

# Vote 14

## Public Works

| R thousand                             | 2017/18                                    |                        |          |               |
|--|--|------------------------|----------|---------------|
|  | Main appropriation                         | Adjusted appropriation | Decrease | Increase      |
| Operational budget                     | 1 505 049                                  | 1 540 915              |          | 35 866        |
| MEC remuneration <sup>1</sup>          | 1 902                                      | 1 902                  |          |               |
| <b>Total amount to be appropriated</b> | <b>1 506 951</b>                           | <b>1 542 817</b>       |          | <b>35 866</b> |
| <i>of which:</i>                       |  |                        |          |               |
| Current payments                       | 869 903                                    | 871 698                |          | 1 795         |
| Transfers and subsidies                | 567 573                                    | 602 928                |          | 35 355        |
| Payments for capital assets            | 69 475                                     | 68 191                 | (1 284)  |               |
| Payments for financial assets          | -  | -                      |          |               |
| Responsible MEC                        | MEC for Human Settlements and Public Works |                        |          |               |
| Administering department               | Public Works                               |                        |          |               |
| Accounting Officer                     | Head: Public Works                         |                        |          |               |

### 1. Vision and mission

#### Vision

The vision of the Department of Public Works (DOPW) is: *An inclusive economy through sustainable infrastructure development and property management.*

#### Mission statement

The mission of the department is: *To improve the life of the people in KwaZulu-Natal through sustainable infrastructure development and property management.*

### 2. Strategic objectives

**Strategic policy direction:** DOPW was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

### 3. Summary of adjusted estimates for the 2017/18 financial year

The 2017/18 Main Appropriation of DOPW was R1.507 billion, as detailed in the *EPRE*. This allocation includes the EPWP Integrated Grant for Provinces of R6.588 million. During the year, the department's allocation was increased by an additional allocation totalling R35.866 million, resulting in an adjusted appropriation of R1.543 billion.

The main reasons for the increase of R35.866 million, as well as other adjustments, are summarised below, and explained in detail in Section 4:

<sup>1</sup> At the time of going to print, the proclamation determining the 2017 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2017/18 *EPRE*.

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- *Roll-overs*: An amount of R5.866 million was rolled over from 2016/17, relating to the development of the Provincial Infrastructure Master Plan (PIMP). These funds were allocated to Programme 3: Provision of Buildings, Structures and Equipment against *Goods and services*. The funds are specifically and exclusively allocated for the completion of this project.
- *Virement between programmes*: The department undertook several virements across programmes, which resulted in Programme 1: Administration being increased by a net amount of R6.856 million as follows:
  - o Savings of R1.020 million were identified in Programme 2: Property Management against *Goods and services*, as a result of the expiry of the Greytown uMzinyathi lease agreement at the end of March 2017 due to the completion of the new sub-district office building in Tugela Ferry. These savings were moved to the same category in Programme 1 to cater for computer services in respect of standing orders for SITA data line costs due to higher than anticipated price increases.
  - o Savings of R5.836 million were identified in Programme 3 against *Buildings and other fixed structures* as a result of slower than anticipated progress in terms of the uMgungundlovu's new administration wing because of a change in scope to align office space with the organogram. The savings were also as a result of delays in the approval of consultants for the canteen in the uMgungundlovu district office, as well as delays in finalising tender documents for the Legislature Assembly (LA) Complex building in Ulundi. These savings were moved to Programme 1 to cater for spending pressures against *Machinery and equipment* brought about by higher than anticipated costs related to telecommunication and computer equipment.
  - o In addition to the above virements between programmes, the department undertook extensive virements across sub-programmes and economic categories within programmes. Details of these virements are provided per programme in Section 4 below. All virements undertaken by the department are permissible in terms of the PFMA and Treasury Regulations.

*Payments for capital assets* shows a net reduction for the Vote as a whole in Table 14.2, and Legislature approval is, therefore, required in this regard.

- *Shifts*: An amount of R31.908 million for GIAMA projects was shifted from Programme 2 under *Goods and services* to Programme 3 under the same economic classification, as this amount was incorrectly budgeted for under Programme 2. This shift relates to the conditional assessments of school infrastructure and maintenance, in consultation with the Department of Education. The original purpose of the funding remains unchanged.

In addition to this, various shifts were undertaken within programmes, as explained in Section 4.

- *Other adjustments*: Additional funds of R30 million were allocated to address spending pressures in the payment of property rates by the department in respect of all provincial properties. These pressures have arisen due to higher than anticipated increases in municipal rates by some municipalities, as well as upgrading of various government buildings, which then attract higher property rates. These funds were allocated to Programme 2 against *Transfers and subsidies to: Provinces and municipalities*. The funds are specifically and exclusively allocated for this purpose.

Tables 14.1 and 14.2 reflect a summary of the 2017/18 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 14: Public Works*.

**Table 14.1 : Summary by programmes**

| R thousand  | Main appropriation | Adjustments appropriation |                           |          |          | Other adjustments | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------|----------|-------------------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/unavoidable | Virement | Shifts   |                   |                                 |                        |
| 1. Administration                                   | 382 684            | -                         | -                         | 6 856    | -        | -                 | 6 856                           | 389 540                |
| 2. Property Management                              | 678 491            | -                         | -                         | (1 020)  | (31 908) | 30 000            | (2 928)                         | 675 563                |
| 3. Provision of Buildings, Structures and Equipment | 445 776            | 5 866                     | -                         | (5 836)  | 31 908   | -                 | 31 938                          | 477 714                |
| <b>Total</b>  | <b>1 506 951</b>   | <b>5 866</b>              | <b>-</b>                  | <b>-</b> | <b>-</b> | <b>30 000</b>     | <b>35 866</b>                   | <b>1 542 817</b>       |
| Amount to be voted                                  |                    |                           |                           |          |          |                   |                                 | 35 866                 |

Table 14.2 : Summary by economic classification

| R thousand  | Main appropriation | Adjustments appropriation |                               |                |          |                   | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------------------------|----------------|----------|-------------------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts   | Other adjustments |                                 |                        |
| <b>Current payments</b>                             | <b>869 903</b>     | <b>5 866</b>              | <b>-</b>                      | <b>(4 071)</b> | <b>-</b> | <b>-</b>          | <b>1 795</b>                    | <b>871 698</b>         |
| Compensation of employees                           | 623 058            | -                         | -                             | (7 324)        | -        | -                 | (7 324)                         | 615 734                |
| Goods and services                                  | 246 845            | 5 866                     | -                             | 3 252          | -        | -                 | 9 118                           | 255 963                |
| Interest and rent on land                           | -                  | -                         | -                             | 1              | -        | -                 | 1                               | 1                      |
| <b>Transfers and subsidies to:</b>                  | <b>567 573</b>     | <b>-</b>                  | <b>-</b>                      | <b>5 355</b>   | <b>-</b> | <b>30 000</b>     | <b>35 355</b>                   | <b>602 928</b>         |
| Provinces and municipalities                        | 562 119            | -                         | -                             | -              | -        | 30 000            | 30 000                          | 592 119                |
| Departmental agencies and accounts                  | 490                | -                         | -                             | -              | -        | -                 | -                               | 490                    |
| Higher education institutions                       | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Foreign governments and international organisations | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Public corporations and private enterprises         | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Non-profit institutions                             | -                  | -                         | -                             | 100            | -        | -                 | 100                             | 100                    |
| Households  | 4 964              | -                         | -                             | 5 255          | -        | -                 | 5 255                           | 10 219                 |
| <b>Payments for capital assets</b>                  | <b>69 475</b>      | <b>-</b>                  | <b>-</b>                      | <b>(1 284)</b> | <b>-</b> | <b>-</b>          | <b>(1 284)</b>                  | <b>68 191</b>          |
| Buildings and other fixed structures                | 52 453             | -                         | -                             | (7 120)        | -        | -                 | (7 120)                         | 45 333                 |
| Machinery and equipment                             | 13 022             | -                         | -                             | 5 836          | -        | -                 | 5 836                           | 18 858                 |
| Heritage assets                                     | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Specialised military assets                         | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Biological assets                                   | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Land and subsoil assets                             | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Software and other intangible assets                | 4 000              | -                         | -                             | -              | -        | -                 | -                               | 4 000                  |
| <b>Payments for financial assets</b>                | <b>-</b>           | <b>-</b>                  | <b>-</b>                      | <b>-</b>       | <b>-</b> | <b>-</b>          | <b>-</b>                        | <b>-</b>               |
| <b>Total</b>  | <b>1 506 951</b>   | <b>5 866</b>              | <b>-</b>                      | <b>-</b>       | <b>-</b> | <b>30 000</b>     | <b>35 866</b>                   | <b>1 542 817</b>       |
| <b>Amount to be voted</b>                           |                    |                           |                               |                |          |                   |                                 | <b>35 866</b>          |

#### 4. Changes to programme purposes and service delivery measures

The department has not changed the purpose of any of its programmes.

It is noted, however, that there have been a few changes made to the service delivery measures to align the targets originally published in the 2017/18 EPRE with the department's APP, which was published after the 2017/18 EPRE, affecting both Programme 2 and Programme 3.

##### 4.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management.

Tables 14.3 and 14.4 reflect a summary of the 2017/18 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in a net increase of R6.856 million, are provided in the paragraphs following the tables.

Table 14.3 : Programme 1: Administration

| R thousand                | Main appropriation | Adjustments appropriation |                               |              |          |                   | Total adjustments appropriation | Adjusted appropriation |
|---------------------------|--------------------|---------------------------|-------------------------------|--------------|----------|-------------------|---------------------------------|------------------------|
|                           |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement     | Shifts   | Other adjustments |                                 |                        |
| 1. Minister's Support     | 12 701             | -                         | -                             | -            | (500)    | -                 | (500)                           | 12 201                 |
| 2. Management             | 369 983            | -                         | -                             | 6 856        | 500      | -                 | 7 356                           | 377 339                |
| <b>Total</b>              | <b>382 684</b>     | <b>-</b>                  | <b>-</b>                      | <b>6 856</b> | <b>-</b> | <b>-</b>          | <b>6 856</b>                    | <b>389 540</b>         |
| <b>Amount to be voted</b> |                    |                           |                               |              |          |                   |                                 | <b>6 856</b>           |

Table 14.4 : Summary by economic classification

| R thousand  | Main appropriation | Adjustments appropriation |                               |                |                             | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------------------------|----------------|-----------------------------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts<br>Other adjustments |                                 |                        |
| <b>Current payments</b>                             | <b>362 451</b>     | -                         | -                             | <b>(2 805)</b> | -                           | <b>(2 805)</b>                  | <b>359 646</b>         |
| Compensation of employees                           | 286 820            |                           |                               | (1 368)        |                             | (1 368)                         | 285 452                |
| Goods and services                                  | 75 631             |                           |                               | (1 438)        |                             | (1 438)                         | 74 193                 |
| Interest and rent on land                           |                    |                           |                               | 1              |                             | 1                               | 1                      |
| <b>Transfers and subsidies to:</b>                  | <b>4 235</b>       | -                         | -                             | <b>3 825</b>   | -                           | <b>3 825</b>                    | <b>8 060</b>           |
| Provinces and municipalities                        | 246                |                           |                               |                |                             | -                               | 246                    |
| Departmental agencies and accounts                  | 457                |                           |                               |                |                             | -                               | 457                    |
| Higher education institutions                       |                    |                           |                               |                |                             | -                               | -                      |
| Foreign governments and international organisations |                    |                           |                               |                |                             | -                               | -                      |
| Public corporations and private enterprises         |                    |                           |                               |                |                             | -                               | -                      |
| Non-profit institutions                             |                    |                           |                               | 100            |                             | 100                             | 100                    |
| Households  | 3 532              |                           |                               | 3 725          |                             | 3 725                           | 7 257                  |
| <b>Payments for capital assets</b>                  | <b>15 998</b>      | -                         | -                             | <b>5 836</b>   | -                           | <b>5 836</b>                    | <b>21 834</b>          |
| Buildings and other fixed structures                |                    |                           |                               |                |                             | -                               | -                      |
| Machinery and equipment                             | 11 998             |                           |                               | 5 836          |                             | 5 836                           | 17 834                 |
| Heritage assets                                     |                    |                           |                               |                |                             | -                               | -                      |
| Specialised military assets                         |                    |                           |                               |                |                             | -                               | -                      |
| Biological assets                                   |                    |                           |                               |                |                             | -                               | -                      |
| Land and subsoil assets                             |                    |                           |                               |                |                             | -                               | -                      |
| Software and other intangible assets                | 4 000              |                           |                               |                |                             | -                               | 4 000                  |
| <b>Payments for financial assets</b>                |                    |                           |                               |                |                             | -                               | -                      |
| <b>Total</b>  | <b>382 684</b>     | -                         | -                             | <b>6 856</b>   | -                           | <b>6 856</b>                    | <b>389 540</b>         |
| <b>Amount to be voted</b>                           |                    |                           |                               |                |                             |                                 | <b>6 856</b>           |

### Virement – Programme 1: Administration: R6.856 million

The main appropriation of Programme 1 was increased by a net amount of R6.856 million as a result of the following virements:

- Savings of R5.836 million were identified from *Buildings and other fixed structures* in Programme 3, as a result of slower than anticipated progress in terms of the uMgungundlovu's new administration wing because of a change in scope to align office space with the organogram. The savings were also as a result of delays in the approval of consultants for the canteen in the uMgungundlovu district office, as well as delays in finalising tender documents for the LA Complex building in Ulundi, as mentioned previously. These savings were moved to the sub-programme: Management against *Machinery and equipment* to cater for higher than anticipated costs related to the purchase of telecommunication and computer equipment required to enhance service delivery.
- Savings of R1.020 million were identified under *Goods and services* in Programme 2, as a result of the Greytown uMzinyathi lease agreement expiring at the end of March 2017, and this was not renewed due to the completion of the new sub-district office building in Tugela Ferry. These funds were moved to the sub-programme: Management against *Goods and services* to cater for costs related to computer services in respect of SITA data line costs due to higher than anticipated price increases.
- The following virements were also undertaken within Programme 1, within sub-programmes and across economic categories, as follows:
  - o Savings of R1.368 million were identified against *Compensation of employees* due to delays in the filling of critical vacant posts within the department. These savings were moved to various economic categories to address spending pressures, as follows:
    - R1.042 million was moved to *Goods and services* to address spending pressures driven by higher than budgeted increases relating to computer services for SITA data lines and audit costs from the previous financial year.
    - R1 000 was moved to *Interest and rent on land* in respect of an overdue account for the Office of the Auditor-General.
    - R100 000 was moved to fund the shortfall under *Transfers and subsidies to: Non-profit institutions* in respect of OSS donations made by the Office of the MEC.
    - R225 000 was moved to *Transfers and subsidies to: Households* to cater for higher than anticipated staff exit costs.

- o R3.500 million was identified as savings against *Goods and services*. These savings were moved to fund the shortfall under *Transfers and subsidies to: Households* to address pressures in respect of external bursaries, due to the department's strategic direction of funding more external bursary holders than originally budgeted for.

These virements are all permissible in terms of the PFMA and Treasury Regulations. The required Treasury approval was obtained for the increase in *Transfers and subsidies to: Households* in respect of external bursaries, as well as the introduction of several new transfer payments against *Transfers and subsidies to: Non-profit institutions* to various NPOs.

## 4.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings.

Tables 14.5 and 14.6 reflect a summary of the 2017/18 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall net decrease of R2.928 million, are given in the paragraphs after the tables.

**Table 14.5 : Programme 2: Property Management**

| R thousand                                   | Main appropriation | Adjustments appropriation |                           |                |                 |                   | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|---------------------------|----------------|-----------------|-------------------|---------------------------------|------------------------|
|  |                    | Roll-overs                | Unforeseeable/unavoidable | Virement       | Shifts          | Other adjustments |                                 |                        |
| 1. Personnel and Admin. Related              | 677 164            |                           |                           |                | (31 908)        | 30 000            | (1 908)                         | 675 256                |
| 2. Hiring                                    | 1 095              |                           |                           | (1 020)        |                 |                   | (1 020)                         | 75                     |
| 3. Acquisition of Land, Control and Disposal | 232                |                           |                           |                |                 |                   | -                               | 232                    |
| <b>Total</b>                                 | <b>678 491</b>     | <b>-</b>                  | <b>-</b>                  | <b>(1 020)</b> | <b>(31 908)</b> | <b>30 000</b>     | <b>(2 928)</b>                  | <b>675 563</b>         |
| Amount to be voted                           |                    |                           |                           |                |                 |                   |                                 | <b>(2 928)</b>         |

**Table 14.6 : Summary by economic classification**

| R thousand  | Main appropriation | Adjustments appropriation |                           |                |                 |                   | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------|-----------------|-------------------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/unavoidable | Virement       | Shifts          | Other adjustments |                                 |                        |
| <b>Current payments</b>                             | <b>116 363</b>     | <b>-</b>                  | <b>-</b>                  | <b>(1 104)</b> | <b>(31 908)</b> | <b>-</b>          | <b>(33 012)</b>                 | <b>83 351</b>          |
| Compensation of employees                           | 52 650             |                           |                           | (84)           |                 |                   | (84)                            | 52 566                 |
| Goods and services                                  | 63 713             |                           |                           | (1 020)        | (31 908)        |                   | (32 928)                        | 30 785                 |
| Interest and rent on land                           |                    |                           |                           |                |                 |                   | -                               | -                      |
| <b>Transfers and subsidies to:</b>                  | <b>561 908</b>     | <b>-</b>                  | <b>-</b>                  | <b>84</b>      | <b>-</b>        | <b>30 000</b>     | <b>30 084</b>                   | <b>591 992</b>         |
| Provinces and municipalities                        | 561 873            |                           |                           |                |                 | 30 000            | 30 000                          | 591 873                |
| Departmental agencies and accounts                  | 5                  |                           |                           |                |                 |                   | -                               | 5                      |
| Higher education institutions                       |                    |                           |                           |                |                 |                   | -                               | -                      |
| Foreign governments and international organisations |                    |                           |                           |                |                 |                   | -                               | -                      |
| Public corporations and private enterprises         |                    |                           |                           |                |                 |                   | -                               | -                      |
| Non-profit institutions                             |                    |                           |                           |                |                 |                   | -                               | -                      |
| Households  | 30                 |                           |                           | 84             |                 |                   | 84                              | 114                    |
| <b>Payments for capital assets</b>                  | <b>220</b>         | <b>-</b>                  | <b>-</b>                  | <b>-</b>       | <b>-</b>        | <b>-</b>          | <b>-</b>                        | <b>220</b>             |
| Buildings and other fixed structures                |                    |                           |                           |                |                 |                   | -                               | -                      |
| Machinery and equipment                             | 220                |                           |                           |                |                 |                   | -                               | 220                    |
| Heritage assets                                     |                    |                           |                           |                |                 |                   | -                               | -                      |
| Specialised military assets                         |                    |                           |                           |                |                 |                   | -                               | -                      |
| Biological assets                                   |                    |                           |                           |                |                 |                   | -                               | -                      |
| Land and subsoil assets                             |                    |                           |                           |                |                 |                   | -                               | -                      |
| Software and other intangible assets                |                    |                           |                           |                |                 |                   | -                               | -                      |
| <b>Payments for financial assets</b>                |                    |                           |                           |                |                 |                   |                                 |                        |
| <b>Total</b>  | <b>678 491</b>     | <b>-</b>                  | <b>-</b>                  | <b>(1 020)</b> | <b>(31 908)</b> | <b>30 000</b>     | <b>(2 928)</b>                  | <b>675 563</b>         |
| Amount to be voted                                  |                    |                           |                           |                |                 |                   |                                 | <b>(2 928)</b>         |

### Virement – Programme 2: Property Management: (R1.020 million)

The main appropriation of Programme 2 was decreased by a net amount of R1.020 million, as follows:

- Savings of R1.020 million were identified under *Goods and services* in the sub-programme: Hiring, as a result of the Greytown uMzinyathi lease agreement expiring at the end of March 2017 and this was

not renewed due to the completion of the new sub-district office building at Tugela Ferry. These savings were moved to Programme 1 under the same category to cater for computer services in respect of standing orders for SITA data line costs due to higher than anticipated price increases, as mentioned previously.

- Savings of R84 000 were identified against *Compensation of employees* due to delays in the filling of critical vacant posts within the department. These savings were moved to *Transfers and subsidies to: Households* to reduce spending pressures in respect of staff exit costs within the sub-programme: Personnel and Admin. Related.

These virements are all permissible in terms of the PFMA and Treasury Regulations.

### Shifts – Programme 2: Property Management: (R31.908 million)

The main appropriation of Programme 2 was reduced by R31.908 million in respect of the following shift, where the purpose and economic classification of the funds remain unchanged:

- R31.908 million for GIAMA projects was shifted from Programme 2 under the sub-programme: Personnel and Admin. Related against *Goods and services* to Programme 3 under the sub-programme: Personnel and Admin. Related to fund GIAMA payments in respect of conditional assessment valuations. These payments were incorrectly budgeted for under Programme 2, as mentioned.

### Other adjustments – Programme 2: Property Management: R30 million

Additional funding of R30 million was allocated to the department to address spending pressures in the payment of property rates in respect of all provincial properties. These pressures have arisen due to higher than anticipated increases in municipal rates by some municipalities including the eThekweni Metro, as well as upgrading of various government buildings, which then attract higher property rates. These funds were allocated against *Transfers and subsidies to: Provinces and municipalities* in the sub-programme: Personnel and Admin. Related. The full R30 million was allocated for payment of invoices from eThekweni Metro.

### Service delivery measures – Programme 2: Property Management

Table 14.7 shows the service delivery measures relating to Programme 2 including both customised measures prescribed for the Public Works sector, as well as several measures which are not prescribed by the sector. These department revised all the service delivery measures, specifically the outputs, to align with the targets published in the 2017/18 APP, due to the *EPRE* being published before the APP was finalised. The description of some measures have been revised as indicated in bold, and some performance indicators are no longer valid and are therefore shown as n/a in the table. New measures were introduced in the APP after the *EPRE* was published, and these are indicated as “New” in the Original target column and targets are shown in the Revised target column.

**Table 14.7 : Service delivery measures – Programme 2: Property Management**

| Outputs  | Performance indicators  | Performance targets           |                               |                              |
|--|---|-------------------------------|-------------------------------|------------------------------|
|  |   | 2017/18<br>Original<br>target | 2017/18<br>Mid-year<br>actual | 2017/18<br>Revised<br>target |
| 1. Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting    | • No. of properties acquired  | 20                            | n/a                           | n/a                          |
| 2. Timeous hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting | • No. of lease agreements concluded   | 100                           | n/a                           | n/a                          |
| 3. Implementation of GIAMA to effectively manage immovable assets  | • U-AMPs compiled and submitted to PT in accordance with GIAMA                          | 1                             | n/a                           | n/a                          |
|  | • C-AMP compiled and submitted to PT in accordance with GIAMA                           | 1                             | n/a                           | n/a                          |
| 4. Vesting of provincial properties to take transfer of all immovable assets   | • No. of properties registered into the name of the KZN provincial government           | 200                           | n/a                           | n/a                          |
| 5. Effective projection and timely payment of municipal rates to facilitate payment of property rates  | • Financial expenditure on approved property rates invoices submitted by municipalities | R562m                         | n/a                           | n/a                          |

Table 14.7 : Service delivery measures – Programme 2: Property Management

| Outputs  | Performance indicators  | Performance targets           |                               |                              |
|--|---|-------------------------------|-------------------------------|------------------------------|
|  |   | 2017/18<br>Original<br>target | 2017/18<br>Mid-year<br>actual | 2017/18<br>Revised<br>target |
| 6. Effectively manage immovable assets in terms of GIAMA                 | • No. of properties acquired  | New                           | 1                             | 20                           |
|  | • U-AMP submitted to the relevant Treasury in accordance with GIAMA             | New                           | 1                             | 1                            |
|  | • C-AMP submitted to the relevant Treasury in accordance with GIAMA             | New                           | 1                             | 1                            |
|  | • No. of properties registered into the name of the KZN provincial government   | New                           | 101                           | 200                          |
|  | • Financial expenditure on approved property rates invoices from municipalities | New                           | R192m                         | R562                         |
| 7. To effectively provide accommodation needs for provincial departments | • No. of lease agreements concluded   | New                           | 63                            | 100                          |

### 4.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services of Programme 3 remain unchanged from the *EPRE*.

Tables 14.8 and 14.9 reflect a summary of the 2017/18 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall net increase of R31.938 million, are given in the paragraphs after the tables.

Table 14.8 : Programme 3: Provision of Buildings, Structures and Equipment

| R thousand                      | Main appropriation | Adjustments appropriation |                               |                |               | Total adjustments appropriation | Adjusted appropriation |
|---------------------------------|--------------------|---------------------------|-------------------------------|----------------|---------------|---------------------------------|------------------------|
|                                 |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts        |                                 |                        |
| 1. Personnel and Admin. Related | 378 145            | 5 866                     |                               |                | 31 908        | 37 774                          | 415 919                |
| 2. Buildings and Structures     | 67 631             |                           |                               | (5 836)        |               | (5 836)                         | 61 795                 |
| <b>Total</b>                    | <b>445 776</b>     | <b>5 866</b>              | <b>-</b>                      | <b>(5 836)</b> | <b>31 908</b> | <b>31 938</b>                   | <b>477 714</b>         |
| <b>Amount to be voted</b>       |                    |                           |                               |                |               |                                 | <b>31 938</b>          |

Table 14.9 : Summary by economic classification

| R thousand  | Main appropriation | Adjustments appropriation |                               |                |               | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------------------------|----------------|---------------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts        |                                 |                        |
| <b>Current payments</b>                             | <b>391 089</b>     | <b>5 866</b>              | <b>-</b>                      | <b>(162)</b>   | <b>31 908</b> | <b>-</b>                        | <b>428 701</b>         |
| Compensation of employees                           | 283 588            |                           |                               | (5 872)        |               | (5 872)                         | 277 716                |
| Goods and services                                  | 107 501            | 5 866                     |                               | 5 710          | 31 908        | 43 484                          | 150 985                |
| Interest and rent on land                           |                    |                           |                               |                |               | -                               | -                      |
| <b>Transfers and subsidies to:</b>                  | <b>1 430</b>       | <b>-</b>                  | <b>-</b>                      | <b>1 446</b>   | <b>-</b>      | <b>-</b>                        | <b>2 876</b>           |
| Provinces and municipalities                        |                    |                           |                               |                |               | -                               | -                      |
| Departmental agencies and accounts                  | 28                 |                           |                               |                |               | -                               | 28                     |
| Higher education institutions                       |                    |                           |                               |                |               | -                               | -                      |
| Foreign governments and international organisations |                    |                           |                               |                |               | -                               | -                      |
| Public corporations and private enterprises         |                    |                           |                               |                |               | -                               | -                      |
| Non-profit institutions                             |                    |                           |                               |                |               | -                               | -                      |
| Households  | 1 402              |                           |                               | 1 446          |               | 1 446                           | 2 848                  |
| <b>Payments for capital assets</b>                  | <b>53 257</b>      | <b>-</b>                  | <b>-</b>                      | <b>(7 120)</b> | <b>-</b>      | <b>(7 120)</b>                  | <b>46 137</b>          |
| Buildings and other fixed structures                | 52 453             |                           |                               | (7 120)        |               | (7 120)                         | 45 333                 |
| Machinery and equipment                             | 804                |                           |                               |                |               | -                               | 804                    |
| Heritage assets                                     |                    |                           |                               |                |               | -                               | -                      |
| Specialised military assets                         |                    |                           |                               |                |               | -                               | -                      |
| Biological assets                                   |                    |                           |                               |                |               | -                               | -                      |
| Land and subsoil assets                             |                    |                           |                               |                |               | -                               | -                      |
| Software and other intangible assets                |                    |                           |                               |                |               | -                               | -                      |
| <b>Payments for financial assets</b>                | <b>-</b>           | <b>-</b>                  | <b>-</b>                      | <b>-</b>       | <b>-</b>      | <b>-</b>                        | <b>-</b>               |
| <b>Total</b>  | <b>445 776</b>     | <b>5 866</b>              | <b>-</b>                      | <b>(5 836)</b> | <b>31 908</b> | <b>31 938</b>                   | <b>477 714</b>         |
| <b>Amount to be voted</b>                           |                    |                           |                               |                |               |                                 | <b>31 938</b>          |

### Roll-overs – Programme 3: Provision of Buildings, Structures and Equipment: R5.866 million

The department received a roll-over of R5.866 million relating to the PIMP. These funds are specifically and exclusively appropriated and were allocated against *Goods and services* in the sub-programme: Personnel and Admin Related.

### **Virement – Programme 3: Provision of Buildings, Structures and Equipment: (R5.836 million)**

Various virements were undertaken affecting Programme 3 both at sub-programme and at economic classification level, which resulted in an overall decrease of R5.836 million, as follows:

- Savings of R12.992 million were identified under *Compensation of employees* (R5.872 million) and *Buildings and other fixed structures* (R7.120 million) in respect of both sub-programmes. The savings against *Compensation of employees* were due to the slow internal recruitment processes in the filling of vacant professional posts. Savings were identified under *Buildings and other fixed structures* as a result of slower than anticipated progress in terms of the uMgungundlovu's new administration wing because of a change in scope to align office space with the organogram. The savings were also as a result of delays in the approval of consultants for the canteen in the uMgungundlovu district office, as well as delays in finalising tender documents for the LA Complex building in Ulundi, as mentioned previously. These savings were moved as follows:
  - o R5.836 million was moved from *Buildings and other fixed structures* to Programme 1 to cater for spending pressures against *Machinery and equipment*, due to higher than anticipated costs related to telecommunication and computer equipment.
  - o The balance of R7.156 million was moved within the programme as follows:
    - R4.426 million from *Compensation of employees* was moved to *Goods and services* to cater for increased costs against property payments relating to electricity and water for shared services in the North Coast Region.
    - The balance of R1.446 million under *Compensation of employees* was moved to *Transfers and subsidies to: Households* to cater for higher than anticipated staff exit costs.
    - The remaining R1.284 million was moved from *Buildings and other fixed structures* to *Goods and services* in respect of an increased number of unplanned maintenance and repair requests in the eThekweni and Midlands Regions with regard to departmental buildings.

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

Legislature approval is required for the net reduction in *Payments for capital assets* of R1.284 million for the Vote as a whole, which was moved to *Goods and services (Maintenance and repair: Current)*.

### **Shifts – Programme 3: Provision of Buildings, Structures and Equipment: R31.908 million**

An amount of R31.908 million was shifted within *Goods and services* from Programme 2 in the sub-programme: Personnel and Admin. Related to Programme 3 in the sub-programme: Personnel and Admin. Related as a result of the nature of service required for GIAMA projects in respect of conditional assessments of school infrastructure and maintenance, in consultation with the Department of Education, as previously mentioned. The purpose of the funds remains unchanged.

### **Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment**

Table 14.10 shows the revised service delivery targets for Programme 3 including both customised measures prescribed for the Public Works sector, as well as several measures which are not prescribed by the sector.

It must be noted that some targets are being amended to fall in line with the APP, which was tabled after the *EPRE* and these are shown in the 2017/18 Revised target column. and some performance indicators are no longer valid and are therefore shown as n/a in the table.

New measures were introduced in the APP after the *EPRE* was published, and these are indicated as “New” in the Original target column and targets are shown in the Revised target column.



**Table 14.10 : Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment**

| Outputs  | Performance indicators   | Performance targets           |                               |                              |
|--|--|-------------------------------|-------------------------------|------------------------------|
|  |  | 2017/18<br>Original<br>target | 2017/18<br>Mid-year<br>actual | 2017/18<br>Revised<br>target |
| 1. Implementation of IDIP                                | • No. of IPIP finalised and approved by due date that respond to provincial depts. (that are implementing the IDMS) that submit approved IPMPs to DOPW | 3                             | n/a                           | n/a                          |
|  | • No. of planned capital projects completed within agreed budget   | 19                            | n/a                           | n/a                          |
|  | • No. of planned maintenance projects completed within agreed budget   | 5                             | n/a                           | n/a                          |
| 2. Job creation in terms of EPWP                         | • No. of work opportunities  | 6 000                         | n/a                           | n/a                          |
|  | • No. of FTEs  | 600                           | n/a                           | n/a                          |
| 3. Enhance infrastructure planning and implementation    | • Infrastructure planning performance for provincial departments for IDMS implementing departments   | New                           | 2                             | 3                            |
| 4. Timely completion of capital and maintenance projects | • No. of construction projects completed within agreed budget  | New                           | 8                             | 17                           |
|  | • No. of planned maintenance projects completed within agreed budget   | New                           | 17                            | 22                           |
| 5. Creation of work opportunities                        | • No. of work opportunities created annually   | New                           | 4 758                         | 6 000                        |
| 6. Creation of FTEs                                      | • No. of FTEs created annually   | New                           | 489                           | 600                          |

## 5. Specifically and exclusively appropriated allocations

Table 14.11 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2017. Note that transfers in respect of conditional grants, as well as 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 an overall increase of R5.866 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs below.

**Table 14.11 : Summary of specifically and exclusively appropriated funding**

| R thousand                                    | Main appropriation | Adjustments appropriation |                               |          |          | Total adjustments appropriation | Adjusted appropriation |
|---|--------------------|---------------------------|-------------------------------|----------|----------|---------------------------------|------------------------|
|   |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement | Shifts   |                                 |                        |
| Prog 2: GIAMA projects                        | 46 894             |                           |                               |          | (31 908) | (31 908)                        | 14 986                 |
| Prog 3: GIAMA Conditional Assessment          |                    |                           |                               |          | 31 908   | 31 908                          | 31 908                 |
| Prog 2: Fixed Asset Register                  | 3 943              |                           |                               |          |          | -                               | 3 943                  |
| Prog 3: Improving infrastructure support      | 22 799             |                           |                               |          |          | -                               | 22 799                 |
| Prog 3: Mayville Conference centre            | 4 776              |                           |                               |          |          | -                               | 4 776                  |
| Prog 3: Provincial Infrastructure Master Plan |                    | 5 866                     |                               |          |          | 5 866                           | 5 866                  |
| <b>Total</b>                                  | <b>78 412</b>      | <b>5 866</b>              | <b>-</b>                      | <b>-</b> | <b>-</b> | <b>5 866</b>                    | <b>84 278</b>          |
| <b>Amount to be voted</b>                     |                    |                           |                               |          |          |                                 | <b>5 866</b>           |

- *Roll-overs*: An amount of R5.866 million was approved as a roll-over from 2016/17 and relates to the funding required for the development of the PIMP. This roll-over was allocated against *Goods and services* in Programme 3.
- *Shifts*: R31.908 million for the GIAMA conditional assessment of schools was moved within *Goods and services* from Programme 2 to Programme 3 as a result of being incorrectly budgeted for under Programme 2.

## 6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships in excess of R100 000 during the current financial year.

## 7. Infrastructure

Table 14.12 shows the summary of the 2017/18 infrastructure payments per main category. There were adjustments made which resulted in a reduction of R5.836 million from the infrastructure budget, and details are provided in the paragraphs following the table.

Table 14.12 : Summary of infrastructure payments by category

| R thousand   | Main appropriation | Adjustments appropriation |                               |                |        |                   | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------------------------|----------------|--------|-------------------|---------------------------------|------------------------|
|  |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts | Other adjustments |                                 |                        |
| <b>Existing infrastructure assets</b>                | <b>52 170</b>      | -                         | -                             | (3 220)        | -      | -                 | <b>(3 220)</b>                  | <b>48 950</b>          |
| Maintenance and repair: Current                      | 14 829             |                           |                               | 1 284          |        |                   | 1 284                           | 16 113                 |
| Upgrades and additions: Capital                      | 23 660             |                           |                               |                |        |                   | -                               | 23 660                 |
| Refurbishment and rehabilitation: Capital            | 13 681             |                           |                               | (4 504)        |        |                   | (4 504)                         | 9 177                  |
| <b>New infrastructure assets: Capital</b>            | <b>15 112</b>      | -                         | -                             | <b>(2 616)</b> |        |                   | <b>(2 616)</b>                  | <b>12 496</b>          |
| <b>Infrastructure transfers</b>                      | <b>-</b>           | -                         | -                             | -              |        |                   | -                               | -                      |
| Infrastructure transfers: Capital                    |                    |                           |                               |                |        |                   | -                               | -                      |
| Infrastructure transfers: Current                    |                    |                           |                               |                |        |                   | -                               | -                      |
| <b>Infrastructure: Payments for financial assets</b> |                    |                           |                               |                |        |                   | -                               | -                      |
| Infrastructure: Leases                               |                    |                           |                               |                |        |                   | -                               | -                      |
| <b>Non infrastructure</b>                            |                    |                           |                               |                |        |                   | -                               | -                      |
| Capital infrastructure                               | 52 453             | -                         | -                             | (7 120)        | -      | -                 | (7 120)                         | 45 333                 |
| Current infrastructure                               | 14 829             | -                         | -                             | 1 284          | -      | -                 | 1 284                           | 16 113                 |
| <b>Total</b>   | <b>67 282</b>      | -                         | -                             | <b>(5 836)</b> | -      | -                 | <b>(5 836)</b>                  | <b>61 446</b>          |
| <b>Amount to be voted</b>                            |                    |                           |                               |                |        |                   |                                 | <b>(5 836)</b>         |

- *Virement*: The main appropriation of the infrastructure budget was decreased by a net amount of R5.836 million as a result of the following virements:
  - o Savings of R2.616 million were identified from *New infrastructure assets: Capital* due to slow progress in the construction of uMgungundlovu district office's new administrative wing and canteen. These savings were moved to *Machinery and equipment* to cater for higher than anticipated costs related to telecommunication and computer equipment.
  - o Savings of R4.504 million were identified from *Refurbishment and rehabilitation: Capital* due to delays in finalising tender documents because of the finalisation of scope in respect of all work undertaken at the L.A. Complex. These savings were moved to *Machinery and equipment* to cater for higher than anticipated costs related to telecommunication and computer equipment.

Note that these funds remain within *Payment for capital assets*, and therefore Legislature approval is not required.

The department undertook the following virement from capital to current infrastructure payments:

- o An amount of R1.284 million was moved from *Refurbishment and rehabilitation: Capital*. These savings were moved to *Goods and services* to offset spending pressures brought about by a number of unplanned maintenance and repair requests in the eThekweni and Midlands Regions with regards to departmental buildings.

Legislature approval is required for the reduction in *Payments for capital assets* of R1.284 million for the Vote as a whole, which was moved to *Maintenance and repair: Current* against *Goods and services*.

## 8. Conditional grants

Table 14.13 provide a summary of the conditional grant budget of the department, which relates to the EPWP Integrated Grant for Provinces. The department's conditional grant budget remains unchanged from the main appropriation. The budget for this grant is allocated against *Goods and services* in Programme 3.

Table 14.13 : Summary of changes to conditional grants

| R thousand   | Main appropriation | Adjustments appropriation |                               |          |        |                   | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------------------------|----------|--------|-------------------|---------------------------------|------------------------|
|  |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement | Shifts | Other adjustments |                                 |                        |
| <b>3. Provision of Buildings, Structures and Equipment</b> | <b>6 588</b>       | -                         | -                             | -        | -      | -                 | -                               | <b>6 588</b>           |
| EPWP Integrated Grant for Provinces                        | 6 588              |                           |                               |          |        |                   | -                               | 6 588                  |
| <b>Total</b>   | <b>6 588</b>       | -                         | -                             | -        | -      | -                 | -                               | <b>6 588</b>           |
| <b>Amount to be voted</b>                                  |                    |                           |                               |          |        |                   |                                 | <b>-</b>               |

## 9. Transfers and subsidies

Table 14.14 shows the summary of transfers and subsidies by programme and main category. Details of the main adjustments, which resulted in an overall increase of R35.355 million in the transfers and subsidies allocation, are provided in the paragraphs following the table.

**Table 14.14 : Summary of infrastructure payments by category**

| R thousand   | Main appropriation | Adjustments appropriation |             |              |        |                   | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------|--------------|--------|-------------------|---------------------------------|------------------------|
|  |                    | Roll-overs                | unavoidable | Virement     | Shifts | Other adjustments |                                 |                        |
| <b>1. Administration</b>                                   | <b>4 235</b>       | -                         | -           | <b>3 825</b> | -      | -                 | <b>3 825</b>                    | <b>8 060</b>           |
| Provinces and municipalities                               | 246                | -                         | -           | -            | -      | -                 | -                               | 246                    |
| Motor vehicle licences                                     | 246                | -                         | -           | -            | -      | -                 | -                               | 246                    |
| Departmental agencies and accounts                         | 457                | -                         | -           | -            | -      | -                 | -                               | 457                    |
| Social security funds                                      | 42                 | -                         | -           | -            | -      | -                 | -                               | 42                     |
| Skills development levy                                    | 415                | -                         | -           | -            | -      | -                 | -                               | 415                    |
| Non-profit institutions                                    | -                  | -                         | -           | 100          | -      | -                 | 100                             | 100                    |
| Non-profit institutions                                    | -                  | -                         | -           | 100          | -      | -                 | 100                             | 100                    |
| Households   | 3 532              | -                         | -           | 3 725        | -      | -                 | 3 725                           | 7 257                  |
| Staff exit costs   | 946                | -                         | -           | 225          | -      | -                 | 225                             | 1 171                  |
| Bursaries: Non employees                                   | 2 586              | -                         | -           | 3 500        | -      | -                 | 3 500                           | 6 086                  |
| <b>2. Property Management</b>                              | <b>561 908</b>     | -                         | -           | <b>84</b>    | -      | <b>30 000</b>     | <b>30 084</b>                   | <b>591 992</b>         |
| Provinces and municipalities                               | 561 873            | -                         | -           | -            | -      | 30 000            | 30 000                          | 591 873                |
| Municipalities - Property rates                            | 561 873            | -                         | -           | -            | -      | 30 000            | 30 000                          | 591 873                |
| Departmental agencies and accounts                         | 5                  | -                         | -           | -            | -      | -                 | -                               | 5                      |
| Social security funds - Comp. Commissioner                 | 5                  | -                         | -           | -            | -      | -                 | -                               | 5                      |
| Households   | 30                 | -                         | -           | 84           | -      | -                 | 84                              | 114                    |
| Staff exit costs   | 30                 | -                         | -           | 84           | -      | -                 | 84                              | 114                    |
| <b>3. Provision of Buildings, Structures and Equipment</b> | <b>1 430</b>       | -                         | -           | <b>1 446</b> | -      | -                 | <b>1 446</b>                    | <b>2 876</b>           |
| Departmental agencies and accounts                         | 28                 | -                         | -           | -            | -      | -                 | -                               | 28                     |
| Social security funds - Comp. Commissioner                 | 28                 | -                         | -           | -            | -      | -                 | -                               | 28                     |
| Households   | 1 402              | -                         | -           | 1 446        | -      | -                 | 1 446                           | 2 848                  |
| Staff exit costs   | 1 402              | -                         | -           | 1 446        | -      | -                 | 1 446                           | 2 848                  |
| <b>Total</b>   | <b>567 573</b>     | -                         | -           | <b>5 355</b> | -      | <b>30 000</b>     | <b>35 355</b>                   | <b>602 928</b>         |
| <b>Amount to be voted</b>                                  |                    |                           |             |              |        |                   | <b>35 355</b>                   | <b>35 355</b>          |

- *Virement*: The department undertook the following virements affecting *Transfers and subsidies*:
  - R100 000 was moved to *Non-profit institutions* in Programme 1 to cater for donations to be made by the Office of the MEC in terms of OSS. These savings were identified from *Compensation of employees* due to delays in the filling of critical vacant posts in Programme 1.
  - R225 000 was moved to *Households* in Programme 1 to cater for higher than anticipated staff exit costs. These savings were identified from *Compensation of employees* due to delays in the filling of critical vacant posts in Programme 1, as mentioned previously.
  - R3.500 million was moved to *Households* in Programme 1 to address the pressure in respect of external bursaries due to the department's strategic decision to fund more bursaries than budgeted. These savings were identified from *Goods and services* within the same programme.
  - R84 000 was moved to *Households* in Programme 2 to cater for staff exit costs, which were under-budgeted. These savings were identified under *Compensation of employees* due to internal delays in the filling of critical vacant posts within Programme 2, as mentioned previously.
  - R1.446 million was moved to *Households* in Programme 3 to provide for higher than anticipated staff exit costs. These savings were identified under *Compensation of employees* due to delays in the filling of vacant posts within this programme, as mentioned previously.

These virements are all permissible in terms of the PFMA and Treasury Regulations. The required Treasury approval was obtained for the increase in *Transfers and subsidies to: Households* in respect of external bursaries, as well as the introduction of several new transfer payments against *Transfers and subsidies to: Non-profit institutions* to various NPOs.

- *Other adjustments*: The budget was increased by R30 million for the payment of property rates in respect of its provincial properties. These pressures have arisen due to higher than anticipated increases in municipal rates by some municipalities, as well as upgrading of various government buildings, which then attract higher property rates. The full R30 million was allocated against *Provinces and municipalities* in Programme 2, for payment of invoices from eThekweni Metro.

## 10. Transfers to local government

Table 14.15 shows the details of transfers to local government. Note that the amount against *Provinces and municipalities* in Table 14.14 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 main adjustment, which resulted in an overall increase of R30 million, is explained below the table.

**Table 14.15 : Transfers to local government - Property Rates**

| R thousand                                  | Main appropriation                        | Adjustments appropriation |                           |          |        |                   | Total adjustments appropriation | Adjusted appropriation |
|---|---|---------------------------|---------------------------|----------|--------|-------------------|---------------------------------|------------------------|
|   |   | Roll-overs                | Unforeseeable/unavoidable | Virement | Shifts | Other adjustments |                                 |                        |
| <b>A</b>                                    | <b>KZN2000 eThekweni</b>                  | <b>249 018</b>            | -                         | -        | -      | -                 | <b>30 000</b>                   | <b>279 018</b>         |
| <b>Total: Ugu Municipalities</b>            |   | <b>16 061</b>             | -                         | -        | -      | -                 | -                               | <b>16 061</b>          |
| B   | KZN212 uMdoni                             | 3 215                     | -                         | -        | -      | -                 | -                               | 3 215                  |
| B   | KZN213 uMzombe                            | 3 895                     | -                         | -        | -      | -                 | -                               | 3 895                  |
| B   | KZN214 uMuziwabantu                       | 4 789                     | -                         | -        | -      | -                 | -                               | 4 789                  |
| B   | KZN216 Ray Nkonyeni                       | 4 162                     | -                         | -        | -      | -                 | -                               | 4 162                  |
| B   | DC21 Ugu District Municipality            | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: uMgungundlovu Municipalities</b>  |   | <b>91 606</b>             | -                         | -        | -      | -                 | -                               | <b>91 606</b>          |
| B   | KZN221 uMshwathi                          | 18 746                    | -                         | -        | -      | -                 | -                               | 18 746                 |
| B   | KZN222 uMngeni                            | 8 103                     | -                         | -        | -      | -                 | -                               | 8 103                  |
| B   | KZN223 Mpošana                            | 109                       | -                         | -        | -      | -                 | -                               | 109                    |
| B   | KZN224 iMpindle                           | 289                       | -                         | -        | -      | -                 | -                               | 289                    |
| B   | KZN225 Msunduzi                           | 63 646                    | -                         | -        | -      | -                 | -                               | 63 646                 |
| B   | KZN226 Mkhambathini                       | 655                       | -                         | -        | -      | -                 | -                               | 655                    |
| B   | KZN227 Richmond                           | 58                        | -                         | -        | -      | -                 | -                               | 58                     |
| C   | DC22 uMgungundlovu District Municipality  | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: uThukela Municipalities</b>       |   | <b>43 180</b>             | -                         | -        | -      | -                 | -                               | <b>43 180</b>          |
| B   | KZN235 Okhahlamba                         | 5 557                     | -                         | -        | -      | -                 | -                               | 5 557                  |
| B   | KZN237 iNkosi Langalibalele               | 17 986                    | -                         | -        | -      | -                 | -                               | 17 986                 |
| B   | KZN238 Alfred Duma                        | 19 637                    | -                         | -        | -      | -                 | -                               | 19 637                 |
| C   | DC23 uThukela District Municipality       | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: uMzinyathi Municipalities</b>     |   | <b>28 773</b>             | -                         | -        | -      | -                 | -                               | <b>28 773</b>          |
| B   | KZN241 Endumeni                           | 8 660                     | -                         | -        | -      | -                 | -                               | 8 660                  |
| B   | KZN242 Nquthu                             | 9 334                     | -                         | -        | -      | -                 | -                               | 9 334                  |
| B   | KZN244 uMsinga                            | 4 858                     | -                         | -        | -      | -                 | -                               | 4 858                  |
| B   | KZN245 Umvoti                             | 5 921                     | -                         | -        | -      | -                 | -                               | 5 921                  |
| C   | DC24 uMzinyathi District Municipality     | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: Amajuba Municipalities</b>        |   | <b>11 780</b>             | -                         | -        | -      | -                 | -                               | <b>11 780</b>          |
| B   | KZN252 Newcastle                          | 4 516                     | -                         | -        | -      | -                 | -                               | 4 516                  |
| B   | KZN253 eMadlangeni                        | 2 840                     | -                         | -        | -      | -                 | -                               | 2 840                  |
| B   | KZN254 Dannhauser                         | 4 424                     | -                         | -        | -      | -                 | -                               | 4 424                  |
| C   | DC25 Amajuba District Municipality        | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: Zululand Municipalities</b>       |   | <b>41 519</b>             | -                         | -        | -      | -                 | -                               | <b>41 519</b>          |
| B   | KZN261 eDumbe                             | 3 277                     | -                         | -        | -      | -                 | -                               | 3 277                  |
| B   | KZN262 uPhongolo                          | 3 499                     | -                         | -        | -      | -                 | -                               | 3 499                  |
| B   | KZN263 Abaqulusi                          | 6 946                     | -                         | -        | -      | -                 | -                               | 6 946                  |
| B   | KZN265 Nongoma                            | 5 788                     | -                         | -        | -      | -                 | -                               | 5 788                  |
| B   | KZN266 Ulundi                             | 22 009                    | -                         | -        | -      | -                 | -                               | 22 009                 |
| C   | DC26 Zululand District Municipality       | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: Umkhanyakude Municipalities</b>   |   | <b>24 980</b>             | -                         | -        | -      | -                 | -                               | <b>24 980</b>          |
| B   | KZN271 uMhlabayalingana                   | 11 325                    | -                         | -        | -      | -                 | -                               | 11 325                 |
| B   | KZN272 Jozini                             | 5 790                     | -                         | -        | -      | -                 | -                               | 5 790                  |
| B   | KZN273 Big Five Hlabisa                   | 5 462                     | -                         | -        | -      | -                 | -                               | 5 462                  |
| B   | KZN275 Mtubatuba                          | 2 403                     | -                         | -        | -      | -                 | -                               | 2 403                  |
| C   | DC27 uMkhanyakude District Municipality   | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: King Cetshwayo Municipalities</b> |   | <b>25 819</b>             | -                         | -        | -      | -                 | -                               | <b>25 819</b>          |
| B   | KZN281 uMfolozi                           | 541                       | -                         | -        | -      | -                 | -                               | 541                    |
| B   | KZN282 uMhlathuze                         | 12 684                    | -                         | -        | -      | -                 | -                               | 12 684                 |
| B   | KZN284 uMlalazi                           | 3 496                     | -                         | -        | -      | -                 | -                               | 3 496                  |
| B   | KZN285 Mthonjaneni                        | 2 731                     | -                         | -        | -      | -                 | -                               | 2 731                  |
| B   | KZN286 Nkandla                            | 6 367                     | -                         | -        | -      | -                 | -                               | 6 367                  |
| C   | DC28 King Cetshwayo District Municipality | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: iLembe Municipalities</b>         |   | <b>16 598</b>             | -                         | -        | -      | -                 | -                               | <b>16 598</b>          |
| B   | KZN291 Mandeni                            | 787                       | -                         | -        | -      | -                 | -                               | 787                    |
| B   | KZN292 KwaDukuza                          | 5 748                     | -                         | -        | -      | -                 | -                               | 5 748                  |
| B   | KZN293 Ndwedwe                            | 1 407                     | -                         | -        | -      | -                 | -                               | 1 407                  |
| B   | KZN294 Maphumulo                          | 8 656                     | -                         | -        | -      | -                 | -                               | 8 656                  |
| C   | DC29 iLembe District Municipality         | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Total: Harry Gwala Municipalities</b>    |   | <b>12 479</b>             | -                         | -        | -      | -                 | -                               | <b>12 479</b>          |
| B   | KZN436 Dr. Nkosazana Dlamini Zuma         | 3 187                     | -                         | -        | -      | -                 | -                               | 3 187                  |
| B   | KZN433 Greater Kokstad                    | 849                       | -                         | -        | -      | -                 | -                               | 849                    |
| B   | KZN434 Ubuhlebezwe                        | 4 158                     | -                         | -        | -      | -                 | -                               | 4 158                  |
| B   | KZN435 uMzimkhulu                         | 4 285                     | -                         | -        | -      | -                 | -                               | 4 285                  |
| C   | DC43 Harry Gwala District Municipality    | -                         | -                         | -        | -      | -                 | -                               | -                      |
| <b>Unallocated</b>                          |   | <b>60</b>                 | -                         | -        | -      | -                 | -                               | <b>60</b>              |
| <b>Total</b>                                |   | <b>561 873</b>            | -                         | -        | -      | -                 | <b>30 000</b>                   | <b>591 873</b>         |
| <b>Amount to be voted</b>                   |   |                           |                           |          |        |                   |                                 | <b>30 000</b>          |

- *Other adjustments:* R30 million for the payment of property rates was received by the department in respect of its provincial properties. These pressures have arisen due to higher than anticipated increases in municipal rates, as well as upgrading of various government buildings, which then attract higher property rates. This additional funding was allocated under the eThekweni Metro.

## 11. Actual payments and revised spending projections for the rest of 2017/18

Tables 14.16 and 14.17 reflect actual payments as at the end of September 2017, 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 2016/17 Audited outcome.

**Table 14.16 : Actual payments and revised spending projections by programme**

| R thousand  | 2016/17 Audited outcome | Adjusted appropriation | Actual payments             |             | Projected payments        |             | Projected actual |
|---|-------------------------|------------------------|-----------------------------|-------------|---------------------------|-------------|------------------|
|   |                         |                        | April 2017 - September 2017 | % of budget | October 2017 - March 2018 | % of budget |                  |
| 1. Administration                                   | 370 859                 | 389 540                | 177 237                     | 45.5        | 212 303                   | 54.5        | 389 540          |
| 2. Property Management                              | 661 556                 | 675 563                | 310 374                     | 45.9        | 365 189                   | 54.1        | 675 563          |
| 3. Provision of Buildings, Structures and Equipment | 421 750                 | 477 714                | 193 315                     | 40.5        | 284 399                   | 59.5        | 477 714          |
| <b>Total</b>  | <b>1 454 165</b>        | <b>1 542 817</b>       | <b>680 926</b>              | <b>44.1</b> | <b>861 891</b>            | <b>55.9</b> | <b>1 542 817</b> |

**Table 14.17 : Actual payments and revised spending projections by economic classification**

| R thousand  | 2016/17 Audited outcome | Adjusted appropriation | Actual payments             |             | Projected payments        |             | Projected actual |
|---|-------------------------|------------------------|-----------------------------|-------------|---------------------------|-------------|------------------|
|   |                         |                        | April 2017 - September 2017 | % of budget | October 2017 - March 2018 | % of budget |                  |
| <b>Current payments</b>                             | <b>825 838</b>          | <b>871 698</b>         | <b>386 893</b>              | <b>44.4</b> | <b>484 805</b>            | <b>55.6</b> | <b>871 698</b>   |
| Compensation of employees                           | 583 373                 | 615 734                | 286 508                     | 46.5        | 329 226                   | 53.5        | 615 734          |
| Goods and services                                  | 242 462                 | 255 963                | 100 384                     | 39.2        | 155 579                   | 60.8        | 255 963          |
| Interest and rent on land                           | 3                       | 1                      | 1                           | 100.0       | -                         | -           | 1                |
| <b>Transfers and subsidies to:</b>                  | <b>563 612</b>          | <b>602 928</b>         | <b>282 475</b>              | <b>46.9</b> | <b>320 453</b>            | <b>53.1</b> | <b>602 928</b>   |
| Provinces and municipalities                        | 553 579                 | 592 119                | 276 665                     | 46.7        | 315 454                   | 53.3        | 592 119          |
| Departmental agencies and accounts                  | 396                     | 490                    | -                           | -           | 490                       | 100.0       | 490              |
| Higher education institutions                       | -                       | -                      | -                           | -           | -                         | -           | -                |
| Foreign governments and international organisations | -                       | -                      | -                           | -           | -                         | -           | -                |
| Public corporations and private enterprises         | -                       | -                      | -                           | -           | -                         | -           | -                |
| Non-profit institutions                             | 88                      | 100                    | -                           | -           | 100                       | 100.0       | 100              |
| Households  | 9 549                   | 10 219                 | 5 810                       | 56.9        | 4 409                     | 43.1        | 10 219           |
| <b>Payments for capital assets</b>                  | <b>54 284</b>           | <b>68 191</b>          | <b>11 558</b>               | <b>16.9</b> | <b>56 633</b>             | <b>83.1</b> | <b>68 191</b>    |
| Buildings and other fixed structures                | 32 872                  | 45 333                 | 10 053                      | 22.2        | 35 280                    | 77.8        | 45 333           |
| Machinery and equipment                             | 13 114                  | 18 858                 | 1 505                       | 8.0         | 17 353                    | 92.0        | 18 858           |
| Heritage assets                                     | -                       | -                      | -                           | -           | -                         | -           | -                |
| Specialised military assets                         | -                       | -                      | -                           | -           | -                         | -           | -                |
| Biological assets                                   | -                       | -                      | -                           | -           | -                         | -           | -                |
| Land and subsoil assets                             | -                       | -                      | -                           | -           | -                         | -           | -                |
| Software and other intangible assets                | 8 298                   | 4 000                  | -                           | -           | 4 000                     | 100.0       | 4 000            |
| <b>Payments for financial assets</b>                | <b>10 431</b>           | <b>-</b>               | <b>-</b>                    | <b>-</b>    | <b>-</b>                  | <b>-</b>    | <b>-</b>         |
| <b>Total</b>  | <b>1 454 165</b>        | <b>1 542 817</b>       | <b>680 926</b>              | <b>44.1</b> | <b>861 891</b>            | <b>55.9</b> | <b>1 542 817</b> |

The department is projecting a balanced budget at year-end. However, the department's spending at mid-year, at 44.1 per cent of its annual budget, is lower than the straight-line benchmark of 50 per cent. The adjusted appropriation includes several additional allocations, as well as funds reprioritised between programmes and economic categories, which will only be spent in the second half of the year, as commented below:

- At mid-year, spending against Programme 1 was low at 45.5 per cent compared to the straight-line benchmark of 50 per cent, mainly in respect to *Goods and services* as a result of delays in the receipt of invoices from SITA, as well as lower than anticipated expenditure on items such as consultant fees, operating leases, consumable supplies, travel and subsistence, training and development as a result of financial controls implemented by the department. Furthermore, under-expenditure was also attributed to *Transfers and subsidies to: Households* in respect of bursary payments as well as *Machinery and equipment* expenditure relating to telecommunication equipment that was not paid as anticipated.

Vote 14: Public Works

- Spending against Programme 2 was low at 45.9 per cent in the first half of the year, due to delays in the verification and receipt of invoices from some municipalities, as well as delays in the WIMS/BAS interface relating to property rates payments not materialising in the first six months as anticipated.
- Spending against Programme 3 was low at 40.5 per cent compared to the straight-line benchmark of 50 per cent. This slow spending was mainly due to delays in the filling of vacant posts, as well as delays in the completion of capital infrastructure projects under new infrastructure assets and refurbishment and rehabilitation infrastructure not materialising as anticipated.

In respect of economic classification:

- *Compensation of employees* was, at 46.5 per cent, slightly below the straight-line benchmark of 50 per cent, largely due to internal recruitment delays which resulted in the non-filling of vacant budgeted posts.
- Spending at mid-year against *Goods and services* was significantly low at 39.2 per cent compared to the straight-line benchmark of 50 per cent, mainly due to control measures implemented on items such as consultant fees, travel and subsistence, consumable supplies and training and development, as well as delays in the receipt of invoices for computer services from SITA.
- Spending against *Transfers and subsidies* was low at 46.7 per cent compared to the straight-line benchmark of 50 per cent. The department transferred less than expected by mid-year due to delays in the receipt and verification of invoices from some municipalities relating to municipal property rates payments.
- Expenditure relating to *Buildings and other fixed structures* was significantly low at 22.2 per cent, compared to the straight-line benchmark of 50 per cent. This was due to slow progress in the construction of uMgungundlovu district office's new administrative wing and canteen, as well as delays in finalising tender documents because of the finalisation of scope in respect of all work undertaken at the L.A. Complex as well as the Mayville Conference Centre.
- Spending against *Machinery and equipment* was significantly low, at 8 per cent compared to the straight-line benchmark of 50 per cent. This low spending was largely due to procurement delays with SITA. The department is projecting to fully spend the budget at year-end.
- No expenditure was recorded against *Software and other intangible assets* in the first half of the year, however spending is projected to be incurred in the second half of the year.

The department is projecting a balanced budget at year-end after the adjustments have been made.

Table 14.A : Summary by economic classification : Public Works

| R thousand   | Main appropriation | Adjustments appropriation |                               |                |          |                   | Total adjustments appropriation | Adjusted appropriation |
|--|--------------------|---------------------------|-------------------------------|----------------|----------|-------------------|---------------------------------|------------------------|
|  |                    | Roll-overs                | Unforeseeable/<br>unavoidable | Virement       | Shifts   | Other adjustments |                                 |                        |
| <b>Current payments</b>                              | <b>869 903</b>     | <b>5 866</b>              | -                             | <b>(4 071)</b> | -        | -                 | <b>1 795</b>                    | <b>871 698</b>         |
| Compensation of employees                            | 623 058            | -                         | -                             | (7 324)        | -        | -                 | (7 324)                         | 615 734                |
| Salaries and wages                                   | 534 619            | -                         | -                             | (7 794)        | -        | -                 | (7 794)                         | 526 825                |
| Social contributions                                 | 88 439             | -                         | -                             | 470            | -        | -                 | 470                             | 88 909                 |
| Goods and services                                   | 246 845            | 5 866                     | -                             | 3 252          | -        | -                 | 9 118                           | 255 963                |
| Administrative fees                                  | 823                | -                         | -                             | 745            | -        | -                 | 745                             | 1 568                  |
| Advertising  | 6 195              | -                         | -                             | 83             | -        | -                 | 83                              | 6 278                  |
| Minor assets   | 581                | -                         | -                             | 1 104          | -        | -                 | 1 104                           | 1 685                  |
| Audit cost: External                                 | 4 472              | -                         | -                             | 3 130          | -        | -                 | 3 130                           | 7 602                  |
| Bursaries: Employees                                 | 300                | -                         | -                             | 538            | -        | -                 | 538                             | 838                    |
| Catering: Departmental activities                    | 930                | -                         | -                             | -              | -        | -                 | -                               | 930                    |
| Communication (G&S)                                  | 9 972              | -                         | -                             | (487)          | -        | -                 | (487)                           | 9 485                  |
| Computer services                                    | 22 922             | -                         | -                             | 1 000          | 3 943    | -                 | 4 943                           | 27 865                 |
| Cons & prof serv: Business and advisory services     | 269                | -                         | -                             | -              | 31 908   | -                 | 31 908                          | 32 177                 |
| Infrastructure and planning                          | 240                | -                         | -                             | -              | -        | -                 | -                               | 240                    |
| Laboratory services                                  | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Scientific and technological services                | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Legal services                                       | 1 666              | -                         | -                             | -              | -        | -                 | -                               | 1 666                  |
| Contractors  | 16 675             | -                         | -                             | -              | (14 589) | -                 | (14 589)                        | 2 086                  |
| Agency and support / outsourced services             | 56 631             | 5 866                     | -                             | (5 800)        | (35 851) | -                 | (35 785)                        | 20 846                 |
| Entertainment  | 30                 | -                         | -                             | -              | -        | -                 | -                               | 30                     |
| Fleet services (incl. gov't motor transport)         | 11 833             | -                         | -                             | 475            | -        | -                 | 475                             | 12 308                 |
| Housing  | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Clothing material and accessories         | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Farming supplies                          | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Food and food supplies                    | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Fuel, oil and gas                         | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Learner and teacher support material      | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Materials and supplies                    | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Medical supplies                          | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Medicine                                  | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Medcas inventory interface                           | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Inventory: Other supplies                            | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Consumable supplies                                  | 4 876              | -                         | -                             | -              | -        | -                 | -                               | 4 876                  |
| Consumable: Stationery, printing and office supplies | 5 020              | -                         | -                             | (162)          | -        | -                 | (162)                           | 4 858                  |
| Operating leases                                     | 4 537              | -                         | -                             | (1 089)        | 1 095    | -                 | 6                               | 4 543                  |
| Property payments                                    | 66 085             | -                         | -                             | 5 710          | 14 589   | -                 | 20 299                          | 86 384                 |
| Transport provided: Departmental activity            | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Travel and subsistence                               | 15 369             | -                         | -                             | (848)          | -        | -                 | (848)                           | 14 521                 |
| Training and development                             | 14 173             | -                         | -                             | (1 230)        | -        | -                 | (1 230)                         | 12 943                 |
| Operating payments                                   | 1 678              | -                         | -                             | 66             | -        | -                 | 66                              | 1 744                  |
| Venues and facilities                                | 348                | -                         | -                             | (27)           | -        | -                 | (27)                            | 321                    |
| Rental and hiring                                    | 1 220              | -                         | -                             | 44             | (1 095)  | -                 | (1 051)                         | 169                    |
| Interest and rent on land                            | -                  | -                         | -                             | 1              | -        | -                 | 1                               | 1                      |
| Interest   | -                  | -                         | -                             | 1              | -        | -                 | 1                               | 1                      |
| Rent on land   | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| <b>Transfers and subsidies to</b>                    | <b>567 573</b>     | -                         | -                             | <b>5 355</b>   | -        | <b>30 000</b>     | <b>35 355</b>                   | <b>602 928</b>         |
| Provinces and municipalities                         | 562 119            | -                         | -                             | -              | -        | 30 000            | 30 000                          | 592 119                |
| Provinces  | 246                | -                         | -                             | -              | -        | -                 | -                               | 246                    |
| Provincial Revenue Funds                             | 246                | -                         | -                             | -              | (246)    | -                 | (246)                           | -                      |
| Provincial agencies and funds                        | -                  | -                         | -                             | -              | 246      | -                 | 246                             | 246                    |
| Municipalities                                       | 561 873            | -                         | -                             | -              | -        | 30 000            | 30 000                          | 591 873                |
| Municipalities                                       | 561 873            | -                         | -                             | -              | -        | 30 000            | 30 000                          | 591 873                |
| Municipal agencies and funds                         | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Departmental agencies and accounts                   | 490                | -                         | -                             | -              | -        | -                 | -                               | 490                    |
| Social security funds                                | 75                 | -                         | -                             | -              | -        | -                 | -                               | 75                     |
| Entities receiving funds                             | 415                | -                         | -                             | -              | -        | -                 | -                               | 415                    |
| 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                              | -                  | -                         | -                             | 100            | -        | -                 | 100                             | 100                    |
| Households   | 4 964              | -                         | -                             | 5 255          | -        | -                 | 5 255                           | 10 219                 |
| Social benefits                                      | 2 378              | -                         | -                             | 1 755          | -        | -                 | 1 755                           | 4 133                  |
| Other transfers to households                        | 2 586              | -                         | -                             | 3 500          | -        | -                 | 3 500                           | 6 086                  |
| <b>Payments for capital assets</b>                   | <b>69 475</b>      | -                         | -                             | <b>(1 284)</b> | -        | -                 | <b>(1 284)</b>                  | <b>68 191</b>          |
| Buildings and other fixed structures                 | 52 453             | -                         | -                             | (7 120)        | -        | -                 | (7 120)                         | 45 333                 |
| Buildings  | 52 453             | -                         | -                             | (7 120)        | -        | -                 | (7 120)                         | 45 333                 |
| Other fixed structures                               | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Machinery and equipment                              | 13 022             | -                         | -                             | 5 836          | -        | -                 | 5 836                           | 18 858                 |
| Transport equipment                                  | 6 200              | -                         | -                             | (380)          | -        | -                 | (380)                           | 5 820                  |
| Other machinery and equipment                        | 6 822              | -                         | -                             | 6 216          | -        | -                 | 6 216                           | 13 038                 |
| Heritage assets                                      | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Specialised military assets                          | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Biological assets                                    | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Land and sub-soil assets                             | -                  | -                         | -                             | -              | -        | -                 | -                               | -                      |
| Software and other intangible assets                 | 4 000              | -                         | -                             | -              | -        | -                 | -                               | 4 000                  |
| <b>Payments for financial assets</b>                 | <b>-</b>           | -                         | -                             | -              | -        | -                 | -                               | -                      |
| <b>Total</b>   | <b>1 506 951</b>   | <b>5 866</b>              | -                             | -              | -        | <b>30 000</b>     | <b>35 866</b>                   | <b>1 542 817</b>       |
| <b>Amount to be voted</b>                            |                    |                           |                               |                |          |                   |                                 | <b>35 866</b>          |