programme 2 and within *Machinery and equipment* to this programme to correct the initial incorrect placing of Covid-19 related funding for medical equipment.

- o Programme 5 was decreased by R221.562 million, with R216.262 million moved from *Compensation of employees* to the same category in Programme 2 for the extension of Covid-19 related temporary staff contracts. A further R5.300 million was moved from *Machinery and equipment* to the same category in Programme 2 for Covid-19 related medical equipment, initially over-budgeted against Programme 5 and under-budgeted in Programme 2.
- **Other adjustments:** The department's budget allocation was decreased by a net amount of R1.732 billion as explained below:
 - o R56.230 million was allocated under the Presidential Employment Initiative Fund to the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant, specifically in respect of the Community Outreach component in Programme 2, to be used to appoint community health workers and outreach team leaders. These funds can also be used to purchase additional backpack kits, training, uniforms and PPE for the community health workers and outreach team leaders that will be recruited from these additional funds. This funding was split between *Compensation of employees* (R52.230 million) and *Goods and services* (R4 million).
 - o R5 million was allocated under the Presidential Employment Initiative Fund towards the NHI grant in Programme 2, and against *Compensation of employees* (R1 million) and *Goods and services* (R4 million). This funding is to remunerate contracted doctors, as well as pay for their travel and subsistence costs.
 - o R40.548 million was allocated under the Presidential Employment Initiative Fund toward the Statutory HR, Training and Development grant and these funds are to be used to appoint enrolled nurses and assistant/ auxiliary nurses. This funding was allocated to Programme 4 and *Compensation of employees*.

This additional funding was mitigated by budget cuts totalling R1.834 billion, as follows:

- o R58.027 million was cut from the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant. National Treasury indicated that the reductions made against various conditional grants were made across programmes falling within national departments, with the cuts thus also made against provincial conditional grants that fall under these national departments. These cuts were made in line with the rescue plan for SAA and were effected against Programme 2 and from *Goods and services*.
- o R1.776 billion was reduced as a result of the non-implementation to date of the 2020/21 wage agreement due to the national fiscal situation, with departments required to cut *Compensation of employees* budgets. This matter is currently in court and is unlikely to be resolved by year-end. Thus cuts were effected against all programmes apart from Programme 8.

Tables 7.1 and 7.2 reflect a summary of the 2020/21 adjusted appropriation of the department, summarised according to programme and economic classification. Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 7: Health*.

Table 7.1 : Summary by programmes

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	2 168 317	-	-	100 466	(165 225)	(30 302)	(95 061)	2 073 256
2. District Health Services	24 867 968	655	-	417 092	550 677	(723 750)	244 674	25 112 642
3. Emergency Medical Services	1 665 803	-	-	63 517	-	(67 720)	(4 203)	1 661 600
4. Provincial Hospital Services	13 559 298	-	-	(536 578)	(163 890)	(627 250)	(1 327 718)	12 231 580
5. Central Hospital Services	5 835 003	-	-	105 939	(221 562)	(205 252)	(320 875)	5 514 128
6. Health Sciences and Training	1 386 264	-	-	(26 788)	-	(67 105)	(93 893)	1 292 371
7. Health Care Support Services	434 375	-	-	(40 886)	-	(10 920)	(51 806)	382 569
8. Health Facilities Management	3 222 682	-	-	(82 762)	-	-	(82 762)	3 139 920
Total	53 139 710	655	-	-	-	(1 732 299)	(1 731 644)	51 408 066
Amount to be voted								(1 731 644)

Table 7.2 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	48 843 845	655	-	(35 675)	-	(1 732 299)	(1 767 319)	47 076 526
Compensation of employees	32 206 360	655	-	(55 054)	-	(1 682 272)	(1 736 671)	30 469 689
Goods and services	16 637 043	-	-	19 379	-	(50 027)	(30 648)	16 606 395
Interest and rent on land	442	-	-	-	-	-	-	442
Transfers and subsidies to:	700 512	-	-	(35 311)	-	-	(35 311)	665 201
Provinces and municipalities	244 607	-	-	-	-	-	-	244 607
Departmental agencies and accounts	23 469	-	-	-	-	-	-	23 469
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	58 508	-	-	-	-	-	-	58 508
Households	373 928	-	-	(35 311)	-	-	(35 311)	338 617
Payments for capital assets	3 595 353	-	-	70 986	-	-	70 986	3 666 339
Buildings and other fixed structures	2 207 883	-	-	(35 879)	-	-	(35 879)	2 172 004
Machinery and equipment	1 387 470	-	-	106 865	-	-	106 865	1 494 335
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	53 139 710	655	-	-	-	(1 732 299)	(1 731 644)	51 408 066
Amount to be voted								(1 731 644)

4. Changes to programme purposes and service delivery measures

Note that the department tabled a revised 2020/21 APP, to take into account changes resulting from the Covid-19 pandemic. The department did not change the purpose of any of its programmes.

It is noted, however, there have been some minor changes made to the wording of some service delivery measures, as well as targets, to align the measures originally published in the 2020/21 *EPRE* with the department's revised APP, which was published after the *EPRE*. These changes are reflected in bold italics in the service delivery tables. Some measures are no longer reported on in the APP and these are indicated by a strike-through.

4.1 Programme 1: Administration

The objectives of Programme 1 are the provision of overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all communities in the province, as well as the administration of the department in line with good governance practice. The programme also includes the formulation of policies and strategies in line with national and provincial priorities.

Tables 7.3 and 7.4 reflect a summary of the 2020/21 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R95.061 million, are provided in the paragraphs following the tables.

Table 7.3 : Programme 1: Administration

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	22 459	-	-	-	-	(854)	(854)	21 605
2. Management	2 145 858	-	-	100 466	(165 225)	(29 448)	(94 207)	2 051 651
Total	2 168 317	-	-	100 466	(165 225)	(30 302)	(95 061)	2 073 256
Amount to be voted								(95 061)

Table 7.4 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 869 236	-	-	6 495	(83 257)	(30 302)	(107 064)	1 762 172
Compensation of employees	522 489			(13 504)		(30 302)	(43 806)	478 683
Goods and services	1 346 747			19 999	(83 257)		(63 258)	1 283 489
Interest and rent on land							-	-
Transfers and subsidies to:	8 335	-	-	(1 168)	-	-	(1 168)	7 167
Provinces and municipalities	3 867						-	3 867
Departmental agencies and accounts	1						-	1
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	4 467			(1 168)			(1 168)	3 299
Payments for capital assets	290 746	-	-	95 139	(81 968)	-	13 171	303 917
Buildings and other fixed structures							-	-
Machinery and equipment	290 746			95 139	(81 968)		13 171	303 917
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	2 168 317	-	-	100 466	(165 225)	(30 302)	(95 061)	2 073 256
Amount to be voted								(95 061)

Virement – Programme 1: Administration: R100.466 million

The budget for Programme 1 was increased by a net amount of R100.466 million, as follows:

- *Machinery and equipment* was increased by a net of R95.139 million, as follows:
 - R111.765 million was allocated to *Machinery and equipment* to fund carry-over expenditure for motor vehicles ordered in 2019/20 but received in 2020/21. This was moved from *Compensation of employees* in Programme 4, largely due to the delayed commissioning of PKISMH.
 - This increase was offset by the movement of R16.626 million to Programme 2 from *Machinery and equipment*, with savings attributed to over-budgeting for Covid-19 related medical equipment, such as high flow oxygen regulators and CPAP ventilators, which did not materialise as expected due to donated equipment received, supplier challenges and lower than expected levels of infection. Of these savings, R16.613 million was allocated to *Compensation of employees* to address pressures from the extension of contracts for Covid-19 related posts to the end of March 2021. A further R13 000 was moved to *Machinery and equipment* in Programme 2 to address 2019/20 carry-over expenditure for motor vehicles.
- R13.268 million was allocated to *Goods and services* for unbudgeted medico-legal expert services under this programme previously funded by NDOH. The savings were identified under Programme 4, mainly due to delays in commissioning PKISMH, as well as savings from Covid-19 funds placed under Programme 4. This allocation to *Goods and services* was mitigated by the movement of R7.941 million to Programme 2 under *Compensation of employees* to address pressures from the extension of contracts for Covid-19 related posts to the end of March 2021. The savings were largely due to over-budgeting for Covid-19 related PPE.

There were also movements within the programme, between economic categories, as follows:

- R13.504 million was moved from *Compensation of employees* to *Goods and services* to address the previously mentioned unbudgeted medico-legal expert services. The savings were due to delays attributed to the lockdown in filling internal control posts.
- R1.168 million was moved from *Transfers and subsidies to: Households* to *Goods and services* for the previously mentioned unbudgeted medico-legal expert services. The savings from *Transfers and subsidies to: Households* were due to lower than expected staff exit costs.

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

Legislature approval is required for the movement of R24.567 million in specifically and exclusively appropriated funding for Covid-19 to Programme 2.

Shifts – Programme 1: Administration: (R165.225 million)

A total of R165.225 million was shifted from Programme 1 to Programme 2, with R81.968 million moved from *Machinery and equipment* in respect of the budget for Covid-19 related medical equipment initially placed under Programme 1, now moved to the same category in Programme 2 for the same purpose. The department originally budgeted against *Goods and services* under the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant for Covid-19 related laboratory services in Programme 1 in the Special Adjustments Estimate. This was because costs for this service were not known at that stage. The department is now moving R68.257 million within the category to Programme 2 where the expenditure was incurred. The remaining R15 million was also allocated in the Special Adjustments Estimate to *Goods and services* in Programme 1 for Covid-19 medicines, and was moved to the same category in Programme 4 to where spending was incurred. There is no change in purpose for this funding.

Other adjustments – Programme 1: Administration: (R30.302 million)

A budget cut of R30.302 million was effected against both sub-programmes, with the bulk being cut from the Management sub-programme, as a result of the non-implementation to date of the 2020/21 wage agreement due to the national fiscal situation, with departments required to cut *Compensation of employees* budgets. This matter is currently in court and is unlikely to be resolved by year-end.

Service delivery measures – Programme 1: Administration

Table 7.5 shows the revised service delivery for Programme 1. One target has been adjusted, and this is shown in the 2020/21 Revised target column. Note that both measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
To conduct the strategic management and overall administration of the Department of Health	<ul style="list-style-type: none"> Audit opinion from the Auditor-General % of health facilities electronically recording clinical codes for their patient visits 	Unqualified audit	Annual	
		2%	Annual	2.8%

4.2 Programme 2: District Health Services

The purpose of the programme is to render primary health care services and district hospital services. The main aims of the nine sub-programmes remain unchanged from the *EPRE*.

Tables 7.6 and 7.7 reflect a summary of the 2020/21 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R244.674 million, are given in the paragraphs after the tables.

Table 7.6 : Programme 2: District Health Services

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. District Management	327 176			7 449		(15 925)	(8 476)	318 700
2. Community Health Clinics	4 878 112			30 708	(3 473)	(139 892)	(112 657)	4 765 455
3. Community Health Centres	1 999 483			24 409	300	(78 741)	(54 032)	1 945 451
4. Community Based Services	363 595			29 177		(15 691)	13 486	377 081
5. Other Community Services	2 449 120	655		385 918	501 850	(114 092)	774 331	3 223 451
6. HIV and AIDS	6 367 075					(1 797)	(1 797)	6 365 278
7. Nutrition	62 523			(17 723)		(17 723)	(17 723)	44 800
8. Coroner Services	268 516			670		(12 468)	(11 798)	256 718
9. District Hospitals	8 152 368			(43 516)	52 000	(345 144)	(336 660)	7 815 708
Total	24 867 968	655	-	417 092	550 677	(723 750)	244 674	25 112 642
Amount to be voted								244 674

Table 7.7 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	24 306 849	655	-	388 033	466 309	(723 750)	131 247	24 438 096
Compensation of employees	15 575 765	655		373 180	398 052	(673 723)	98 164	15 673 929
Goods and services	8 730 646			14 853	68 257	(50 027)	33 083	8 763 729
Interest and rent on land	438						-	438
Transfers and subsidies to:	406 585	-	-	(7 355)	-	-	(7 355)	399 230
Provinces and municipalities	237 793						-	237 793
Departmental agencies and accounts	49						-	49
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	52 865						-	52 865
Households	115 878			(7 355)			(7 355)	108 523
Payments for capital assets	154 534	-	-	36 414	84 368	-	120 782	275 316
Buildings and other fixed structures							-	-
Machinery and equipment	154 534			36 414	84 368		120 782	275 316
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	24 867 968	655	-	417 092	550 677	(723 750)	244 674	25 112 642
Amount to be voted								244 674

Roll-overs – Programme 2: District Health Services: R655 000

The NHI grant received a roll-over of R655 000 for committed payments for general practitioner services at NHI pilot sites, allocated to the Other Community Services sub-programme against *Compensation of employees*.

Virement – Programme 2: District Health Services: R417.092 million

The budget for Programme 2 was increased by a net amount of R417.092 million, as follows:

- R373.180 million was allocated to *Compensation of employees* and mainly to the Other Community Services sub-programme for pressures due to the extension of the temporary Covid-19 contracts including nurses and tracing teams up to March 2021. In addition, there was under-budgeting for the 2020/21 pay progression across most sub-programmes. These funds were moved from other programmes, as follows:
 - R24.554 million was moved from Programme 1, with R16.613 million moved from *Machinery and equipment*, related to over-budgeting for Covid-19 related medical equipment, such as CPAP ventilators. In addition, R7.941 million was moved from *Goods and services* due to over-budgeting for Covid-19 related PPE.
 - A total of R232.599 million was moved from Programme 4, with R182.032 million moved from *Machinery and equipment* due to the receipt of donated CPAP ventilators, the challenges in the supply side of medical equipment due to the lockdown, as well as the decline in the number of Covid-19 cases at regional hospital level. An amount of R50.567 million was moved from *Goods and services*, largely related to the delay in commissioning the PKISMH.
 - R33.265 million was moved from *Goods and services* in Programme 7, from savings on linen due to fewer Covid-19 cases than expected.
 - R82.762 million was moved from *Buildings and other fixed structures* (R35.879 million) and *Machinery and equipment* (R46.883 million) in Programme 8, with savings attributed to Covid-19 isolation and quarantine sites which are not going ahead as planned due to the previously mentioned lower number of Covid-19 cases than forecasted.
- R14.853 million was allocated to *Goods and services* to address pressure related to PPE, as well as the medico-legal centres of excellence for medical supplies not budgeted for. This funding was moved as follows:

- o Savings of R40.566 million were identified from *Goods and services* in Programme 4 due to the lower number of Covid-19 cases than expected, as well as within the programme and within *Goods and services* from the Nutrition sub-programme.
- o R7.355 million was moved from *Transfers and subsidies to: Households* within the programme related to lower than expected staff exit costs.
- o This increase was offset by a movement R33.068 million within the programme from *Goods and services* to *Machinery and equipment*. Of this amount, R2.963 million was for equipment for the medico-legal centres of excellence, while R30.105 million was moved within the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant for the procurement of additional TB outreach vehicles.
- R36.414 million is allocated to *Machinery and equipment* for equipment for the medico-legal centres of excellence and for carry-over expenditure for medical equipment and motor vehicles ordered in 2019/20. Apart from the previously mentioned R33.068 million moved to this category, a further R3.333 million is moved from *Compensation of employees* in Programme 4 and R13 000 from *Machinery and equipment* in Programme 1, with savings in Programme 4 attributed to the delay in commissioning PKISMH. The savings in Programme 1 were attributed to over-budgeting for Covid-19 related medical equipment

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

Legislature approval is required for the movement of specifically and exclusively appropriated funding for Covid-19 from Programme 1 (R24.567 million), Programme 4 (R232.599 million), Programme 7 (R33.265 million) and Programme 8 (R82.762 million) to Programme 2.

Shifts – Programme 2: District Health Services: R550.677 million

At the time of allocating the Covid-19 funds at programme level, there was no certainty as to where the Covid-19 pressures would be, hence the additional funding was temporarily placed under different programmes pending expenditure being incurred. The shifts were undertaken to align the budget with the expenditure, with the purpose of the funds remaining the same. The allocation to *Compensation of employees* caters for the filling of all Covid-19 related temporary posts irrespective of the programme, and the medical equipment budget was also for the same purpose across the programmes. The movements to Programme 2 were as follows:

- R398.052 million was moved within *Compensation of employees*, shifted from Programme 4 (R181.790 million), and Programme 5 (R216.262 million).
- R68.257 million was moved within *Goods and services* related to the Covid-19 laboratory services budget, temporarily placed under Programme 1, while the service was delivered under Programme 2. The purpose of these funds remains the same.
- R84.368 million was moved within *Machinery and equipment*, related to the Covid-19 medical equipment budget which was originally allocated under Programme 1 (R81.968 million) and Programme 5 (R5.300 million). Mitigating this was a movement from Programme 2 and within *Machinery and equipment* to Programme 4 (R2.900 million) to correct the initial incorrect placing of the Covid-19 related funding.

Other adjustments – Programme 2: District Health Services: (R723.750 million)

The programme's budget was reduced by a net amount of R723.750 million, attributed of the following:

- R56.230 million was allocated under the Presidential Employment Initiative Fund to the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant, specifically in respect of the Community Outreach component, to be used to appoint community health workers and outreach team leaders, as mentioned. These funds were allocated to the HIV and AIDS sub-programme, with R52.230 million allocated to *Compensation of employees* and R4 million to *Goods and services*.

Mitigating this within the grant was a reduction of R58.027 million, with this cut being in line with the rescue plan for SAA, as mentioned. This cut was effected against the HIV and AIDS sub-programme and *Goods and services*.

- R5 million was allocated under the Presidential Employment Initiative Fund toward the NHI grant in the Other Community Service sub-programme, and against *Compensation of employees* (R1 million) and *Goods and services* (R4 million). This funding is to remunerate contracted doctors, as well as pay for their travel and subsistence costs.
- As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R726.953 million was cut from this category in all sub-programmes, apart from the Nutrition sub-programme.

Service delivery measures – Programme 2: District Health Services

Table 7.8 shows the revised service delivery for Programme 2. The department amended three targets, and this is indicated in the Revised target column. Note that 14 measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.8 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. District Health Services				
To provide facilities for patients to be treated at PHC level	• Ideal clinic status obtained rate	100%	Annual	
	• Patient experience of care satisfaction rate (PHC)	68.7%	Annual	
2. District Hospitals				
Rendering hospital service at general practitioner level	• Maternal mortality in facility ratio	55.2%	Annual	55.0/100 000
	• Child under 5 years diarrhoea case fatality rate	2%	Annual	
	• Child under 5 years pneumonia case fatality rate	1.7%	Annual	
	• Child under 5 years severe acute malnutrition death under 5 years rate	6%	Annual	6.5%
3. HIV and AIDS, TB and STI control				
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	• ART client remain on ART end of month – total	1 701 694	1 481 070	
	• HIV incidence	0.52%	Annual	
	• TB incidence	400/100 000	Annual	
4. Maternal, child and women's health				
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	• Infant PCR test positive around 10 weeks rate	0.5%	Annual	
	• Infant mortality rate	29%	Annual	29/1 000
	• Immunisation under 1 year coverage	88%	83%	
	• Antenatal 1 st visit before 20 weeks rate	75.9%	75.8%	
	• Measles 2 nd dose coverage	93%	78.8%	
	• Delivery in 10 to 19 years in facility rate	16.6%	17.5%	
	• Couple year protection rate (international)	60%	48.4%	
	• Vitamin A dose 12-59 months coverage	72%	60.5%	
	• Neonatal (<28 days) death in facility rate	11.3/1 000	Annual	
5. Disease prevention and control				
Rendering preventive and promotive health services	• Malaria case fatality rate	0.4%	Annual	
	• Hypertension incidence	28/1 000	Annual	
	• Diabetes incidence	2.8/1 000	Annual	

4.2 Programme 3: Emergency Medical Services

The purpose of Programme 3 is to render pre-hospital emergency medical services (EMS), including inter-hospital transfers and planned patient transport. Tables 7.9 and 7.10 reflect a summary of the 2020/21 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R4.203 million, are provided in the paragraphs following the tables.

Table 7.9 : Programme 3: Emergency Medical Services

R thousand	Special adjustments appropriation	Second adjustments appropriation				Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments	
1. Emergency Services	1 436 827			78 860		(61 837)	1 453 850
2. Planned Patient Transport	228 976			(15 343)		(5 883)	207 750
Total	1 665 803	-	-	63 517	-	(67 720)	1 661 600
Amount to be voted							(4 203)

Table 7.10 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation				Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments	
Current payments	1 572 122	-	-	(43 818)	-	(67 720)	1 460 584
Compensation of employees	1 167 633			(51 306)		(67 720)	1 048 607
Goods and services	404 489			7 488			411 977
Interest and rent on land							-
Transfers and subsidies to:	5 918	-	-	-	-	-	5 918
Provinces and municipalities	2 947						2 947
Departmental agencies and accounts	2						2
Higher education institutions							-
Foreign governments and international organisations							-
Public corporations and private enterprises							-
Non-profit institutions							-
Households	2 969						2 969
Payments for capital assets	87 763	-	-	107 335	-	-	195 098
Buildings and other fixed structures							-
Machinery and equipment	87 763			107 335			195 098
Heritage assets							-
Specialised military assets							-
Biological assets							-
Land and subsoil assets							-
Software and other intangible assets							-
Payments for financial assets							-
Total	1 665 803	-	-	63 517	-	(67 720)	1 661 600
Amount to be voted							(4 203)

Virement – Programme 3: Emergency Medical Services: R63.517 million

The special adjustments appropriation of Programme 3 was increased by R63.517 million. The programme is under pressure due to carry-over expenditure from 2019/20 for ambulances ordered but not received by 31 March 2020 under the Emergency Services sub-programme and against *Machinery and equipment*. The department thus moved R63.517 million from Programme 4, related to delays in commissioning PKISMH to address this pressure. In addition, there were movements within the programme to address the same pressure, with R51.306 million in savings identified against *Compensation of employees* in the Planned Patient Transport sub-programme (R15.344 million) and the Emergency Services sub-programme (R35.962 million), related to delays in filling mainly paramedic posts. Of this amount, R43.818 million was moved to offset the 2019/20 carry-over expenditure for ambulances under *Machinery and equipment* and R7.488 million was moved to *Goods and services* mainly for aeromedical services carry-over expenditure.

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

Other adjustments – Programme 3: Emergency Medical Services: (R67.720 million)

As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R67.720 million was cut from this category in both sub-programmes, with the bulk of the cut against the Emergency Services sub-programme.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.11 shows the revised service delivery for Programme 3. The department amended two targets, and this is indicated in the Revised target column. Note that two measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.11: Service delivery measures – Programme 3: Emergency Medical Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
Emergency Medical Services				
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 30 minutes rate	23%	Annual	Baseline to be established
	• EMS P1 rural response under 60 minutes rate	36%	Annual	Baseline to be established
	• Average no. of daily operational ambulances	210	188	

4.2 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research.

Tables 7.12 and 7.13 reflect a summary of the 2020/21 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R1.328 billion, are provided in the paragraphs after the tables.

Table 7.12 : Programme 4: Provincial Hospital Services

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. General (Regional) Hospitals	11 234 311			(511 251)	(169 290)	(515 953)	(1 196 494)	10 037 817
2. Tuberculosis Hospitals	795 934			(40 466)	1 800	(41 228)	(79 894)	716 040
3. Psychiatric-Mental Hospitals	1 037 691			13 428	1 300	(48 617)	(33 889)	1 003 802
4. Sub-acute, Step-down and Chronic Medical Hospitals	470 444			1 711	2 300	(21 452)	(17 441)	453 003
5. Dental Training Hospital	20 918						-	20 918
Total	13 559 298	-	-	(536 578)	(163 890)	(627 250)	(1 327 718)	12 231 580
Amount to be voted								(1 327 718)

Table 7.13 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	13 139 550	-	-	(410 525)	(166 790)	(627 250)	(1 204 565)	11 934 985
Compensation of employees	9 942 385			(329 629)	(181 790)	(627 250)	(1 138 669)	8 803 716
Goods and services	3 197 161			(80 896)	15 000		(65 896)	3 131 265
Interest and rent on land	4						-	4
Transfers and subsidies to:	83 790	-	-	-	-	-	-	83 790
Provinces and municipalities							-	-
Departmental agencies and accounts	98						-	98
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	5 643						-	5 643
Households	78 049						-	78 049
Payments for capital assets	335 958	-	-	(126 053)	2 900	-	(123 153)	212 805
Buildings and other fixed structures							-	-
Machinery and equipment	335 958			(126 053)	2 900		(123 153)	212 805
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	13 559 298	-	-	(536 578)	(163 890)	(627 250)	(1 327 718)	12 231 580
Amount to be voted								(1 327 718)

Virement – Programme 4: Provincial Hospital Services: (R536.578 million)

The budget for Programme 4 was reduced by a net amount of R536.578 million, as follows:

- R329.629 million was reduced against *Compensation of employees*, mainly related to delays in the commissioning of PKISMH in the General (Regional) Hospitals sub-programme. This funding was moved as follows:

- o R125.033 million was moved to Programme 1 to cover the pressures emanating from the 2019/20 carry-over costs for motor vehicles (R111.765 million) and to offset unbudgeted medico-legal expert services (R13.268 million), previously funded by NDOH.
- o R43.899 million was moved to Programme 2, mainly to *Goods and services* to offset the under-budgeted CCMDD programme (R40.566 million), and to *Machinery and equipment* for 2019/20 carry-over expenditure for motor vehicles (R3.333 million).
- o R63.517 million was moved to Programme 3 which was under pressure due to carry-over expenditure from 2019/20 for ambulances.
- o R41.201 million was moved to Programme 5 to *Machinery and equipment* (R25 million) to defray carry-over expenditure related to medical equipment such as linear accelerators and to *Goods and services* (R16.201 million) for carry-over costs from 2019/20 for the PPP at IALCH, as well as laboratory services pressures due to lower than expected savings from NHLS electronic gatekeeping.
- o R55.979 million was moved within the programme to *Machinery and equipment* to cover the 2019/20 carry-over expenditure for medical equipment such as multi-parameter monitors and mammogram machines, as well as motor vehicles.
- R80.896 million was reduced from *Goods and services*, related to both the Covid-19 allocated budget (R54.375 million) and the non Covid-19 budget (R26.521 million). The Covid-19 related savings were due to the central procurement of PPE items under Programme 1 and R50.567 million was utilised to offset *Compensation of employees* pressures under Programme 2 related to the extension of contracts for temporary Covid-19 staff, as previously mentioned. A further R3.808 million was moved within *Goods and services* to Programme 5 for carry-over costs from 2019/20 for the PPP at IALCH, as well as laboratory services pressures. The balance of R26.521 million was mainly related to the planned decommissioning of the Don McKenzie and Doris Goodwin TB Hospitals, and was utilised to offset pressures in Programme 5 resulting from the carry-over costs from 2019/20 for the PPP at IALCH.
- The net reduction of R126.053 million under *Machinery and equipment* was due to the receipt of donated CPAP ventilators, the challenges in the supply side of medical equipment due to the lockdown, as well as the decline in the number of Covid-19 cases at regional hospital level. As a result, R182.032 million was moved to address pressures in *Compensation of employees* in Programme 2 related to the extension of contracts for temporary Covid-19 staff, as previously mentioned. This was offset by savings of R55.979 million from *Compensation of employees* within the programme due to the delay in commissioning PKISMH, moved to address 2019/20 carry-over expenditure for medical equipment such as multi-parameter monitors and mammogram machines, as well as motor vehicles, as mentioned.
- There were also movements within the programme at sub-programme level, not visible at economic classification level. The Psychiatric-Mental Hospitals sub-programme was increased by R13.427 million related to Covid-19 additional PPE requirements, and the procurement of replacement dining room tables and chairs. There were savings in the Tuberculosis Hospitals sub-programme from the planned decommissioning of the Don McKenzie and Doris Goodwin TB Hospitals and the General (Regional) Hospitals sub-programme related to the delay in commissioning of PKISMH. This movement was within *Goods and services*.
- The Sub-acute, Step-down and Chronic Medical Hospitals budget was increased by R1.711 million mainly for the procurement of medico-legal centres of excellence medical equipment. These savings were from the Tuberculosis Hospitals and the General (Regional) Hospitals sub-programmes, as mentioned. This movement was within *Goods and services*.

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

Legislature approval is required for the movement of R232.599 million of specifically and exclusively appropriated funding for Covid-19 to Programme 2 and R3.808 million to Programme 5.

Shifts – Programme 4: Provincial Hospital Services: (R163.890 million)

As previously mentioned, the shifts address the movement of the centrally placed Covid-19 budget when the department was uncertain of budget requirements at programme level. The shifts in this programme, which resulted in a net reduction of R163.890 million, were as follows:

- R181.790 million was moved from *Compensation of employees* and from the General (Regional) Hospitals sub-programme, originally placed under this programme, to the same category in Programme 2 to address the extension of contracts for temporary Covid-19 staff, such as nurses and tracing agents. There is no change in purpose for this funding.
- This movement was mitigated by R15 million allocated to *Goods and services* in the General (Regional) Hospitals sub-programme, for Covid-19 medicines, original centrally budgeted in Programme 1 and moved from that programme to where spending was incurred. There is no change in purpose for this funding.
- There was a further movement to this programme of R2.900 million, allocated to *Machinery and equipment* and to most sub-programmes, moved from the same category in Programme 2 where this funding was initially incorrectly allocated. There is no change in purpose for this funding.
- There was a further movement from the General (Regional) Hospitals sub-programme to the Psychiatric-Mental Hospitals, the Tuberculosis Hospitals and the Sub-acute, Step-down and Chronic Medical Hospitals sub-programmes, for Covid-19 related medical equipment such as ventilators, where the budget was centrally placed awaiting the determination of pressures at programme levels. There is no change in purpose for this funding.

Other adjustments – Programme 4: Provincial Hospital Services: (R627.250 million)

The programme's budget was reduced by a net amount of R627.250 million, attributed of the following:

- R40.548 million was allocated under the Presidential Employment Initiative Fund toward the Statutory HR, Training and Development grant and these funds are to appoint enrolled nurses and assistant/ auxiliary nurses. The funding was allocated to *Compensation of employees* in the General (Regional) Hospitals sub-programme.
- As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R667.798 million was cut from this category in all sub-programmes apart from the Dental Training Hospital sub-programme.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.14 shows the revised service delivery for Programme 4.

The department amended two targets, and this is indicated in the Revised target column. A further three performance indicators were revised and this is indicated in bold italics. Note that all measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.14 : Service delivery measures – Programme 4: Provincial Hospital Services

Outputs		Performance indicators			Performance targets		
			2020/21 Original target	2020/21 Mid-year actual		2020/21 Revised target	
1. General (Regional) Hospitals							
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Patient experience of care satisfaction rate		81.8%	Annual			
	• Maternal mortality in facility ratio		101.5/100 000	Annual		101.2/100 000	
	• Child under 5 years diarrhoea case fatality rate		2.1%	Annual			
	• Child under 5 years pneumonia case fatality rate		2.1%	Annual			
	• Child under 5 years severe acute malnutrition case fatality rate		7%	Annual		5.4%	

Table 7.14 : Service delivery measures – Programme 4: Provincial Hospital Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
2. Specialised TB Hospitals				
Rendering of hospital services at a specialist TB level	<ul style="list-style-type: none"> <i>Patient experience of care satisfaction rate</i> Severity assessment code (SAC) 1 incident reported within 24 hours rate 	93.7%	Annual	
		88.9%	Annual	
3. Specialised Psychiatric Hospitals				
Rendering of hospital services at a specialist psychiatric level	<ul style="list-style-type: none"> <i>Patient experience of care satisfaction rate</i> SAC 1 incident reported within 24 hours rate 	88.7%	Annual	
		64.3%	Annual	
4. Chronic/ Sub-Acute Hospitals				
Rendering of hospital services at a specialist chronic/ sub-acute level	<ul style="list-style-type: none"> <i>Patient experience of care satisfaction rate</i> 	79.5%	Annual	

4.2 Programme 5: Central Hospital Services

The main purpose of this programme is to provide tertiary health services and to create a platform for training of health workers. Tables 7.15 and 7.16 reflect a summary of the 2020/21 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R320.875 million, are provided in the paragraphs following the tables.

Table 7.15 : Programme 5: Central Hospital Services

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Central Hospital Services	2 638 323			55 710	54 692	(75 278)	35 124	2 673 447
2. Provincial Tertiary Hospital Services	3 196 680			50 229	(276 254)	(129 974)	(355 999)	2 840 681
Total	5 835 003	-	-	105 939	(221 562)	(205 252)	(320 875)	5 514 128
Amount to be voted								(320 875)

Table 7.16 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	5 681 907	-	-	80 939	(216 262)	(205 252)	(340 575)	5 341 332
Compensation of employees	3 538 862				(216 262)	(205 252)	(421 514)	3 117 348
Goods and services	2 143 045			80 939			80 939	2 223 984
Interest and rent on land							-	-
Transfers and subsidies to:	40 877	-	-	-	-	-	-	40 877
Provinces and municipalities							-	-
Departmental agencies and accounts	71						-	71
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	40 806						-	40 806
Payments for capital assets	112 219	-	-	25 000	(5 300)	-	19 700	131 919
Buildings and other fixed structures							-	-
Machinery and equipment	112 219			25 000	(5 300)		19 700	131 919
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	5 835 003	-	-	105 939	(221 562)	(205 252)	(320 875)	5 514 128
Amount to be voted								(320 875)

Virement – Programme 5: Central Hospital Services: R105.939 million

The budget for Programme 5 was increased by a net amount of R105.939 million, as follows:

- R80.939 million was added to *Goods and services* to address the carry-over costs from 2019/20 for the PPP at IALCH in the Central Hospital Services sub-programme (R55.710 million), the

finalisation of medical equipment maintenance contracts (R8.105 million), PPE requirements (R7.479 million), as well as the inability to realise savings from NHLS electronic gatekeeping (R9.645 million), all in the Provincial Tertiary Hospital Services sub-programme. This funding was moved from the following:

- o Programme 4 was reduced by R71.530 million being savings from the previously mentioned delays in the commissioning of PKISMH, with R41.201 million moved from *Compensation of employees* and R30.329 million moved from *Goods and services*. Of this amount from Programme 4, R46.530 million was allocated to *Goods and services* under this programme.
- o Programme 6 was reduced by R26.788 million against *Transfers and subsidies to: Households* related to savings in respect of bursary payments due to the anticipated delays in the receipt of invoices for the 2021/22 academic year.
- o Programme 7 was reduced by R7.621 million against *Compensation of employees* attributed to delays in the filling of laundry service posts.
- R25 million was allocated to *Machinery and equipment*, which is under pressure due to carry-over costs from 2019/20 related to medical equipment such as linear accelerators. This funding was moved from *Compensation of employees* in Programme 4 being savings in respect of the delay in commissioning PKISMH.

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

Legislature approval is required for the movement of R3.808 million of specifically and exclusively appropriated funding for Covid-19 from Programme 4.

Shifts – Programme 5: Central Hospital Services: (R221.562 million)

As previously mentioned, the shifts address the movement of the centrally placed Covid-19 budget when the department was uncertain of budget requirements at programme level. The shifts in this programme, which resulted in a net reduction of R221.562 million, were as follows:

- R216.262 million was moved from *Compensation of employees* and from the Provincial Tertiary Hospital Services sub-programme, to the same category in Programme 2 for the extension of Covid-19 related temporary staff contracts.
- R5.300 million was moved from *Machinery and equipment* in the Provincial Tertiary Hospital Services sub-programme to the same category in Programme 2 for Covid-19 related medical equipment, initially over-budgeted against Programme 5.
- There was further movement of R54.692 million from the Provincial Tertiary Hospital Services sub-programme to the Central Hospital Services sub-programme and within *Compensation of employees*, for ICU and High Care posts initially incorrectly allocated against the Provincial Tertiary Hospital Services sub-programme. There is no change in purpose for this funding.

Other adjustments – Programme 5: Central Hospital Services: (R205.252 million)

As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R205.252 million was cut from this category in both sub-programmes, with the bulk cut against the Provincial Tertiary Hospital Services sub-programme.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.17 shows the revised service delivery for Programme 5. The department amended six targets, and this is indicated in the Revised target column. Note that all measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.17 : Service delivery measures – Programme 5: Central Hospital Services

Table 7.11: Service delivery measures – Programme 3: Central Hospital Services				
Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Tertiary Hospitals				
To provide tertiary health services and create a platform for the training of health workers	• Patient experience of care satisfaction rate	74.8%	Annual	
	• Maternal mortality in facility ratio	334.9/100 000	Annual	336.6/100 000
	• Child under 5 years diarrhea case fatality rate	1.7%	Annual	1.8%
	• Child under 5 years pneumonia case fatality rate	0.6%	Annual	0.7
	• Child under 5 years severe acute malnutrition case fatality rate	14.6%	Annual	4%
2. Central Hospitals				
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Patient experience of care satisfaction rate	90.9%	Annual	
	• Maternal mortality in facility ratio	1 216/100 000	Annual	1 128.7/100 000
	• Child under 5 years pneumonia case fatality rate	14.6%	Annual	14.7%
	• Child under 5 years severe acute malnutrition case fatality rate	20%	Annual	

4.2 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The objectives of the five sub-programmes remain unchanged from the *EPRE*. Tables 7.18 and 7.19 reflect a summary of the 2020/21 adjusted appropriation of Programme 6, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R93.893 million, are provided in the paragraphs following the tables.

Table 7.18 : Programme 6: Health Sciences and Training

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Nursing Training Colleges	254 239			1 086		(13 526)	(12 440)	241 799
2. EMS Training Colleges	20 552			13 800		(1 058)	12 742	33 294
3. Bursaries	145 040			(31 136)			(31 136)	113 904
4. Primary Health Care Training	49 889			(3 041)		(2 363)	(5 404)	44 485
5. Training Other	916 544			(7 497)		(50 158)	(57 655)	858 889
Total	1 386 264	-	-	(26 788)	-	(67 105)	(93 893)	1 292 371
Amount to be voted								(93 893)

Table 7.19 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 227 655	-	-	(11 693)	-	(67 105)	(78 798)	1 148 857
Compensation of employees	1 156 996			1 982		(67 105)	(65 123)	1 091 873
Goods and services	70 659			(13 675)			(13 675)	56 984
Interest and rent on land							-	-
Transfers and subsidies to:	154 186	-	-	(26 788)	-	-	(26 788)	127 398
Provinces and municipalities							-	-
Departmental agencies and accounts	23 248						-	23 248
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	130 938			(26 788)			(26 788)	104 150
Payments for capital assets	4 423	-	-	11 693	-	-	11 693	16 116
Buildings and other fixed structures							-	-
Machinery and equipment	4 423			11 693			11 693	16 116
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	1 386 264	-	-	(26 788)	-	(67 105)	(93 893)	1 292 371
Amount to be voted								(93 893)

Virement – Programme 6: Health Sciences and Training: (R26.788 million)

There were net virements of R26.788 million from this programme, as follows:

- Savings of R26.788 million were identified in the Bursaries sub-programme against *Transfers and subsidies to: Households* in respect of bursary payments due to anticipated delays in the receipt of invoices from tertiary institutions for the 2021/22 academic year. This amount was utilised to defray excess expenditure in Programme 5 related to the previously mentioned carry-over expenditure for the PPP at IALCH.
- There was also movement within the programme and between sub-programmes, as follows:
 - Savings of R13.675 million under *Goods and services* were moved to *Compensation of employees* (R1.982 million) for the under-budgeted pay progression, and to *Machinery and equipment* (R11.693 million) for under-budgeted EMS training equipment. The savings were due to the inactivity of all colleges as a result of the lockdown, which impacted on areas such as training and development and transport and subsistence costs.

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

Other adjustments – Programme 6: Health Sciences and Training: (R67.105 million)

As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R67.105 million was cut from this category in all sub-programmes, apart from the Bursaries and the Primary Health Care Training sub-programmes.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.20 shows the revised service delivery for Programme 6. The department amended one target, and this is indicated in the Revised target column. Two performance indicators are revised and this is indicated in bold italics. The department has removed a measure, and this is indicated by a strike-through. Note that all measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.20 : Service delivery measures – Programme 6: Health Sciences and Training

Table 7.20: Service delivery measures – Programme 6: Health Sciences and Training				
Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Bursaries				
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of bursaries awarded for first year <i>medicine</i> students	21	Annual	
	• No. of bursaries awarded for first year nursing students	400		
	• <i>No. of bursaries awarded for first year other health professions students</i>	-	<i>Annual</i>	30

4.2 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including the Provincial Pharmaceutical Supply Depot (PPSD) which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, *via* the Medicine Trading Account, the provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities, as well as the provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.21 and 7.22 reflect a summary of the 2020/21 adjusted appropriation of Programme 7, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R51.806 million, are provided in the paragraphs after the tables.

Table 7.21 : Programme 7: Health Care Support Services

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Medicine Trading Account	68 296					(2 308)	(2 308)	65 988
2. Laundry Services	300 780			(34 257)		(5 937)	(40 194)	260 586
3. Orthotic and Prosthetic Services	65 299			(6 629)		(2 675)	(9 304)	55 995
Total	434 375	-	-	(40 886)	-	(10 920)	(51 806)	382 569
Amount to be voted								(51 806)

Table 7.22 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	432 508	-	-	(45 106)	-	(10 920)	(56 026)	376 482
Compensation of employees	188 327			(13 622)		(10 920)	(24 542)	163 785
Goods and services	244 181			(31 484)			(31 484)	212 697
Interest and rent on land							-	-
Transfers and subsidies to:	821	-	-	-	-	-	-	821
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	821						-	821
Payments for capital assets	1 046	-	-	4 220	-	-	4 220	5 266
Buildings and other fixed structures							-	-
Machinery and equipment	1 046			4 220			4 220	5 266
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets								-
Total	434 375	-	-	(40 886)	-	(10 920)	(51 806)	382 569
Amount to be voted								(51 806)

Virement – Programme 7: Health Care Support Services: (R40.886 million)

There were net virements of R40.886 million from this programme, as follows:

- R13.622 million was identified as savings under *Compensation of employees* in the Laundry Services sub-programme due to delays in filling of laundry service posts. These funds were moved to *Goods and services* (R7.621 million) in Programme 5 to address the previously mentioned PPP at IALCH carry-over expenditure from 2019/20. The balance was moved within the programme, with R1.781 million moved to *Goods and services* to address under-budgeted outsourced laundry services and R4.220 million *Machinery and equipment* to address under-budgeting for laundry equipment.
- R33.265 million in savings in the Laundry Services and the Orthotic and Prosthetic Services sub-programmes against *Goods and services* was moved to Programme 2 for the contract extension to the end of March 2021 for temporary Covid-19 related staff. The savings were largely due to less linen procured due to fewer Covid-19 cases than expected.

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

Legislature approval is required for the movement of R33.265 million in specifically and exclusively appropriated funding for Covid-19 to Programme 2. In addition, Legislature approval is also required for the total virement, which exceeds 8 per cent of the surrendering programme.

Other adjustments – Programme 7: Health Care Support Services: (R10.920 million)

As a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal situation and because this matter is still in court, departments were required to cut their *Compensation of employees* budgets. Thus R10.920 million is cut from this category in all sub-programmes, with the bulk cut against the Laundry Services sub-programme.

Service delivery measures – Programme 7: Health Care Support Services

Table 7.23 shows the revised service delivery for Programme 7. The department amended one target, and this is indicated in the Revised target column. Note that all measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.23 : Service delivery measures – Programme 7: Health Care Support Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Medicine Trading Account				
Render pharmaceutical services to the department. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities	• % of pharmacies with either Grade A or Grade B status with the South African Pharmacy Council	100%	Annual	
	• Tracer medicine stock-out rate at PPSD	<5%	Annual	≤5%
2. Laundry Services				
Render laundry services to hospitals, care and rehabilitation centres and certain local authorities	• % of facilities reporting clean linen stock outs	25%	Annual	

4.2 Programme 8: Health Facilities Management

The main purpose of this programme is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures. The main objectives of the sub-programmes remain unchanged from the *EPRE*. Tables 7.24 and 7.25 reflect a summary of the 2020/21 adjusted appropriation of Programme 8, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R82.762 million, are provided in the paragraphs following the tables.

Table 7.24 : Programme 8: Health Facilities Management

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Community Health Facilities	349 350			(20 785)			(20 785)	328 565
2. District Hospital Services	392 595			194 859			194 859	587 454
3. Emergency Medical Services	1 000			(333)			(333)	667
4. Provincial Hospital Services	2 067 051			(427 648)			(427 648)	1 639 403
5. Central Hospital Services	139 589			(60 561)			(60 561)	79 028
6. Other Facilities	273 097			231 706			231 706	504 803
Total	3 222 682	-	-	(82 762)	-	-	(82 762)	3 139 920
Amount to be voted								(82 762)

Table 7.25 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	614 018	-	-	-	-	-	-	614 018
Compensation of employees	113 903			(22 155)			(22 155)	91 748
Goods and services	500 115			22 155			22 155	522 270
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	2 608 664	-	-	(82 762)	-	-	(82 762)	2 525 902
Buildings and other fixed structures	2 207 883			(35 879)			(35 879)	2 172 004
Machinery and equipment	400 781			(46 883)			(46 883)	353 898
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	3 222 682	-	-	(82 762)	-	-	(82 762)	3 139 920
Amount to be voted								(82 762)

Virement – Programme 8: Health Facilities Management: (R82.762 million)

There were net virements of R82.762 million from this programme, as well as movement within the programme between sub-programmes and economic categories, as follows:

- *Compensation of employees* was reduced by R22.155 million due to the maintenance hub not materialising this financial year. The maintenance hub was to provide mobile maintenance services to institutions across the province and was planned to be based at Clairwood Hospital. These savings were moved within the programme to *Goods and services* to address pressures under operating leases for additional accommodation for interns, as the intake was higher than anticipated.
- *Buildings and other fixed structures* has savings of R35.879 million due to Covid-19 isolation and quarantine sites which are not going ahead as planned. These savings were moved to *Compensation of employees* in Programme 2 to address pressures from the extension of temporary Covid-19 staff.
- *Machinery and equipment* has savings of R46.883 million largely due to equipment no longer needed for Covid-19 sites, which are not going ahead as planned. These savings were moved to *Compensation of employees* in Programme 2 to address pressures from the extension of temporary Covid-19 staff.
- There was also extensive movement between sub-programmes related to the alignment of the budget to the department's revised building plans. The movements were all within *Buildings and other fixed structures*.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in capital does not require Legislature approval, as capital for the Vote as a whole was increased.

Legislature approval is required for the movement of R82.762 million in specifically and exclusively appropriated funding for Covid-19 to Programme 2.

Service delivery measures – Programme 8: Health Facilities Management

Table 7.26 shows the revised service delivery for Programme 8. The department amended two targets, and this is indicated in the Revised target column. The department has removed a measure, and this is indicated by a strike-through. Note that both measures in this programme are annual in nature and are only reported on after the closure of the financial year.

Table 7.26 : Service delivery measures – Programme 8: Health Facilities Management

Table 7.26 : Service delivery measures – Programme C: Health Facilities Management				
Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Health Facilities Management				
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities maintained	684		
	• % of preventive maintenance expenditure	New	Annual	40%
	• No. of jobs created through the EPWP	2 400	Annual	3 000

5. Specifically and exclusively appropriated allocations

Table 7.27 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that conditional grants, as well as transfers to local government (which are also specifically and exclusively appropriated funds) are not included here, as they are discussed in Sections 8, 9 and 10 below.

Details of the main adjustments, which resulted in changes within the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the tables.

Table 7.27 : Summary of specifically and exclusively appropriated funding

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Programme 1: Additional funds for Covid-19 response	887 434			(24 567)	(165 225)		(189 792)	697 642
Programme 2: Additional funds for Covid-19 response	692 151			373 193	550 677		923 870	1 616 021
Programme 3: Additional funds for Covid-19 response	53 428						-	53 428
Programme 4: Additional funds for Covid-19 response	950 372			(236 407)	(163 890)		(400 297)	550 075
Programme 5: Additional funds for Covid-19 response	381 341			3 808	(221 562)		(217 754)	163 587
Programme 6: Additional funds for Covid-19 response	3 000						-	3 000
Programme 7: Additional funds for Covid-19 response	95 731			(33 265)			(33 265)	62 466
Programme 8: Additional funds for Covid-19 response	1 432 890			(82 762)			(82 762)	1 350 128
Total	4 496 347	-	-	-	-	-	-	4 496 347

- **Virement:** The following virements affected the specifically and exclusively appropriated allocation:
 - o Programme 1 was reduced by R24.567 million due to over-budgeting for Covid-19 related medical equipment, such as high flow oxygen regulators and ventilators, which did not materialise as expected due to donated equipment received, supplier challenges and lower than expected levels of infection. The funding was moved to Programme 2, to fund the contract extension to the end of March 2021 for temporary Covid-19 related staff.
 - o Programme 2 was increased by R373.193 million, mainly to fund the contract extension to the end of March 2021 for temporary Covid-19 related staff. The funding was moved from Programmes 1, 4, 7 and 8.
 - o Programme 4 was reduced by R236.407 million due to the receipt of donated CPAP ventilators, the challenges in the supply side of medical equipment due to the lockdown, as well as the decline in the number of Covid-19 cases at regional hospital level. In addition, there were further savings attributed to the central procurement of PPE items under Programme 1. All these savings were moved to Programme 2 for the contract extension to the end of March 2021 for temporary Covid-19 related staff.
 - o Programme 5 was increased by R3.808 million for PPE requirements. The funding was moved from Programme 1 due to the reduction in demand for quarantine and isolation sites situated at private facilities.
 - o Savings of R33.265 million in Programme 7 were moved to Programme 2 for the contract extension to the end of March 2021 for temporary Covid-19 related staff. The savings were largely due to less linen procured due to fewer Covid-19 cases than expected.
 - o Savings of R82.762 million in Programme 8 due to isolation and quarantine sites no longer being required, as well as equipment no longer needed for Covid-19 sites, which are not going ahead as planned, were moved to Programme 2 for the extension of temporary contracts for Covid-19 staff.

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

Legislature approval is required for the movement of specifically and exclusively appropriated funding for Covid-19 from Programme 1 (R24.567 million), Programme 4 (R236.407 million), Programme 7 (R33.265 million) and Programme 8 (R82.762 million) to Programme 2 (R373.193 million) and Programme 5 (R3.808 million).

- **Shifts:** In the Special Adjustments Estimate, the department placed funding in Programmes 1, 4 and 5, largely as spending trends were not known at that stage, and this funding is now moved to where expenditure was incurred, as follows:
 - o Programme 1 was decreased by R165.225 million, with funding moved as follows:
 - R83.257 million was moved from *Goods and services* where the department originally budgeted R68.257 million under the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant for Covid-19 related laboratory services. These funds were moved within the category and the grant to Programme 2 where it was incurred. The remaining R15 million was allocated for Covid-19 medicines, and was moved to the same category in Programme 4 to where spending was incurred. There is no change in purpose for this funding.

- R81.968 million moved within *Machinery and equipment* in respect of the budget for Covid-19 related medical equipment initially placed under Programme 1, to the same category in Programme 2 for the same purpose.
- o Programme 4 was decreased by a net amount of R163.890 million, with R181.790 million moved from *Compensation of employees*, to the same category in Programme 2 to address the extension of contracts for temporary Covid-19 staff, such as nurses and tracing agents. There is no change in purpose for this funding. This movement was mitigated by the previously mentioned R15 million allocated to Programme 1 for Covid-19 medicines, moved to this programme where spending was incurred. In addition, R2.900 million was moved from Programme 2 and within *Machinery and equipment* to this programme to correct the initial incorrect placing of Covid-19 related funding for medical equipment.
- o Programme 5 was decreased by R221.562 million, with R216.262 million moved from *Compensation of employees* to the same category in Programme 2 for the extension of Covid-19 related temporary staff contracts. A further R5.300 million was moved from *Machinery and equipment* to the same category in Programme 2 for Covid-19 related medical equipment, initially over-budgeted against Programme 5.

6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donation or sponsorships in excess of R100 000 in 2020/21.

7. Infrastructure

Table 7.28 shows infrastructure payments per main category. Details of the main adjustments, which resulted in an overall decrease of R35.879 million, are provided in the paragraphs following the tables.

Table 7.28 : Summary of infrastructure payments by category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	2 566 764	-	-	(35 879)	-	-	(35 879)	2 530 885
Maintenance and repair: Current	404 839						-	404 839
Upgrades and additions: Capital	1 765 340			(35 879)			(35 879)	1 729 461
Refurbishment and rehabilitation: Capital	396 585						-	396 585
New infrastructure assets: Capital	45 958						-	45 958
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets	-						-	-
Infrastructure: Leases	590 910				(365 738)		(365 738)	225 172
Non infrastructure	225 172				365 738		365 738	590 910
<i>Capital infrastructure</i>	<i>2 207 883</i>	-	-	(35 879)	-	-	(35 879)	2 172 004
<i>Current infrastructure</i>	<i>995 749</i>	-	-	-	(365 738)	-	(365 738)	630 011
Total	3 428 804	-	-	(35 879)	-	-	(35 879)	3 392 925
Amount to be voted								(35 879)

- *Virement: Upgrades and additions: Capital* has savings of R35.879 million as Covid-19 isolation and quarantine sites are not going ahead as planned. These funds were moved to *Compensation of employees* in Programme 2 to address pressures from the extension of temporary Covid-19 staff.

This virement is permissible in terms of the PFMA and Treasury Regulations. The decrease in capital does not require Legislature approval, as capital for the Vote as a whole was increased.

- *Shifts: In the Special Adjustments Estimate, the department incorrectly reflected the budget for Infrastructure: Leases against Non-infrastructure and visa versa. This is now corrected and is only visible in this table.*

8. Conditional grants

Tables 7.29 and 7.30 provide a summary of changes to conditional grants. Details of the main adjustments, which resulted in an overall increase of R44.406 million in the conditional grant allocation, are given in the paragraphs following the tables.

Table 7.29 : Summary of changes to conditional grants

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	226 397	-	-	-	(68 257)	-	(68 257)	158 140
HIV, TB, Malaria, Comm. Outreach & HPV Vaccine grant	112 479				(68 257)		(68 257)	44 222
Provincial Disaster Relief grant	113 918						-	113 918
2. District Health Services	6 843 498	655	-	-	68 257	3 203	72 115	6 915 613
HIV, TB, Malaria, Comm. Outreach & HPV Vaccine grant of which re-purposed for Covid-19	6 788 208				68 257	(1 797)	66 460	6 854 668
National Health Insurance grant	86 847						-	86 847
	55 290	655				5 000	5 655	60 945
4. Provincial Hospital Services	593 830	-	-	-	-	40 548	40 548	634 378
Statutory HR & Health Prof Training & Dev. Grant	593 830					40 548	40 548	634 378
5. Central Hospital Services	2 040 775	-	-	-	-	-	-	2 040 775
National Tertiary Services grant	2 015 775						-	2 015 775
Provincial Disaster Relief grant	25 000						-	25 000
8. Health Facilities Management	1 282 317	-	-	-	-	-	-	1 282 317
Health Facility Revitalisation grant	1 271 414						-	1 271 414
EPWP Integrated Grant to Provinces	10 903						-	10 903
Total	10 986 817	655	-	-	-	43 751	44 406	11 031 223
Amount to be voted								44 406

Table 7.30 : Summary of conditional grants by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	9 644 302	655	-	(30 105)	-	43 751	14 301	9 658 603
Compensation of employees	4 579 079	655				97 778	98 433	4 677 512
Goods and services	5 065 223			(30 105)		(54 027)	(84 132)	4 981 091
Interest and rent on land							-	-
Transfers and subsidies to:	149 475	-	-	-	-	-	-	149 475
Provinces and municipalities	128 174						-	128 174
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	12 678						-	12 678
Households	8 623						-	8 623
Payments for capital assets	1 193 040	-	-	30 105	-	-	30 105	1 223 145
Buildings and other fixed structures	1 067 072						-	1 067 072
Machinery and equipment	125 968			30 105			30 105	156 073
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	10 986 817	655	-	-	-	43 751	44 406	11 031 223
Amount to be voted								44 406

- **Roll-overs:** An amount of R655 000 was rolled over from 2019/20, for the NHI grant in respect of committed funds for general practitioner services at NHI pilot sites, and was allocated to Programme 2 against *Compensation of employees*.
- **Virement:** The department undertook a virement within the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant, where savings of R30.105 million were identified under *Goods and services* due to fewer NHLS tests conducted than budgeted as a result of the lockdown. These funds were moved to *Machinery and equipment* to procure additional TB outreach vehicles.

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

- **Shifts:** R68.257 million was originally budgeted for under the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant for Covid-19 related laboratory services. These funds were moved within the category and the grant to Programme 2 where the expenditure was incurred. There was no change in purpose for these funds.
- **Other adjustments:** The grant allocation was increased by R43.751 million as follows:
 - o R56.230 million was allocated under the Presidential Employment Initiative Fund to the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant, specifically allocated to the Community Outreach component, to be used to appoint community health workers and outreach team leaders, as mentioned. This was allocated to Programme 2 with R52.230 million allocated to *Compensation of employees* and R4 million to *Goods and services*.

- o Mitigating this within the HIV, AIDS, TB, Malaria, Community Outreach and HPV Vaccine grant was a reduction of R58.027 million, with this cut being effected in line with the rescue plan for SAA, as mentioned. This cut was made against Programme 2 and *Goods and services* affecting most components of the grant, but mainly the HIV and Aids component.
- o R5 million was allocated under the Presidential Employment Initiative Fund toward the NHI grant in Programme 2, against *Compensation of employees* (R1 million) and *Goods and services* (R4 million), to remunerate contracted doctors, and pay for their travel and subsistence costs.
- o R40.548 million was allocated under the Presidential Employment Initiative Fund toward the Statutory HR, Training and Development grant to appoint enrolled nurses and assistant/auxiliary nurses. The funding was allocated to *Compensation of employees* in Programme 4.

9. Transfers and subsidies

Table 7.31 shows transfers and subsidies by programme and main category. Details of the main adjustments, which resulted in an overall decrease of R35.311 million, are provided below.

Table 7.31 : Summary of transfers and subsidies by programme and main category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	8 335	-	-	(1 168)	-	-	(1 168)	7 167
Provinces and municipalities	3 867	-	-	-	-	-	-	3 867
Motor vehicle licences	3 867	-	-	-	-	-	-	3 867
Departmental agencies and accounts	1	-	-	-	-	-	-	1
SABC - TV licences	1	-	-	-	-	-	-	1
Households	4 467	-	-	(1 168)	-	-	(1 168)	3 299
Staff exit costs	4 467	-	-	(1 168)	-	-	(1 168)	3 299
2. District Health Services	406 585	-	-	(7 355)	-	-	(7 355)	399 230
Provinces and municipalities	237 793	-	-	-	-	-	-	237 793
Municipal clinics	237 793	-	-	-	-	-	-	237 793
Departmental agencies and accounts	49	-	-	-	-	-	-	49
TV and radio licences	49	-	-	-	-	-	-	49
Non-profit institutions	52 865	-	-	-	-	-	-	52 865
Non-profit institutions	52 865	-	-	-	-	-	-	52 865
Households	115 878	-	-	(7 355)	-	-	(7 355)	108 523
Staff exit costs	73 878	-	-	(7 355)	-	-	(7 355)	66 523
Other transfers to households	42 000	-	-	-	-	-	-	42 000
3. Emergency Medical Services	5 918	-	-	-	-	-	-	5 918
Provinces and municipalities	2 947	-	-	-	-	-	-	2 947
Motor vehicle licences	2 947	-	-	-	-	-	-	2 947
Departmental agencies and accounts	2	-	-	-	-	-	-	2
SABC - TV licences	2	-	-	-	-	-	-	2
Households	2 969	-	-	-	-	-	-	2 969
Staff exit costs	1 876	-	-	-	-	-	-	1 876
Other transfers to households	1 093	-	-	-	-	-	-	1 093
4. Provincial Hospital Services	83 790	-	-	-	-	-	-	83 790
Departmental agencies and accounts	98	-	-	-	-	-	-	98
SABC - TV licences	98	-	-	-	-	-	-	98
Non-profit institutions	5 643	-	-	-	-	-	-	5 643
Non-profit institutions	5 643	-	-	-	-	-	-	5 643
Households	78 049	-	-	-	-	-	-	78 049
Staff exit costs	34 749	-	-	-	-	-	-	34 749
Other transfers to households	43 300	-	-	-	-	-	-	43 300
5. Community Based Programmes	40 877	-	-	-	-	-	-	40 877
Departmental agencies and accounts	71	-	-	-	-	-	-	71
SABC - TV licences	71	-	-	-	-	-	-	71
Households	40 806	-	-	-	-	-	-	40 806
Staff exit costs	14 095	-	-	-	-	-	-	14 095
Other transfers to households	26 711	-	-	-	-	-	-	26 711
6. Health Sciences and Training	154 186	-	-	(26 788)	-	-	(26 788)	127 398
Departmental agencies and accounts	23 248	-	-	-	-	-	-	23 248
HWSETA	23 248	-	-	-	-	-	-	23 248
Households	130 938	-	-	(26 788)	-	-	(26 788)	104 150
Staff exit costs	2 488	-	-	-	-	-	-	2 488
Other transfers to households	128 450	-	-	(26 788)	-	-	(26 788)	101 662
7. Health Care Support Services	821	-	-	-	-	-	-	821
Households	821	-	-	-	-	-	-	821
Staff exit costs	821	-	-	-	-	-	-	821
8. Health Facilities Management	-	-	-	-	-	-	-	-
Total	700 512	-	-	(35 311)	-	-	(35 311)	665 201
Amount to be voted								(35 311)

- **Virement:** The department undertook the following virements affecting transfers and subsidies:
 - o Programme 1 was decreased by R1.168 million, moved within the programme from *Households* to *Goods and services* for unbudgeted medico-legal expert services. The savings in *Households* were due to lower than expected staff exit costs.
 - o Programme 2 was decreased by R7.355 million, moved within the programme to *Goods and services* to address pressure related to PPE, as well as the medico-legal centres of excellence. The savings in *Households* were due to lower than expected staff exit costs.
 - o Programme 6 was decreased by R26.788 million from *Households* related to bursary payments due to anticipated delays in the receipt of invoices from tertiary institutions for the 2021/22 academic year. This amount was utilised to defray excess expenditure in Programme 5 related to carry-over expenditure for the PPP at IALCH.

10. Transfers to local government

Table 7.32 shows the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act.

It is noted that the amount against *Provinces and municipalities* in Table 7.31 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality.

The funds reflected in Table 7.32 relate to payments to the eThekweni Metro for municipal clinics, and these funds are specifically and exclusively appropriated, as set out in Table 7.27. There are no changes to the special adjustments estimate appropriation.

Table 7.32 : Summary of transfers to local government

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	237 793	-	-	-	-	-	-	237 793
Total	237 793	-	-	-	-	-	-	237 793
Amount to be voted								

11. Actual payments and revised spending projections for the rest of 2020/21

Tables 7.33 and 7.34 reflect actual payments as at the end of September 2020, projected payments for the rest of the financial year and the total revised spending in rand value and as a percentage of the Adjusted Appropriation per programme and economic classification. The tables also show the 2019/20 Audited outcome.

The department spent 47.8 per cent of its Adjusted appropriation in the first six months, which is largely on track, including the additional funding of R5.082 billion in the Special Adjustments Estimate and the cut of R1.732 billion, as well as the roll-over of R655 000. The department is projecting a balanced budget at year-end.

Table 7.33 : Actual payments and revised spending projections by programme

R thousand	2019/20 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2020 - September 2020		October 2020 - March 2021		
			% of budget		% of budget		
1. Administration	796 197	2 073 256	859 255	41.4	1 214 001	58.6	2 073 256
2. District Health Services	22 726 863	25 112 642	11 897 099	47.4	13 215 543	52.6	25 112 642
3. Emergency Medical Services	1 602 886	1 661 600	829 307	49.9	832 293	50.1	1 661 600
4. Provincial Hospital Services	11 521 214	12 231 580	5 702 099	46.6	6 529 481	53.4	12 231 580
5. Community Based Programmes	5 169 169	5 514 128	2 677 437	48.6	2 836 691	51.4	5 514 128
6. Health Sciences and Training	1 304 573	1 292 371	656 641	50.8	635 730	49.2	1 292 371
7. Health Care Support Services	251 366	382 569	266 801	69.7	115 768	30.3	382 569
8. Health Facilities Management	1 854 308	3 139 920	1 668 698	53.1	1 471 222	46.9	3 139 920
Total	45 226 576	51 408 066	24 557 337	47.8	26 850 729	52.2	51 408 066

Table 7.34 : Actual payments and revised spending projections by economic classification

Table 7.34 : Actual payments and revised spending projections by economic classification							
R thousand	2019/20 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2020 - September 2020		October 2020 - March 2021		
			% of budget		% of budget		
Current payments	42 384 217	47 076 526	22 565 678	47.9	24 510 848	52.1	47 076 526
Compensation of employees	28 190 773	30 469 689	14 519 822	47.7	15 949 867	52.3	30 469 689
Goods and services	14 191 636	16 606 395	8 043 390	48.4	8 563 005	51.6	16 606 395
Interest and rent on land	1 808	442	2 466	557.9	(2 024)	(457.9)	442
Transfers and subsidies to:	809 848	665 201	277 505	41.7	387 696	58.3	665 201
Provinces and municipalities	229 137	244 607	67 661	27.7	176 946	72.3	244 607
Departmental agencies and accounts	22 442	23 469	23 337	99.4	132	0.6	23 469
Higher education institutions		-	-	-	-	-	-
Foreign governments and international organisations		-	-	-	-	-	-
Public corporations and private enterprises		-	-	-	-	-	-
Non-profit institutions	53 427	58 508	26 655	45.6	31 853	54.4	58 508
Households	504 842	338 617	159 852	47.2	178 765	52.8	338 617
Payments for capital assets	2 032 119	3 666 339	1 710 166	46.6	1 956 173	53.4	3 666 339
Buildings and other fixed structures	928 325	2 172 004	1 322 327	60.9	849 677	39.1	2 172 004
Machinery and equipment	1 103 794	1 494 335	387 839	26.0	1 106 496	74.0	1 494 335
Heritage assets		-	-	-	-	-	-
Specialised military assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Land and subsoil assets		-	-	-	-	-	-
Software and other intangible assets		-	-	-	-	-	-
Payments for financial assets	392	-	3 988	-	(3 988)	-	-
Total	45 226 576	51 408 066	24 557 337	47.8	26 850 729	52.2	51 408 066

Table 7.A : Summary by economic classification : Health

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	48 843 845	655	-	(35 675)	-	(1 732 299)	(1 767 319)	47 076 526
Compensation of employees	32 206 360	655	-	(55 054)	-	(1 682 272)	(1 736 671)	30 469 689
Salaries and wages	28 397 979	655	-	53 490	(88 118)	(1 466 312)	(1 500 285)	26 897 694
Social contributions	3 808 381	-	-	(108 544)	88 118	(215 960)	(236 386)	3 571 995
Goods and services	16 637 043	-	-	19 379	-	(50 027)	(30 648)	16 606 395
Administrative fees	3 628	-	-	(268)	-	-	(268)	3 360
Advertising	74 902	-	-	(1 481)	-	-	(1 481)	73 421
Minor assets	55 211	-	-	(10 842)	1 526	-	(9 316)	45 895
Audit cost: External	24 735	-	-	-	-	-	-	24 735
Bursaries: Employees	3 240	-	-	4 769	-	-	4 769	8 009
Catering: Departmental activities	7 273	-	-	(731)	-	-	(731)	6 542
Communication (G&S)	114 968	-	-	(6 305)	-	-	(6 305)	108 663
Computer services	120 112	-	-	85	-	-	85	120 197
Cons. & prof serv: Business and advisory services	67 804	-	-	270	-	-	270	68 074
Infrastructure and planning	2 228	-	-	(1 118)	-	-	(1 118)	1 110
Laboratory services	2 472 788	-	-	(117 174)	-	-	(117 174)	2 355 614
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	90 641	-	-	32 000	-	-	32 000	122 641
Contractors	205 279	-	-	39 793	-	-	39 793	245 072
Agency and support / outsourced services	1 416 633	-	-	(108 554)	(77 082)	-	(185 636)	1 230 997
Entertainment	7	-	-	-	-	-	-	7
Fleet services (incl govt motor transport)	396 895	-	-	704	-	-	704	397 599
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	457 541	-	-	146 083	(1 200)	(4 323)	140 560	598 101
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	156 724	-	-	(29 410)	6 539	-	(22 871)	133 853
Inventory: Fuel, oil and gas	113 947	-	-	(1 873)	-	-	(1 873)	112 074
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	15 780	-	-	233	-	-	233	16 013
Inventory: Medical supplies	2 311 731	-	-	(72 581)	(8 573)	-	(81 154)	2 230 577
Inventory: Medicine	4 742 285	-	-	269 470	-	(39 482)	229 988	4 972 273
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	332 611	-	-	(22 695)	3 000	-	(19 695)	312 916
Consumable supplies	130 848	-	-	12 767	5 247	-	18 014	148 862
Consumable: Stationery, printing and office supplies	111 734	-	-	(5 055)	-	-	(5 055)	106 679
Operating leases	170 925	-	-	34 799	-	-	34 799	205 724
Property payments	2 784 042	-	-	(115 838)	-	-	(115 838)	2 668 204
Transport provided: Departmental activity	73 665	-	-	3 193	-	-	3 193	76 858
Travel and subsistence	89 962	-	-	(20 191)	-	(1 833)	(22 024)	67 938
Training and development	43 082	-	-	(16 646)	-	(4 389)	(21 035)	22 047
Operating payments	40 240	-	-	6 027	-	-	6 027	46 267
Venues and facilities	1 483	-	-	(52)	-	-	(52)	1 431
Rental and hiring	4 099	-	-	-	70 543	-	70 543	74 642
Interest and rent on land	442	-	-	-	-	-	-	442
Interest	-	-	-	-	-	-	-	-
Rent on land	442	-	-	-	-	-	-	442
Transfers and subsidies to	700 512	-	-	(35 311)	-	-	(35 311)	665 201
Provinces and municipalities	244 607	-	-	-	-	-	-	244 607
Provinces	6 814	-	-	-	-	-	-	6 814
Provincial Revenue Funds	3 867	-	-	-	-	-	-	3 867
Provincial agencies and funds	2 947	-	-	-	-	-	-	2 947
Municipalities	237 793	-	-	-	-	-	-	237 793
Municipalities	237 793	-	-	-	-	-	-	237 793
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	23 469	-	-	-	-	-	-	23 469
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	23 469	-	-	-	-	-	-	23 469
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	58 508	-	-	-	-	-	-	58 508
Households	373 928	-	-	(35 311)	-	-	(35 311)	338 617
Social benefits	132 374	-	-	(8 523)	-	-	(8 523)	123 851
Other transfers to households	241 554	-	-	(26 788)	-	-	(26 788)	214 766
Payments for capital assets	3 595 353	-	-	70 986	-	-	70 986	3 666 339
Buildings and other fixed structures	2 207 883	-	-	(35 879)	-	-	(35 879)	2 172 004
Buildings	2 207 883	-	-	(91 884)	-	-	(91 884)	2 115 999
Other fixed structures	-	-	-	56 005	-	-	56 005	56 005
Machinery and equipment	1 387 470	-	-	106 865	-	-	106 865	1 494 335
Transport equipment	154 920	-	-	264 544	-	-	264 544	419 464
Other machinery and equipment	1 232 550	-	-	(157 679)	-	-	(157 679)	1 074 871
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	53 139 710	655	-	-	-	(1 732 299)	(1 731 644)	51 408 066
Amount to be voted								(1 731 644)