

Vote 7

Health

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	45 035 000	45 149 858		114 858
MEC remuneration ¹	1 978	1 978		
Total amount to be appropriated	45 036 978	45 151 836		114 858
<i>of which:</i>				
Current payments	42 316 279	42 381 329		65 050
Transfers and subsidies	750 139	773 551		23 412
Payments for capital assets	1 970 560	1 996 956		26 396
Payments for financial assets	-	-		
Responsible MEC	MEC for Health			
Administering department	Health			
Accounting Officer	Head: Health			

1. Vision and mission

Vision

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

Mission

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

2. Strategic objectives

Strategic policy direction: Directly linked with the NDP 2030 with the main focus on improving the health and well-being of the population and strengthening the health system effectiveness.

The department's strategic goals, each comprising a number of strategic objectives and sub-outcomes, have been aligned with the NDP 2030, the MTSF 2014-2019, the PGDP 2035 and National Health sector priorities. The overarching goal remains "Increasing the life expectancy of all South Africans". The strategic goals for 2015 to 2019 are:

- Strengthen health system effectiveness.
- Reduce and manage the burden of disease.
- Universal health coverage.
- Strengthen human resources (HR) for health.
- Improved quality of health care.

¹ At the time of going to print, the proclamation determining the 2019 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2019/20 EPRE

3. Summary of adjusted estimates for the 2019/20 financial year

The main appropriation of the Department of Health was R45.037 billion in 2019/20. During the year, the department received an additional allocation totalling R114.858 million, increasing the budget to R45.152 billion.

The main reasons for this increase, as well as other adjustments, are summarised below, and explained in detail in Section 4.

- *Roll-overs:* An amount of R5.260 million was rolled over from 2018/19 in respect of the Human Papillomavirus (HPV) Vaccine grant. The funding was allocated to Programme 2: District Health Services and caters for vehicle hire (*Goods and services*) and for the procurement of vaccine fridges (*Machinery and equipment*). Although orders were placed in 2018/19 for these items, no invoices were received by 31 March 2019.
- *Virement between programmes:* Virement was undertaken between programmes as follows:
 - Savings of R5.880 million from *Goods and services* in Programme 2, due to alignment to the business plan in the Nutrition sub-programme, were moved to Programme 4: Provincial Hospital Services (R5.580 million) and Programme 5: Central Hospital Services (R300 000) to address the under-budgeted eye-care services programme, which had a backlog in the number of spectacles to be issued to patients. Offsetting this movement, was the movement of R22.303 million from Programme 3: Emergency Medical Services to address pressures resulting from the higher costs of outsourced security and cleaning services due to delays in contract renewals and higher prices for water, electricity and sewerage. The savings in Programme 3 were due to slow internal recruitment processes in respect of the filling of posts.
 - Savings amounting to R60.112 million were identified in Programme 3. These savings were attributed mainly to delays in the HR strengthening plan, the slow pace in the filling of critical replacement posts and the over-budgeting for staff exit costs. The savings were utilised as follows:
 - R34.441 million under *Compensation of employees* was moved to the same category in Programme 6: Health Sciences and Training to address the under-budgeted increased intake of medical interns in 2019/20. A further R1.602 million was moved from this category to *Transfers and subsidies to: Households* in Programme 6 to address higher than budgeted bursary payments.
 - R22.303 million was moved to Programme 2 under *Goods and services* to offset pressures resulting from the higher costs of outsourced security and cleaning services due to delays in contract renewals and higher prices for water, electricity and sewerage.
 - There were also savings in *Transfers and subsidies* of R1.766 million due to over-budgeted staff exit costs (R1.668 million), motor vehicle licence fees (R96 000) and TV licences (R2 000). These funds were moved to *Transfers and subsidies to: Households* in Programme 6 to address the previously mentioned pressures for higher than budgeted bursary payments.
 - In Programme 4, savings of R8.943 million were identified under *Machinery and equipment* related to delays in the acquisition of digital X-ray equipment. These savings were moved to Programme 6 to address the previously mentioned pressure under bursary payments. Offsetting this movement from the programme, to some extent, was R5.580 million moved from Programme 2 to *Goods and services* in this programme to address the under-budgeted eye-care services programme, which had a backlog in the number of spectacles to be issued to patients, resulting in an overall net decrease of R3.363 million against Programme 4.
 - Programme 5 was increased by R300 000 against *Goods and services* to cater for the under-budgeted eye-care services programme, with savings moved from the same category in Programme 2.

- o Programme 6 was increased by R61.752 million. Savings were moved from Programme 3 (R37.809 million) and Programme 4 (R8.943 million), as mentioned. A further R15 million was moved from Programme 7: Health Care Support Services, with savings attributed to slow internal recruitment processes in filling laundry posts due to the lack of carry-through funding in the outer years of the MTEF. These savings were allocated to *Compensation of employees* to address the under-budgeted increased intake of medical interns in 2019/20.
- o In Programme 7, savings of R15 million were identified under *Compensation of employees* and moved to Programme 6, as mentioned.
- *Shifts*: The department undertook the following shift:
 - o R122.316 million was shifted from Programme 1: Administration to Programme 4. The budget allocation for the HR Capacitation grant (R122.315 million) was placed under Programme 1 in the 2019/20 EPRE, pending the finalisation of the business plan and the appointment and linking of staff to programmes. This amount will be utilised for posts in Programme 4 under the General (Regional) Hospitals sub-programme. The purpose of the funds remains unchanged within *Compensation of employees*.
- *Other adjustments*: The department's budget allocation was increased by a net amount of R109.598 million as explained below:
 - o R55.376 million additional funding was allocated for the new National Health Insurance (NHI) grant for the contracting of health professionals. This grant was converted from being an indirect grant held by the National Department of Health (NDOH) to a direct grant to provinces. This function was administered at national level, while the contracting was done at the provincial level, with the requirement that provinces submit claims for the funds. As such, funds for this sub-component were transferred to provinces as they are already implementing the function. This amount was allocated to Programme 2 and against *Compensation of employees*.
 - o The HR Capacitation grant was increased by R69.414 million to assist provinces to meet their salary obligations for the posts they have already filled under this grant. Funds were reprioritised from the indirect NHI grant held under NDOH, as well as from the HPV Vaccine grant held by provinces. This amount was allocated to Programme 2 and against *Compensation of employees*.
 - o The HPV Vaccine grant was reduced by R15.192 million, following the decision to change the target group from Grade 4 to Grade 5. Most of the Grade 5 cohort were vaccinated in 2018, hence the reduction in funding. This funding was redirected to the HR Capacitation grant, as mentioned.

Tables 7.1 and 7.2 reflect a summary of the 2019/20 adjusted appropriation of the department, summarised according to programme and economic classification.

Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 7: Health*.

Table 7.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	933 361	-	-	-	(122 316)	-	(122 316)	811 045
2. District Health Services	22 436 939	5 260	-	16 423	-	109 598	131 281	22 568 220
3. Emergency Medical Services	1 631 158	-	-	(60 112)	-	-	(60 112)	1 571 046
4. Provincial Hospital Services	11 330 404	-	-	(3 363)	122 316	-	118 953	11 449 357
5. Central Hospital Services	5 279 898	-	-	300	-	-	300	5 280 198
6. Health Sciences and Training	1 281 885	-	-	61 752	-	-	61 752	1 343 637
7. Health Care Support Services	332 359	-	-	(15 000)	-	-	(15 000)	317 359
8. Health Facilities Management	1 810 974	-	-	-	-	-	-	1 810 974
Total	45 036 978	5 260	-	-	-	109 598	114 858	45 151 836
Amount to be voted								114 858

Table 7.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	42 316 279	3 170	-	(47 718)	-	109 598	65 050	42 381 329
Compensation of employees	28 942 177	-	-	(643 287)	-	109 598	(533 689)	28 408 488
Goods and services	13 373 683	3 170	-	594 979	-	-	598 149	13 971 832
Interest and rent on land	419	-	-	590	-	-	590	1 009
Transfers and subsidies to:	750 139	-	-	23 412	-	-	23 412	773 551
Provinces and municipalities	232 091	-	-	(349)	-	-	(349)	231 742
Departmental agencies and accounts	22 246	-	-	-	-	-	-	22 246
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	56 513	-	-	-	-	-	-	56 513
Households	439 289	-	-	23 761	-	-	23 761	463 050
Payments for capital assets	1 970 560	2 090	-	24 306	-	-	26 396	1 996 956
Buildings and other fixed structures	786 945	-	-	112 428	-	-	112 428	899 373
Machinery and equipment	1 183 615	2 090	-	(88 122)	-	-	(86 032)	1 097 583
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	45 036 978	5 260	-	-	-	109 598	114 858	45 151 836
Amount to be voted								<u>114 858</u>

4. Changes to programme purposes and service delivery measures

The department did not change the purpose of any of its programmes.

It is noted, however, there have been some minor changes to the wording of service delivery measures, as well as targets, to align the measures originally published in the 2019/20 EPRE with the department's APP, which was published after the EPRE. These changes are reflected in bold italics in the service delivery tables.

4.1 Programme 1: Administration

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

Tables 7.3 and 7.4 reflect a summary of the 2019/20 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R122.316 million, are provided in the paragraphs following the tables.

Table 7.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	22 890	-	-	-	-	-	-	22 890
2. Management	910 471	-	-	-	(122 316)	-	(122 316)	788 155
Total	933 361	-	-	-	(122 316)	-	(122 316)	811 045
Amount to be voted								<u>(122 316)</u>

Table 7.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	904 590	-	-	(42 884)	(122 316)	-	(165 200)	739 390
Compensation of employees	561 999			(1 929)	(122 316)		(124 245)	437 754
Goods and services	342 591			(41 465)			(41 465)	301 126
Interest and rent on land				510			510	510
Transfers and subsidies to:	8 137	-	-	15 168	-	-	15 168	23 305
Provinces and municipalities	3 902			(254)			(254)	3 648
Departmental agencies and accounts	1						-	1
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	4 234			15 422			15 422	19 656
Payments for capital assets	20 634	-	-	27 716	-	-	27 716	48 350
Buildings and other fixed structures							-	-
Machinery and equipment	20 634			27 716			27 716	48 350
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	933 361	-	-	-	(122 316)	-	(122 316)	811 045
Amount to be voted								(122 316)

Virement – Programme 1: Administration

The main appropriation of Programme 1 remains unchanged from the *EPRE*. However, various virements were undertaken across economic categories within the sub-programmes, hence they are not visible in Table 7.3. These virements are explained below.

Savings amounting to R1.929 million were identified against *Compensation of employees* due to delays in the finalisation of the department's HR implementation plan. There were also savings of R41.465 million against *Goods and services* as a result of the slow pace in the implementation of the department's IT plan and hospital connectivity project, including the improvements in bandwidth. In addition, the motor vehicle licencing costs under *Transfers and subsidies to: Provinces and municipalities* were over-budgeted by R254 000. All of these savings were redirected to other areas within the programme, as follows:

- R510 000 was moved to *Interest and rent on land* to address unbudgeted interest on over-due accounts, such as medico-legal claims, as well as a court case related to a staff dispute.
- R15.422 million was moved to *Transfers and subsidies to: Households*, to address under-budgeted claims against the department due to a legal claim from a security contractor related to a dispute regarding price increases. In addition, there was a movement of R130 000 within the same category from staff exit costs due to over-budgeting, also to address the legal claim.
- R27.716 million was moved to *Machinery and equipment*, mainly for the installation of CCTV cameras in facilities to reduce security services costs.

All these virements are permissible in terms of the PFMA and Treasury Regulations. Note that the reduction in *Transfers and subsidies to: Provinces and municipalities* does not require Legislature approval as the transfer was not gazetted for a specific institution.

Shifts – Programme 1: Administration: (R122.316 million)

The HR Capacitation grant budget was initially placed under the sub-programme: Management in this programme in the 2019/20 *EPRE* pending the finalisation of the business plan and the appointment and linking of staff to respective programmes. This grant will be utilised to fund payments for Registrars, hence the shifting of this allocation to Programme 4. The purpose of the funds remains unchanged, namely payments for Registrars within *Compensation of employees*.

Service delivery measures – Programme 1: Administration

Table 7.5 shows the revised service delivery for Programme 1. The department amended the description of one measure, and this is indicated in bold italics. Note that one measure in this programme is annual in nature and is only reported on after the closure of the financial year.

Table 7.5 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
To conduct the strategic management and overall administration of <i>the Dept. of Health</i>	• Audit opinion from the A-G	Unqualified audit	Annual	
	• Percentage of hospitals with broadband access	92.9%	80.3%	
	• Percentage of fixed PHC facilities with broadband access	50.2%	61.5%	

4.2 Programme 2: District Health Services

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

Tables 7.6 and 7.7 reflect a summary of the 2019/20 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R131.281 million, are provided in the paragraphs following the tables.

Table 7.6 : Programme 2: District Health Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
1. District Management	330 183			(18 280)		(18 280)	311 903
2. Community Health Clinics	4 655 651			(61 204)		(61 204)	4 594 447
3. Community Health Centres	1 920 597			(16 672)		(16 672)	1 903 925
4. Community Based Services	443 901			(20 782)		(20 782)	423 119
5. Other Community Services	1 280 915	5 260		2 762		109 598	1 398 535
6. HIV and AIDS	5 840 628					-	5 840 628
7. Nutrition	59 739			(19 015)		(19 015)	40 724
8. Coroner Services	265 208			(10 000)		(10 000)	255 208
9. District Hospitals	7 640 117			159 614		159 614	7 799 731
Total	22 436 939	5 260	-	16 423	-	109 598	22 568 220
Amount to be voted							131 281

Table 7.7 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
Current payments	21 787 483	3 170	-	42 917	-	109 598	155 685	21 943 168
Compensation of employees	14 499 544			(363 942)		109 598	(254 344)	14 245 200
Goods and services	7 287 524	3 170		406 850			410 020	7 697 544
Interest and rent on land	415			9			9	424
Transfers and subsidies to:	392 529	-	-	(14 029)	-	-	(14 029)	378 500
Provinces and municipalities	225 396			1			1	225 397
Departmental agencies and accounts	47			(18)			(18)	29
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	51 034						-	51 034
Households	116 052			(14 012)			(14 012)	102 040
Payments for capital assets	256 927	2 090	-	(12 465)	-	-	(10 375)	246 552
Buildings and other fixed structures							-	-
Machinery and equipment	256 927	2 090		(12 465)			(10 375)	246 552
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	22 436 939	5 260	-	16 423	-	109 598	131 281	22 568 220
Amount to be voted							131 281	

Roll-overs – Programme 2: District Health Services: R5.260 million

An amount of R5.260 million was rolled over from 2018/19 in respect of the HPV Vaccine grant. This relates to vehicle hire and the procurement of vaccine fridges. Although orders were placed in 2018/19 for these items, no invoices were received by 31 March 2019. The funding was allocated to the Other Community Services sub-programme, with R3.170 million allocated to *Goods and services* and R2.090 million allocated to *Machinery and equipment*.

Virement – Programme 2: District Health Services: R16.423 million

The department undertook significant movements between sub-programmes in Programme 2, with most sub-programmes reduced and funding moved to the District Hospitals sub-programme to address pressures under *Goods and services* (e.g. outsourced security services and cleaning services contracts, water and electricity, National Health Laboratory Services (NHLS) and anti-retroviral (ARV) medicines). This programme received a net increase of R16.423 million as a result of virements from Programme 3, largely allocated to the Community Health Clinics, Other Community Services and District Hospitals sub-programmes, offset by movements from this programme to Programmes 4 and 5. The movements from and to, as well as within this programme, are as follows:

- There was a net increase of R16.423 million in this programme, as follows:
 - R22.303 million was moved to *Goods and services* in Programme 2 from *Compensation of employees* in Programme 3 to cater for the increased costs of security and cleaning services. The savings in Programme 3 were due to internal delays in filling of posts.
 - Offsetting this, was the movement of R5.880 million from *Goods and services* in the Nutrition sub-programme, in line with the business plan for 2019/20, which was only finalised after the *EPRE* was published, to the same category in Programme 4 (R5.580 million) and Programme 5 (R300 000) to cover the under-budgeted eye-care services programme, which had a backlog in the number of spectacles to be issued to patients.

In addition to the above, the following virements were undertaken within the programme:

- Savings of R363.942 million were identified under *Compensation of employees* due to delays with finalising the HR implementation plan, the inability to fill posts as a result of overall pressure under *Goods and services* (e.g. outsourced security services and cleaning services contracts, water and electricity, NHLS and ARV medicines), as well as insufficient carry-through funds over the MTEF.
- Savings amounting to R14.030 million were identified under *Transfers and subsidies* mainly against *Households* (R14.012 million) attributed to lower than expected staff exit costs and medico-legal claims. In addition, savings of R18 000 were identified against *Departmental agencies and accounts* due to over-budgeting for TV licences.
- Further savings of R12.465 million were identified under *Machinery and equipment* as a result of delays in the acquisition of Digital X-ray equipment due to more time required to finalise the specifications.

These savings of R390.437 million were moved within Programme 2, as follows:

- R390.427 million was moved to offset the pressures under *Goods and services* brought about by increased costs of outsourced security services due to delays in the contract renewal. The department is on a month-to-month contract while the tender is being finalised. In addition, there are pressures from the increased contract prices for cleaning services, as well as municipal domestic charges (water, electricity, and sewerage), which have increased by more than inflation. Also contributing to the pressures is NHLS due to savings realised from the electronic gate-keeping being less than anticipated. Also under pressure was under-budgeted ARV medicine.
- R9 000 was moved to cater for under-budgeted *Interest and rent on land*, related to interest on overdue accounts.
- R1 000 was moved to *Transfers and subsidies to: Provinces and municipalities* to make provision for Public Driving Permit (PDP) licence renewals, which were under-budgeted.

All these virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in transfers does not require Legislature approval as the transfers were not gazetted for a specific institution. The decrease in capital does not require Legislature approval as capital for the Vote as a whole has increased.

Other adjustments – Programme 2: District Health Services: R109.598 million

A net amount of R109.598 million was allocated to Programme 2, against the Other Community Services sub-programme and *Compensation of employees*, for the following:

- R55.376 million in additional funding was allocated for the NHI grant for the contracting of health professionals. This grant was converted from being an indirect grant held by NDOH to a direct grant to provinces. This function was administered at a national level, while the contracting was done at the provincial level, with the requirement that provinces submit claims for the funds. As such, funds for this sub-component were transferred to provinces as they are already implementing the function.
- The HR Capacitation grant was increased by R69.414 million to assist provinces to meet their salary obligations for the posts they have already filled under this grant. Funds were reprioritised from the indirect NHI grant held under NDOH, as well as from the HPV Vaccine grant held by provinces.
- The HPV Vaccine grant was reduced by R15.192 million following the decision to change the target group from Grade 4 to Grade 5. Most of the Grade 5 cohort were vaccinated in 2018, hence the reduction in funding. This funding was redirected to the HR Capacitation grant, as mentioned.

Service delivery measures – Programme 2: District Health Services

Table 7.8 shows the revised service delivery information for Programme 2. It is noted that the department revised four measures to align them with the targets published in the 2019/20 APP. The department amended the description of two measures, and this is indicated in bold italics. Note that some measures in this programme are annual in nature and are only reported on after financial year-end.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. District Health Services				
To provide facilities for patients to be treated at PHC level	<ul style="list-style-type: none"> • Ideal clinic status rate • PHC utilisation rate – total • Complaint resolution within 25 working days rate (PHC) 	80%	Annual	100%
		2.5		2.6
		96%		95.3%
2. District Hospitals				
Rendering hospital service at general practitioner level	<ul style="list-style-type: none"> • Average length of stay – total • Inpatient bed utilisation rate – total • Expenditure per patient day equivalent • Complaint resolution within 25 working days rate 	5.5 days	5.2 days	
		62.7%		61.1%
		R2 781		R2 796
		95%		91.3%
3. HIV and AIDS, TB and STI control				
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	<ul style="list-style-type: none"> • ART client remain on ART end of month – total • TB/HIV co-infected clients on ART rate • HIV test done – total • Male condoms distributed • Medical male circumcision – total 	1 578 737	1 436 117	
		95%		No data
		3 074 435		1 177 959
		170 755 053		35 414 550
		148 209		37 083
		1 273 335 cum		148 209
				1 273 335 cum
	<ul style="list-style-type: none"> • TB client 5 years and older start on treatment rate • TB client treatment success rate • TB client lost to follow up rate • TB client death rate • TB MDR treatment success rate 	92%	98.8%	
		87%		87.8%
		5%		10.3%
		5%		Annual
		60%		Annual
4. Maternal, child and women's health				
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	<ul style="list-style-type: none"> • Antenatal 1st visit before 20 weeks rate • Mother postnatal visit within 6 days rate • Antenatal client start on ART rate • Infant 1st Polymerase Chain Reaction test positive around 10 weeks rate 	75%	76.3%	
		81%		76.3%
		97%		Annual
		0.6%		0.5%

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
	• Immunisation under 1 year coverage	82%	90.4%	88%
	• Measles 2nd dose coverage	82%	82.5%	90%
	• Diarrhoea case fatality under 5 years rate	2%	1.8%	
	• Pneumonia case fatality under 5 years rate	2.4%	2.1%	
	• Severe acute malnutrition case fatality under 5 years rate	6%	8.5%	
	• School Grade 1 learners screened	60 147	13 517	
	• School Grade 8 learners screened	31 473	9 326	
	• Delivery in 10 to 19 years in facility rate	21%	17.4%	
	• Couple year protection rate (international)	56%	51.9%	
	• Cervical cancer screening coverage 30 years and older	84%	86.9%	
	• HPV vaccine 1st dose	60 000	Annual	
	• HPV vaccine 2nd dose	60 000	Annual	
	• Vitamin A dose 12-59 months coverage	70%	66.8%	
	• Maternal mortality in facility ratio	95/100 000	Annual	
	• Neonatal death in facility rate	11.3/1 000	Annual	
5. Disease prevention and control				
Rendering preventive and promotive health services	• Cataract surgery performed – <i>total</i>	9 700	5 201	
	• Malaria case fatality rate	0.5%	1.8%	

4.3 Programme 3: Emergency Medical Services

The purpose of Programme 3 is to render pre-hospital emergency medical services (EMS), including inter-hospital transfers and planned patient transport.

Tables 7.9 and 7.10 reflect a summary of the 2019/20 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R60.112 million, are provided in the paragraphs after the tables.

Table 7.9 : Programme 3: Emergency Medical Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Emergency Services	1 457 574			(45 411)			(45 411)	1 412 163
2. Planned Patient Transport	173 584			(14 701)			(14 701)	158 883
Total	1 631 158	-	-	(60 112)	-	-	(60 112)	1 571 046
Amount to be voted								(60 112)

Table 7.10 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 529 356	-	-	(103 346)	-	-	(103 346)	1 426 010
Compensation of employees	1 157 276			(114 743)			(114 743)	1 042 533
Goods and services	372 080			11 397			11 397	383 477
Interest and rent on land							-	-
Transfers and subsidies to:	5 609	-	-	(1 766)	-	-	(1 766)	3 843
Provinces and municipalities	2 793			(96)			(96)	2 697
Departmental agencies and accounts	2			(2)			(2)	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	2 814			(1 668)			(1 668)	1 146
Payments for capital assets	96 193	-	-	45 000	-	-	45 000	141 193
Buildings and other fixed structures							-	-
Machinery and equipment	96 193			45 000			45 000	141 193
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets								
Total	1 631 158	-	-	(60 112)	-	-	(60 112)	1 571 046
Amount to be voted								(60 112)

Virement – Programme 3: Emergency Medical Services: (R60.112 million)

A net amount of R60.112 million was moved from the Emergency Services and Planned Patient Transport sub-programmes in this programme, to other programmes. In total, savings of R116.509 million were identified within the programme, as follows:

- R114.743 million was identified against *Compensation of employees* due to internal delays in the filling of posts.
- Savings amounting to R1.766 million were identified under *Transfers and subsidies* mainly against *Households* (R1.668 million) attributed to lower than expected staff exit costs and medico-legal claims. In addition, savings of R96 000 were identified against *Provinces and municipalities* in respect of over-budgeted motor vehicle licence fees and R2 000 was identified against *Departmental agencies and accounts* due to over-budgeting for TV licences.

Of these savings, R60.112 million was moved to other programmes, as follows:

- R34.441 million was moved to *Compensation of employees* in Programme 6 to cover the under-budgeted increased intake of medical interns in 2019/20.
- R3.368 million was moved to *Transfers and subsidies to: Households* in Programme 6 to partly offset the higher than budgeted bursary payments.
- R22.303 million was moved to Programme 2 under *Goods and services* to offset pressures resulting from higher costs of outsourced security and cleaning services due to delays in the contract renewals, as well as higher prices for water, electricity and sewerage.

The balance of R56.397 million was moved within the programme, as follows:

- *Goods and services* was increased by R11.397 million to cover higher than expected EMS vehicle maintenance and repair costs, impacting on both sub-programmes.
- An additional R45 million was allocated to the Emergency Services sub-programme against *Machinery and equipment* to recapitalise the aging ambulance fleet.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in transfers does not require Legislature approval as the transfers were not gazetted to a specific institution.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.11 shows the service delivery for Programme 3. There are no changes from the information provided in the *EPRE*.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
Emergency Medical Services				
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 15 minutes rate	26%	37.1%	
	• EMS P1 rural response under 40 minutes rate	36%	43.9%	
	• EMS inter-facility transfer rate	39%	41.6%	

4.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research. Tables 7.12 and 7.13 reflect a summary of the 2019/20 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R118.953 million, are provided in the paragraphs following the tables.

Table 7.12 : Programme 4: Provincial Hospital Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. General (Regional) Hospitals	9 060 320			84 213	122 316	206 529	9 266 849
2. Tuberculosis Hospitals	781 855			(48 759)		(48 759)	733 096
3. Psychiatric-Mental Hospitals	998 539			(14 461)		(14 461)	984 078
4. Sub-acute, Step-down and Chronic Medical Hospitals	464 941			(19 749)		(19 749)	445 192
5. Dental Training Hospital	24 749			(4 607)		(4 607)	20 142
Total	11 330 404	-	-	(3 363)	122 316	-	11 449 357
Amount to be voted							118 953

Table 7.13 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Current payments	10 990 623	-	-	58 071	122 316	-	11 171 010
Compensation of employees	8 436 011			(203 017)	122 316	(80 701)	8 355 310
Goods and services	2 554 608			261 019		261 019	2 815 627
Interest and rent on land	4			69		69	73
Transfers and subsidies to:	88 509	-	-	24 601	-	-	113 110
Provinces and municipalities							
Departmental agencies and accounts	93			7		7	100
Higher education institutions							
Foreign governments and international organisations							
Public corporations and private enterprises							
Non-profit institutions	5 479						5 479
Households	82 937			24 594		24 594	107 531
Payments for capital assets	251 272	-	-	(86 035)	-	-	165 237
Buildings and other fixed structures							
Machinery and equipment	251 272			(86 035)		(86 035)	165 237
Heritage assets							
Specialised military assets							
Biological assets							
Land and subsoil assets							
Software and other intangible assets							
Payments for financial assets							
Total	11 330 404	-	-	(3 363)	122 316	-	11 449 357
Amount to be voted							118 953

Virement – Programme 4: Provincial Hospital Services: (R3.363 million)

A net amount of R3.363 million was moved from this programme. In total, savings of R289.052 million were identified across all sub-programmes within the programme, as follows:

- R203.017 million was identified under *Compensation of employees* across all sub-programmes. These were savings due to slow recruitment processes, as well as the non-approval of filling of posts where there is no carry-through funding over the MTEF.
- R86.035 million was identified against *Machinery and equipment* related to delays in the acquisition of Digital X-ray equipment for Radiology services due to the complexity of the specifications.

Of these savings, a net amount of R3.363 million was moved out of the programme, as follows:

- R8.943 million was moved to Programme 6 against *Transfers and subsidies to: Households* to address pressures from higher than expected bursary payments.
- Offsetting this movement was a movement of R5.580 million from *Goods and services* in Programme 2 to the same category in Programme 4 to cover the under-budgeted eye-care services programme, which had a backlog in the number of spectacles to be issued to patients.

The balance of R280.109 million was moved within the programme, as follows:

- *Goods and services* was increased by R255.439 million to address pressures resulting from the unbudgeted settlement of the Joint Medical Establishment account, higher security and cleaning contract costs as a result of delays in the renewal of the contracts, legal fees for medico-legal claims that were higher than expected, as well as the lower than expected savings from NHLS electronic gate-keeping. These savings were allocated to the General (Regional) Hospitals sub-programme.
- *Interest and rent on land* was increased by R69 000 for the under-budgeted interest on over-due accounts.

- *Transfers and subsidies* was increased by R24.601 million due to under-budgeted motor vehicle licence fees under *Provinces and municipalities* (R7 000), as well as staff exit costs (R1.150 million) and medico-legal claims (R23.444 million) against *Households*, that were higher than budgeted for.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in transfers does not require Legislature approval as the transfers were not gazetted for a specific institution. The decrease in capital does not require Legislature approval as capital for the Vote as a whole is increasing.

Shifts – Programme 4: Provincial Hospital Services: R122.316 million

An amount of R122.316 million was shifted from *Compensation of employees* in Programme 1 to the same category in Programme 4. The budget allocation for the HR Capacitation grant was placed under Programme 1 in the 2019/20 EPRE while awaiting the finalisation of the business plan and the appointment and linking of staff to programmes. This amount will be utilised for Registrar posts in Programme 4 under the General (Regional) Hospitals sub-programme. The purpose of the funds remains unchanged within *Compensation of employees*.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.14 shows the revised service delivery for Programme 4. The department revised four measures to align them with the targets published in the 2019/20 APP. The department amended the description of nine measures, and these minor amendments are indicated in bold italics. Note that two measures in this programme are annual in nature and are only reported on after the closure of the financial year.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. General (Regional) Hospitals				
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Average length of stay	6.3 days	6.3 days	
	• Inpatient bed utilisation rates	74.7%	77%	
	• Expenditure per PDE	R3 245	R2 302	
	• Complaints resolution within 25 working days rate	94.6%	96.3%	95%
2. Specialised TB Hospitals				
Rendering of hospital services at a specialist TB level	• Average length of stay – <i>total</i>	46.6 days	50 days	
	• Inpatient bed utilisation rate – <i>total</i>	44.6%	35%	
	• Expenditure per PDE	R4 320	No data	
	• Complaints resolution within 25 working days rate	100%	100%	95%
3. Specialised Psychiatric Hospitals				
Rendering of hospital services at a specialist psychiatric level	• Average length of stay – <i>total</i>	310.2 days	424 days	
	• Inpatient bed utilisation rate – total	73%	74%	
	• Expenditure per PDE	R1 345	No data	
	• Complaints resolution within 25 working days rate	99.8%	100%	95%
4. Chronic/ Sub-Acute Hospitals				
Rendering of hospital services at a specialist chronic/ sub-acute level	• Average length of stay – <i>total</i>	38.2 days	30.6 days	
	• Inpatient bed utilisation rate – total	50.2%	50.5%	
	• Expenditure per PDE	R2 856	No data	
	• Complaints resolution within 25 working days rate	98.2%	96.7%	95%
5. Oral and Dental Training Centre				
Rendering of hospital services at a specialist dental level	• No. of dentures issued per annum	170	Annual	
	• No. of Oral Hygienists and Dental Therapists trained per annum	33	Annual	

4.5 Programme 5: Central Hospital Services

The main purpose of this programme is to provide tertiary health services and to create a platform for training of health workers.

Tables 7.15 and 7.16 reflect a summary of the 2019/20 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R300 000, are provided in the paragraphs following the tables.

Table 7.15 : Programme 5: Central Hospital Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Central Hospital Services	2 596 712			(95 000)			(95 000)	2 501 712
2. Provincial Tertiary Hospital Services	2 683 186			95 300			95 300	2 778 486
Total	5 279 898	-	-	300	-	-	300	5 280 198
Amount to be voted								300

Table 7.16 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	5 132 860	-	-	(53 407)	-	-	(53 407)	5 079 453
Compensation of employees	3 036 384			2 376			2 376	3 038 760
Goods and services	2 096 476			(55 783)			(55 783)	2 040 693
Interest and rent on land							-	-
Transfers and subsidies to:	39 267	-	-	(13 111)	-	-	(13 111)	26 156
Provinces and municipalities							-	-
Departmental agencies and accounts	67			13			13	80
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	39 200			(13 124)			(13 124)	26 076
Payments for capital assets	107 771	-	-	66 818	-	-	66 818	174 589
Buildings and other fixed structures							-	-
Machinery and equipment	107 771			66 818			66 818	174 589
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	5 279 898	-	-	300	-	-	300	5 280 198
Amount to be voted								300

Virement – Programme 5: Central Hospital Services: R300 000

The net increase of R300 000 in the main appropriation of Programme 5 was as a result of the previously mentioned savings from the Nutrition sub-programme in Programme 2, moved to the Provincial Tertiary Hospital Services sub-programme, against *Goods and services* in this programme to address the under-budgeted eye-care services programme.

In addition, the department identified savings of R69.207 million in Programme 5, which were moved within the programme, as follows:

- *Goods and services* was reduced by R56.083 million, largely in respect of an amount of R95 million, which was initially allocated for the Inkosi Albert Luthuli Central Hospital (IALCH) Public Private Partnership (PPP) agreement to make provision for 2018/19 accruals. However, all PPP claims were settled in 2018/19 and these funds were redirected for the payment for linear accelerators, which were procured as part of the 2018/19 procurement plan, but could not be delivered in time due to the delays in the SCM processes. The funds were moved from *Goods and services* under the Central Hospital Services sub-programme to *Machinery and equipment* under the Provincial Tertiary Hospital Services sub-programme.
- Offsetting the movement of R95 million from *Goods and services* was an additional R38.917 million moved within the Provincial Tertiary Hospital Services sub-programme to *Goods and services* to cover pressures resulting from the increased costs of medical waste removal and litigation costs, which were higher than budgeted for. These savings were identified under *Machinery and equipment* in the Radiology Services component related to delays in the procurement of digital X-ray equipment, as mentioned.

- *Transfers and subsidies to: Households* was reduced by R13.124 million due to over-budgeting for medico-legal claims and staff exit costs. These funds were moved as follows:
 - R2.376 million moved to *Compensation of employees* for the under-budgeted filling of posts.
 - R13 000 moved to *Transfers and subsidies to: Departmental agencies and accounts* to offset under-budgeting for TV licence fees.
 - R10.735 million moved to *Machinery and equipment* for the payment for linear accelerators.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in a transfer does not require Legislature approval as the transfer was not gazetted for a specific institution.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.17 shows the revised service delivery for Programme 5. The department revised two measures to align them with the targets published in the 2019/20 APP. The department also amended the description of two measures, and these minor amendments are indicated in bold italics.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. Tertiary Hospitals				
To provide tertiary health services and create a platform for the training of health workers	• Average length of stay	7.5 days	7.6 days	
	• Inpatient bed utilisation rate	71.7%	76%	
	• Expenditure per PDE	R4 129	R4 161	
	• Complaints resolution within 25 working days rate	95.5%	100%	95%
2. Central Hospitals				
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Average length of stay	8.4 days	8.4 days	
	• Inpatient bed utilisation rate	66.8%	65.3%	
	• Expenditure per PDE	R8 980	R8 992	
	• Complaints resolution within 25 working days rate	94.5%	100%	95%

4.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The objectives of the five sub-programmes remain unchanged from the *EPRE*.

Tables 7.18 and 7.19 reflect a summary of the 2019/20 adjusted appropriation of Programme 6, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R61.752 million, are provided in the paragraphs after the tables.

Table 7.18 : Programme 6: Health Sciences and Training

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Nursing Training Colleges	311 721			(67 755)			(67 755)	243 966
2. EMS Training Colleges	20 319			(312)			(312)	20 007
3. Bursaries	220 248			5			5	220 253
4. Primary Health Care Training	61 837			(14 475)			(14 475)	47 362
5. Training Other	667 760			144 289			144 289	812 049
Total	1 281 885	-	-	61 752	-	-	61 752	1 343 637
Amount to be voted								61 752

Table 7.19 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	1 056 577	-	-	50 943	-	-	50 943	1 107 520
Compensation of employees	976 837			69 272			69 272	1 046 109
Goods and services	79 740			(18 331)			(18 331)	61 409
Interest and rent on land				2			2	2
Transfers and subsidies to:	215 310	-	-	12 311	-	-	12 311	227 621
Provinces and municipalities							-	-
Departmental agencies and accounts	22 036						-	22 036
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	193 274			12 311			12 311	205 585
Payments for capital assets	9 998	-	-	(1 502)	-	-	(1 502)	8 496
Buildings and other fixed structures							-	-
Machinery and equipment	9 998			(1 502)			(1 502)	8 496
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	1 281 885	-	-	61 752	-	-	61 752	1 343 637
Amount to be voted								61 752

Virement – Programme 6: Health Sciences and Training: R61.752 million

There were virements within the programme between sub-programmes and economic categories, as well as movements from other programmes, which resulted in a net increase of R61.752 million in the main appropriation of Programme 6. The bulk of the savings within the programme were against the Nursing Training Colleges sub-programme, and almost all of the savings were moved to the Training Other sub-programme to close the funding gap for the increased intake of medical interns. The net increase of R61.752 million in this programme relates to savings moved from other programmes, as follows:

- R34.441 million and R15 million were moved to *Compensation of employees* from Programmes 3 and 7, respectively. This was to address pressures attributed to the increased intake of medical interns in 2019/20. The savings in Programme 3 relate to slow recruitment processes caused by delays in the filling of posts. Programme 7 savings were due to slow internal recruitment processes in filling laundry posts, as well as the lack of carry-through funding in the outer years of the MTEF.
- A net amount of R12.311 million was moved to *Transfers and subsidies to: Households*, of which R12.386 million was to cater for higher than budgeted bursary payments. In this regard, an amount of R12.311 million was moved from other programmes. Note that this was offset by R75 000 moved within the category from staff exit costs due to over-budgeting to bursary payments. The amount of R12.311 million moved from other programmes was as follows:
 - R3.368 million was moved from Programme 3, mainly due to slow recruitment processes to fill posts, as well as lower than expected staff exit costs and medico-legal claims.
 - R8.943 million was moved from *Machinery and equipment* in Programme 4, with the savings attributed to delays in the acquisition of digital X-ray equipment for Radiology services due to the complexity of the specifications.

In addition, savings of R19.833 million were identified within the programme across various sub-programmes, as follows:

- *Goods and services* was decreased by R18.331 million mainly due to over-budgeting for travel and subsistence claims under the Bursaries sub-programme.
- *Machinery and equipment* reduced by R1.502 million due to over-budgeting for training equipment.

These savings were moved within the programme, as follows:

- R19.831 million was moved to *Compensation of employees* to address pressures attributed to the increased intake of medical interns in 2019/20.
- R2 000 moved to *Interest and rent on land* for under-budgeting for interest on over-due accounts.

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

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.20 shows the service delivery for Programme 6. There are no changes in targets from the information provided in the *EPRE*. Note that both measures in this programme are annual in nature and are only reported on after the closure of the financial year.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. Bursaries				
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	No. of bursaries awarded for first-year medicine students	30	Annual	
	No. of bursaries awarded for first-year nursing students	100	Annual	

4.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including the PPSD which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, *via* the Medicine Trading Account, the provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities, as well as the provision of specialised orthotic and prosthetic services to hospitals and clinics. Tables 7.21 and 7.22 reflect a summary of the 2019/20 adjusted appropriation of Programme 7, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R15 million, are provided in the paragraphs following the tables.

Table 7.21 : Programme 7: Health Care Support Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Medicine Trading Account	77 587						-	77 587
2. Laundry Services	195 778			(15 000)			(15 000)	180 778
3. Orthotic and Prosthetic Services	58 994						-	58 994
Total	332 359	-	-	(15 000)	-	-	(15 000)	317 359
Amount to be voted								(15 000)

Table 7.22 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	325 439	-	-	(15 094)	-	-	(15 094)	310 345
Compensation of employees	182 467			(19 373)			(19 373)	163 094
Goods and services	142 972			4 279			4 279	147 251
Interest and rent on land							-	-
Transfers and subsidies to:	778	-	-	238	-	-	238	1 016
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	778			238			238	1 016
Payments for capital assets	6 142	-	-	(144)	-	-	(144)	5 998
Buildings and other fixed structures							-	-
Machinery and equipment	6 142			(144)			(144)	5 998
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets								
Total	332 359	-	-	(15 000)	-	-	(15 000)	317 359
Amount to be voted								(15 000)

Virement – Programme 7: Health Care Support Services: (R15 million)

There were virements within the programme between economic categories, as well as a movement from this programme to Programme 6, which resulted in a net reduction of R15 million in the main appropriation of this programme against the Laundry Services sub-programme. Total savings of R19.517 million were identified across a number of categories, as follows:

- Savings of R19.373 were identified against *Compensation of employees* mainly attributed to slow internal recruitment processes in filling laundry posts due to the lack of carry-through funding in the outer years of the MTEF.
- Savings of R144 000 were identified against *Machinery and equipment* due to over-budgeting for laundry equipment.

These savings were moved as follows:

- R15 million was moved to *Compensation of employees* in Programme 6 to address pressures attributed to the increased intake of medical interns in 2019/20.
- R4.279 million was moved within the programme to *Goods and services* for the outsourcing of laundry services while awaiting the filling of posts.
- R238 000 was moved within the programme to *Transfers and subsidies to: Households* to address under-budgeting for staff exit costs.

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

Service delivery measures – Programme 7: Health Care Support Services

Table 7.23 shows the revised service delivery information for Programme 7. The department revised two measures to align them with the targets published in the 2019/20 APP. Note that all measures in this programme are annual in nature and are only reported on after the closure of the financial year.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. Medicine Trading Account				
Render pharmaceutical services to the department. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities	• Percentage of pharmacies that obtained A and B grading on inspection	97%	Annual	
	• No. of facilities implementing the CCMD program	725	Annual	735
	• No. of patients enrolled on CCMD program (cumulative)	1 750 000	Annual	1 163 586
2. Laundry Services				
Render laundry services to hospitals, care and rehabilitation centres and certain local authorities	• Percentage of facilities reporting clean linen stock-outs	0%	Annual	

4.8 Programme 8: Health Facilities Management

The main purpose of this programme is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures. The main objectives of the sub-programmes remain unchanged from the *EPRE*.

Tables 7.24 and 7.25 reflect a summary of the 2019/20 adjusted appropriation of Programme 8, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in no change to the main appropriation, are provided in the paragraphs following the tables.

Table 7.24 : Programme 8: Health Facilities Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Community Health Facilities	220 782			(31 546)			(31 546)	189 236
2. District Hospital Services	315 136			(639)			(639)	314 497
3. Emergency Medical Services	10 000			(10 000)			(10 000)	-
4. Provincial Hospital Services	829 537			171 207			171 207	1 000 744
5. Central Hospital Services	86 199			(4 840)			(4 840)	81 359
6. Other Facilities	349 320			(124 182)			(124 182)	225 138
Total	1 810 974	-	-	-	-	-	-	1 810 974
Amount to be voted								-

Table 7.25 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	589 351	-	-	15 082	-	-	15 082	604 433
Compensation of employees	91 659			(11 931)			(11 931)	79 728
Goods and services	497 692			27 013			27 013	524 705
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	1 221 623	-	-	(15 082)	-	-	(15 082)	1 206 541
Buildings and other fixed structures	786 945			112 428			112 428	899 373
Machinery and equipment	434 678			(127 510)			(127 510)	307 168
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	1 810 974	-	-	-	-	-	-	1 810 974
Amount to be voted								-

Virement – Programme 8: Health Facilities Management

There were virements within the programme between sub-programmes and economic categories, which resulted in no change in the main appropriation for this programme. Due to pressures mainly within *Buildings and other fixed structures*, related to projects such as the new Dr. Pixley ka Isaka Seme Memorial Hospital (PKISMH) and the Stanger Hospital project in the Provincial Hospital Services sub-programme, the department reprioritised savings, with the bulk of this movement from the Other Facilities sub-programme, as follows:

- *Compensation of employees* was reduced by R11.931 million related to posts not being filled for the planned maintenance hub, which has been delayed due to lengthy internal recruitment processes and lack of office space. The maintenance hub will provide mobile maintenance services to institutions across the province and is planned to be based at Clairwood Hospital.
- *Machinery and equipment* was reduced by R127.510 million attributed to slower than expected delivery of medical equipment for PKISMH. Also delayed was the acquisition of maintenance vehicles for the planned maintenance hub, related to delays in finalising the vehicle tender by the National Department of Transport.

These savings of R139.441 million were moved within the programme, as follows:

- R112.428 million was moved to *Buildings and other fixed structures* due to variation orders resulting in increased costs on the building of PKISMH and the Stanger Hospital project and increased costs for the Groutville Clinic project, as well as the final payment for the purchase of St. Mary's Hospital, which was under-budgeted.

- R27.013 million was moved to *Goods and services* to address pressures from the reprioritisation of maintenance across all facilities as part of a turnaround strategy to address poor maintenance history.

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

Service delivery measures – Programme 8: Health Facilities Management

Table 7.26 shows the service delivery information for Programme 8. There are no changes in targets from the information provided in the *EPRE*. Note that both measures in this programme are annual in nature and are only reported on after the closure of the financial year.

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

Outputs	Performance indicators	Performance targets		
		2019/20 Original target	2019/20 Mid-year actual	2019/20 Revised target
1. Health Facilities Management				
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities that have undergone major and minor refurbishment in NHI pilot district	151	Annual	
	• No. of health facilities that have undergone major and minor refurbishment outside NHI pilot district	529	Annual	

5. Specifically and exclusively appropriated allocations

Table 7.27 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2019.

Note that conditional grants, as well as transfers to public entities and 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.

The department has not made any changes to the specifically and exclusively allocated funding, which remains as tabled in the 2019/20 *EPRE*.

Table 7.27 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable unavoidable	Virement	Other Shifts adjustments		
1. NHLS fee-for-service pressures	368 409	-	-	-	-	-	368 409
Prog 2: NHLS fee-for-service pressures	207 639					-	207 639
Prog 4: NHLS fee-for-service pressures	125 174					-	125 174
Prog 5: NHLS fee-for-service pressures	35 596					-	35 596
2. Exchange rate pressures - medicine, equipment and supplies	1 740 681	-	-	-	-	-	1 740 681
Prog 2: Exchange rate pressures	915 834					-	915 834
Prog 4: Exchange rate pressures	510 535					-	510 535
Prog 5: Exchange rate pressures	314 312					-	314 312
Total	2 109 090	-	-	-	-	-	2 109 090
Amount to be voted							-

6. Gifts, donations and sponsorships

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

7. Infrastructure

Table 7.28 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in no change to the budget, are provided in the paragraphs after the tables.

Table 7.28 : Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	1 083 738	-	-	(180 177)	-	-	(180 177)	903 561
Maintenance and repair: Current	414 835			27 852			27 852	442 687
Upgrades and additions: Capital	400 797			(182 810)			(182 810)	217 987
Refurbishment and rehabilitation: Capital	268 106			(25 219)			(25 219)	242 887
New infrastructure assets: Capital	118 042			320 457			320 457	438 499
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital								
Infrastructure transfers: Current								
Infrastructure: Payments for financial assets	-							-
Infrastructure: Leases	82 890			(872)			(872)	82 018
Non infrastructure	860 503			(139 408)			(139 408)	721 095
Capital infrastructure	786 945	-	-	112 428	-	-	112 428	899 373
Current infrastructure	497 725	-	-	26 980	-	-	26 980	524 705
Total	2 145 173	-	-	-	-	-	-	2 145 173
Amount to be voted								-

- *Virement*: The department undertook the following virements affecting the infrastructure allocation:
 - *Maintenance and repair: Current* was increased by R27.852 million to address pressures from the reprioritisation of maintenance across all facilities as part of a turnaround strategy to address poor maintenance history.
 - *Upgrades and additions: Capital* was reduced by R182.810 million because of slow SCM processes in respect of the Addington Hospital project (restoration of fire services and upgrade drainage and sewerage, among other projects at the hospital). These funds were moved to *New infrastructure assets: Capital* to address higher than expected costs for PKISMH and the Stanger Hospital project attributed to variation orders, as well as increased costs for the Groutville Clinic project. In addition, the final payment for the purchase of St. Mary's Hospital was under-budgeted. Note that this movement is within Programme 8 and *Buildings and other fixed structures*, so is not visible in previous tables.
 - *Refurbishment and rehabilitation: Capital* was reduced by R25.219 million as a result of slow spending on storm damage projects at Addington and Ekuhlengeni Hospitals, as well as the delays in the installation of a back-up chiller at Addington Hospital. These funds were moved to *Maintenance and repair: Current* to address maintenance backlogs, as mentioned.
- *New infrastructure assets: Capital* was increased by R320.457 million due to higher than expected costs for PKISMH and the Stanger Hospital project attributed to variation orders, as well as increased costs for the Groutville Clinic project. In addition, the final payment for purchase of St. Mary's Hospital was under-budgeted, and provision is made for this. These funds were moved from *Upgrades and additions: Capital*, *Infrastructure: Leases*, as well as *Non infrastructure*.
- *Infrastructure: Leases* decreased by R872 000 due to a number of leased buildings that have been vacated in-year, with staff relocated to the newly completed office park at Town Hill Hospital. These savings were moved within infrastructure to *Maintenance and repair: Current* to address pressures from the reprioritisation of maintenance across all facilities, as mentioned.
- *Non infrastructure* decreased by R139.408 million, attributed to slower than expected delivery of medical equipment for PKISMH. Also delayed is the filling of posts and the acquisition of maintenance vehicles for the planned maintenance hub, related to slow recruitment processes, the lack of office space and delays in finalising the vehicle tender by the Department of Transport. The savings were moved to *New infrastructure assets: Capital* (R137.647 million) as mentioned, as well as to *Maintenance and repair: Current* (R1.761 million) to address maintenance backlogs, as mentioned.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. Although some *Capital* categories are reduced, the decrease does not require Legislature approval as capital for the Vote as a whole has increased.

8. Conditional grants

Tables 7.29 and 7.30 provide a summary of changes to conditional grants. Details of the main adjustments, which resulted in an overall increase of R114.858 million in the conditional grant allocation, are given in the paragraphs following the tables.

Table 7.29 : Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	122 316	-	-	-	(122 316)	-	(122 316)	-
Human Resources Capacitation grant	122 316				(122 316)		(122 316)	-
2. District Health Services	5 909 122	5 260	-	-	-	40 184	45 444	5 954 566
HIV, TB, Malaria and Community Outreach grant	5 840 629						-	5 840 629
Human Papillomavirus Vaccine grant	47 495	5 260				(15 192)	(9 932)	37 563
Social Sector EPWP Incentive Grant for Provinces	20 998						-	20 998
National Health Insurance grant						55 376	55 376	55 376
3. Emergency Medical Services	-	-	-	-	-	-	-	-
4. Provincial Hospital Services	370 863	-	-	-	122 316	69 414	191 730	562 593
Health Professions Training and Development grant	370 863						-	370 863
Human Resources Capacitation grant					122 316	69 414	191 730	191 730
5. Central Hospital Services	1 895 149	-	-	-	-	-	-	1 895 149
National Tertiary Services grant	1 895 149						-	1 895 149
6. Health Sciences and Training	-	-	-	-	-	-	-	-
7. Health Care Support Services	-	-	-	-	-	-	-	-
8. Health Facilities Management	1 363 810	-	-	-	-	-	-	10 313
EPWP Integrated Grant for Provinces	10 313						-	10 313
Health Facility Revitalisation grant	1 353 497						-	1 353 497
Total	9 661 260	5 260	-	-	-	109 598	114 858	9 776 118
Amount to be voted								114 858

Table 7.30 : Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	8 276 176	3 170	-	50 968	-	109 598	163 736	8 439 912
Compensation of employees	4 059 262			(156 359)		109 598	(46 761)	4 012 501
Goods and services	4 216 914	3 170		207 327			210 497	4 427 411
Interest and rent on land							-	-
Transfers and subsidies to:	142 875	-	-	(940)	-	-	(940)	141 935
Provinces and municipalities	121 492						-	121 492
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	12 017						-	12 017
Households	9 366			(940)			(940)	8 426
Payments for capital assets	1 242 209	2 090	-	(50 028)	-	-	(47 938)	1 194 271
Buildings and other fixed structures	779 962			39 478			39 478	819 440
Machinery and equipment	462 247	2 090		(89 506)			(87 416)	374 831
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	9 661 260	5 260	-	-	-	109 598	114 858	9 776 118
Amount to be voted								114 858

- *Roll-overs*: An amount of R5.260 million was rolled over from 2018/19, in respect of the HPV Vaccine grant. This relates to vehicle hire (*Goods and services*) and the procurement of vaccine fridges (*Machinery and equipment*). Although orders were placed in 2018/19 for these items, no invoices were received by 31 March 2019.
- *Virement*: The department undertook a number of virements within the various grants, hence these movements are not visible in Table 7.29. Note that these movements are included in the movements already discussed at programme level. Table 7.30 shows a summary of the movements and these are discussed per grant below:

- o The virements in the HIV, TB, Malaria and Community Outreach grant within Programme 2 at economic classification level were direct results of the revision of the grant business plan, as follows:
 - ARV medicine was under-budgeted and thus the department was unable to fill posts while the grant was showing overall pressure. Savings of R170.909 million from the non-filling of posts under *Compensation of employees* were redirected to cover the under-budgeted ARV medicine under *Goods and services*.
 - Further savings of R4.185 million in *Compensation of employees* were due to delays in the appointment of Environmental Health staff forming part of the Malaria component of the grant. These savings were redirected to *Machinery and equipment* in line with the revised business plan, to purchase computer equipment for the Environmental Health unit.
 - Savings of R890 000 were identified against *Transfers and subsidies to: Households* due to over-budgeting for staff exit costs. These savings were also moved to *Machinery and equipment* in line with the revised business plan.
- o The virements within the Health Facilities Revitalisation grant were mainly to align the budget with the revised business plan and these details are as follows:
 - Savings of R97.510 million were identified against *Machinery and equipment* related to slower than expected delivery of medical equipment for PKISMH.
 - These savings were moved to *Buildings and other fixed structures* (R39.478 million) to address pressures from the variation order at PKISMH. The balance of R58.032 million was moved to *Goods and services* to address backlogs in maintenance.
- o There were movements in the Health Professions Training and Development grant, to align the budget to the original business plan, where there were some minor discrepancies. The movements involved R132 000 over-stated against *Compensation of employees*, with R90 000 moved to *Goods and services* and R42 000 to *Machinery and equipment*.
- o With regard to the HPV Vaccine grant, savings of R21.736 million were identified against *Goods and services* due to the decision to change the target group from Grade 4 to Grade 5. Most of the Grade 5 cohort were vaccinated in 2018, hence the under-spending. This funding was moved to *Compensation of employees* (R18.867 million) for the appointment of additional staff and *Machinery and equipment* (R2.869 million) for vaccine fridges. Subsequent to this move, it was announced that the grant would be reduced by R15.192 million (see under *Other adjustments*) and the reduction was made against *Compensation of employees*.
- o With regard to the National Tertiary Services grant, savings of R50 000 were identified under *Transfers and subsidies to: Households* due to over-budgeting for staff exit costs, and were moved to *Goods and services* (R32 000) to address pressures in NHLS costs and to *Machinery and equipment* (R18 000) for minor carry-over costs from 2018/19 for medical equipment.

These virements are permissible in terms of the PFMA and Treasury Regulations. The decrease in *Capital* does not require Legislature approval, as capital for the Vote as a whole has increased.

- *Shifts*: R122.315 million was shifted within *Compensation of employees* from Programme 1 to Programme 4. The entire budget for the HR Capacitation grant was placed under Programme 1 in the 2019/20 *EPRE*, while awaiting the finalisation of the business plan and the appointment and linking of staff to programmes. This amount will be used for Registrar posts in Programme 4 under the General (Regional) Hospitals sub-programme. The purpose of the funds remains unchanged.
- *Other adjustments*: The grant allocation was increased by R109.598 million as follows:
 - o R55.376 million additional funding was allocated against *Compensation of employees* in Programme 2 for the NHI grant for the contracting of health professionals. This grant was converted from being an indirect grant held by NDOH to a direct grant to provinces. This function was administered at national level, while the contracting was done at the provincial level, with the requirement that provinces submit claims for the funds. As such, funds for this sub-component were transferred to provinces as they are already implementing the function.

- o Additional funding of R69.414 million received for the HR Capacitation grant was allocated to *Compensation of employees* in Programme 2 to assist provinces to meet their salary obligations for the posts they have already filled under this grant. Funds were reprioritised from the indirect NHI grant held under NDOH, as well as from the HPV Vaccine grant held by provinces.
- o The HPV Vaccine grant was reduced in Programme 2 by R15.192 million against *Compensation of employees* following the decision to change the target group from Grade 4 to Grade 5. Most of the Grade 5 cohort were vaccinated in 2018, hence the reduction in funding. This funding was redirected to the HR Capacitation grant, as mentioned.

9. Transfers and subsidies

Table 7.31 shows the summary of transfers and subsidies by programme and main category. Details of the main adjustments, which resulted in an overall increase of R23.412 million in the transfers and subsidies allocation, are provided in the paragraphs after the tables.

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

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
1. Administration	8 137	-	-	15 168	-	-	15 168	23 305
Provinces and municipalities	3 902	-	-	(254)	-	-	(254)	3 648
Motor vehicle licences	3 902	-	-	(254)	-	-	(254)	3 648
Departmental agencies and accounts	1	-	-	-	-	-	-	1
SABC - TV licences	1	-	-	-	-	-	-	1
Households	4 234	-	-	15 422	-	-	15 422	19 656
Staff exit costs	4 234	-	-	(130)	-	-	(130)	4 104
Other transfers to households		-	-	15 552	-	-	15 552	15 552
2. District Health Services	392 529	-	-	(14 029)	-	-	(14 029)	378 500
Provinces and municipalities	225 396	-	-	1	-	-	1	225 397
Motor vehicle licences		-	-	1	-	-	1	1
Municipal clinics	225 396	-	-	-	-	-	-	225 396
Departmental agencies and accounts	47	-	-	(18)	-	-	(18)	29
SABC - TV licences	47	-	-	(18)	-	-	(18)	29
Non-profit institutions	51 034	-	-	-	-	-	-	51 034
Non-profit institutions	51 034	-	-	-	-	-	-	51 034
Households	116 052	-	-	(14 012)	-	-	(14 012)	102 040
Staff exit costs	71 052	-	-	(8 459)	-	-	(8 459)	62 593
Other transfers to households	45 000	-	-	(5 553)	-	-	(5 553)	39 447
3. Emergency Medical Services	5 609	-	-	(1 766)	-	-	(1 766)	3 843
Provinces and municipalities	2 793	-	-	(96)	-	-	(96)	2 697
Motor vehicle licences	2 793	-	-	(96)	-	-	(96)	2 697
Departmental agencies and accounts	2	-	-	(2)	-	-	(2)	-
SABC - TV licences	2	-	-	(2)	-	-	(2)	-
Households	2 814	-	-	(1 668)	-	-	(1 668)	1 146
Staff exit costs	1 778	-	-	(738)	-	-	(738)	1 040
Other transfers to households	1 036	-	-	(930)	-	-	(930)	106
4. Provincial Hospital Services	88 509	-	-	24 601	-	-	24 601	113 110
Departmental agencies and accounts	93	-	-	7	-	-	7	100
SABC - TV licences	93	-	-	7	-	-	7	100
Non-profit institutions	5 479	-	-	-	-	-	-	5 479
Non-profit institutions	5 479	-	-	-	-	-	-	5 479
Households	82 937	-	-	24 594	-	-	24 594	107 531
Staff exit costs	32 937	-	-	1 150	-	-	1 150	34 087
Other transfers to households	50 000	-	-	23 444	-	-	23 444	73 444
5. Central Hospital Services	39 267	-	-	(13 111)	-	-	(13 111)	26 156
Departmental agencies and accounts	67	-	-	13	-	-	13	80
SABC - TV licences	67	-	-	13	-	-	13	80
Households	39 200	-	-	(13 124)	-	-	(13 124)	26 076
Staff exit costs	13 360	-	-	(2 497)	-	-	(2 497)	10 863
Other transfers to households	25 840	-	-	(10 627)	-	-	(10 627)	15 213
6. Health Sciences and Training	215 310	-	-	12 311	-	-	12 311	227 621
Departmental agencies and accounts	22 036	-	-	-	-	-	-	22 036
HWSETA	22 036	-	-	-	-	-	-	22 036
Households	193 274	-	-	12 311	-	-	12 311	205 585
Staff exit costs	2 358	-	-	(75)	-	-	(75)	2 283
Other transfers to households	190 916	-	-	12 386	-	-	12 386	203 302
7. Health Care Support Services	778	-	-	238	-	-	238	1 016
Households	778	-	-	238	-	-	238	1 016
Staff exit costs	778	-	-	238	-	-	238	1 016
8. Health Facilities Management	-	-	-	-	-	-	-	-
Total	750 139	-	-	23 412	-	-	23 412	773 551
Amount to be voted								23 412

- *Virement*: The department undertook the following virements affecting transfers and subsidies:
 - Programme 1 was increased by a net amount of R15.168 million, as follows:
 - *Provinces and municipalities* was reduced by R254 000 due to over-budgeted motor vehicle licensing costs. The funds were moved within the programme to *Machinery and equipment*.
 - A net amount of R15.422 million was moved within Programme 1 to *Households*, mainly from *Goods and services*, with R15.552 million moved to address under-budgeted claims against the department due to a legal claim from a security contractor related to a dispute regarding price increases. In addition, there was a movement of R130 000 within the same category from staff exit costs due to over-budgeting.
 - Programme 2 was decreased by R14.029 million, as follows:
 - *Provinces and municipalities* was increased by R1 000 for the PDP licence renewals.
 - *Departmental agencies and accounts* was reduced by R18 000 due to over-budgeting for TV licences. The funding was moved within the programme to *Provinces and municipalities* to address PDP licence renewals (R1 000), and R17 000 was moved to offset pressures under *Goods and services*, as mentioned.
 - *Households* was decreased by R14.012 million due to lower than expected costs for medico-legal claims and staff exit costs. The funding was moved within the programme to *Goods and services* for increased costs of outsourced security services and increased contract prices for cleaning services, as well as municipal domestic charges.
 - Programme 3 was reduced by R1.766 million, with all funding moved to *Households* in Programme 6 to address pressures in bursary payments. These reductions were as follows:
 - *Provinces and municipalities* was decreased by R96 000 due to over-budgeting for motor vehicle licence fees.
 - *Departmental agencies and accounts* was decreased by R2 000 attributed to over-budgeting for TV licences.
 - *Households* was decreased by R1.668 million as a result of lower than expected staff exit costs and medico-legal claims.
 - Programme 4 was increased by R24.601 million, as follows:
 - *Departmental agencies and accounts* was increased by R7 000 due to under-budgeting for TV licences. The funding was moved within the programme from *Machinery and equipment* related to delays in the acquisition of digital X-ray equipment for Radiology services due to the complexity of the specifications.
 - *Households* was increased by R24.594 million to cater mainly for higher than budgeted medico-legal claims. There was also an increase for under-budgeted staff exit costs. These were savings from the slow filling of posts within the programme.
 - Programme 5 was decreased by a net amount of R13.111 million, as follows:
 - *Departmental agencies and accounts* was increased by R13 000 due to under-budgeting for TV licences. The funding was moved within the programme from *Goods and services* related to reduced costs for the PPP at IALCH due to carry-over costs from 2018/19 not materialising, as they were fully paid in 2018/19.
 - *Households* was reduced by R13.124 million due to over-budgeting for staff exit costs and medico-legal claims. The funds were moved within the programme to *Machinery and equipment* to pay for linear accelerators ordered in 2018/19, but only delivered in 2019/20.
 - Programme 6 was increased by a net amount of R12.311 million, as follows:
 - *Households* was increased by R12.386 million for higher than budgeted bursary payments, with savings from Programme 4 against *Machinery and equipment* and Programme 3 under various *Transfers and subsidies* economic classifications.
 - This was offset by R75 000 moved within the category and within the programme from staff exit costs due to over-budgeting, to fund higher than budgeted bursary payments.

- o Programme 7 increased by R238 000 against *Households*, due to higher staff exit costs than expected. The movement was within the programme from *Compensation of employees* due to delays in filling of posts.

All of these virements are permissible in terms of the PFMA and Treasury Regulations. The reductions in transfers do not require Legislature approval as the transfers were not gazetted for a specific institution.

10. Transfers to local government

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

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

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

Table 7.32 : Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
A	KZN2000 eThekweni	225 396	-	-	-	-	-	225 396
Total		225 396	-	-	-	-	-	225 396
Amount to be voted								-

11. Actual payments and revised spending projections for the rest of 2019/20

Tables 7.33 and 7.34 reflect actual payments as at the end of September 2019, 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 2018/19 Audited outcome.

The department spent 48.5 per cent of its Adjusted appropriation in the first six months, which is largely on track, despite the additional funding of R109.598 million, as well as the roll-over of R5.260 million. The projections for the second half of the year include the R109.598 million allocated to *Compensation of employees* in Programme 2, as well as the R5.260 million allocated to *Goods and services* (R3.170 million) and *Machinery and equipment* (R2.090 million). The department is projecting a balanced budget at year-end.

Table 7.33 : Actual payments and revised spending projections by programme

R thousand	2018/19 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2019 - September 2019	October 2019 - March 2020	October 2019 - March 2020		
			% of budget		% of budget		
1. Administration	810 858	811 045	415 918	51.3	395 127	48.7	811 045
2. District Health Services	20 802 064	22 568 220	11 108 302	49.2	11 459 918	50.8	22 568 220
3. Emergency Medical Services	1 446 650	1 571 046	738 797	47.0	832 249	53.0	1 571 046
4. Provincial Hospital Services	10 964 094	11 449 357	5 706 506	49.8	5 742 851	50.2	11 449 357
5. Central Hospital Services	5 098 203	5 280 198	2 540 764	48.1	2 739 434	51.9	5 280 198
6. Health Sciences and Training	1 181 630	1 343 637	675 105	50.2	668 532	49.8	1 343 637
7. Health Care Support Services	485 637	317 359	(50 384)	(15.9)	367 743	115.9	317 359
8. Health Facilities Management	1 760 694	1 810 974	783 442	43.3	1 027 532	56.7	1 810 974
Total	42 549 830	45 151 836	21 918 450	48.5	23 233 386	51.5	45 151 836

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

R thousand	2018/19 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2019 - September 2019	% of budget	October 2019 - March 2020	% of budget	
Current payments	39 684 474	42 381 329	20 881 958	49.3	21 499 371	50.7	42 381 329
Compensation of employees	26 336 189	28 408 488	14 004 491	49.3	14 403 997	50.7	28 408 488
Goods and services	13 342 400	13 971 832	6 876 666	49.2	7 095 166	50.8	13 971 832
Interest and rent on land	5 885	1 009	801	79.4	208	20.6	1 009
Transfers and subsidies to:	1 106 595	773 551	351 752	45.5	421 799	54.5	773 551
Provinces and municipalities	219 387	231 742	34 595	14.9	197 147	85.1	231 742
Departmental agencies and accounts	21 157	22 246	22 167	99.6	79	0.4	22 246
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	62 473	56 513	26 658	47.2	29 855	52.8	56 513
Households	803 578	463 050	268 332	57.9	194 718	42.1	463 050
Payments for capital assets	1 758 330	1 996 956	684 740	34.3	1 312 216	65.7	1 996 956
Buildings and other fixed structures	1 249 066	899 373	423 875	47.1	475 498	52.9	899 373
Machinery and equipment	509 264	1 097 583	260 865	23.8	836 718	76.2	1 097 583
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	431	-	-	-	-	-	-
Total	42 549 830	45 151 836	21 918 450	48.5	23 233 386	51.5	45 151 836

Table 7.A : Summary by economic classification : Health

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	42 316 279	3 170	-	(47 718)	-	109 598	65 050	42 381 329
Compensation of employees	28 942 177	-	-	(643 287)	-	109 598	(533 689)	28 408 488
Salaries and wages	25 293 900	-	-	(552 118)	-	109 598	(442 520)	24 851 380
Social contributions	3 648 277	-	-	(91 169)	-	-	(91 169)	3 557 108
Goods and services	13 373 683	3 170	-	594 979	-	-	598 149	13 971 832
Administrative fees	2 615	-	-	1 184	-	-	1 184	3 799
Advertising	50 732	-	-	(36 752)	-	-	(36 752)	13 980
Minor assets	51 293	-	-	(14 044)	-	-	(14 044)	37 249
Audit cost: External	23 507	-	-	538	-	-	538	24 045
Bursaries: Employees	2 714	-	-	1 681	-	-	1 681	4 395
Catering: Departmental activities	6 203	-	-	485	-	-	485	6 688
Communication (G&S)	119 185	-	-	(15 913)	-	-	(15 913)	103 272
Computer services	174 004	-	-	(57 396)	-	-	(57 396)	116 608
Cons. & prof serv: Business and advisory services	53 296	-	-	114 544	-	-	114 544	167 840
Infrastructure and planning	2 112	-	-	(2 112)	-	-	(2 112)	-
Laboratory services	2 190 991	-	-	105 197	-	-	105 197	2 296 188
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	40 422	-	-	73 509	-	-	73 509	113 931
Contractors	253 441	-	-	(38 921)	-	-	(38 921)	214 520
Agency and support / outsourced services	1 157 777	-	-	(76 596)	-	-	(76 596)	1 081 181
Entertainment	8	-	-	(6)	-	-	(6)	2
Fleet services (incl gov't motor transport)	389 929	-	-	(24 251)	-	-	(24 251)	365 678
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	27 366	-	-	(6 135)	-	-	(6 135)	21 231
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	140 010	-	-	(15 004)	-	-	(15 004)	125 006
Inventory: Fuel, oil and gas	89 797	-	-	14 585	-	-	14 585	104 382
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	18 777	-	-	(2 977)	-	-	(2 977)	15 800
Inventory: Medical supplies	1 767 346	10	-	40 706	-	-	40 716	1 808 062
Inventory: Medicine	3 796 689	-	-	157 879	-	-	157 879	3 954 568
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	215 359	-	-	(13 371)	-	-	(13 371)	201 988
Consumable supplies	121 794	-	-	13 229	-	-	13 229	135 023
Consumable: Stationery, printing and office supplies	105 950	-	-	(11 640)	-	-	(11 640)	94 310
Operating leases	139 941	-	-	10 930	-	-	10 930	150 871
Property payments	2 206 749	-	-	370 503	-	-	370 503	2 577 252
Transport provided: Departmental activity	77 326	-	-	(2 145)	-	-	(2 145)	75 181
Travel and subsistence	90 306	3 160	-	(7 432)	-	-	(4 272)	86 034
Training and development	21 124	-	-	10 740	-	-	10 740	31 864
Operating payments	34 800	-	-	1 503	-	-	1 503	36 303
Venues and facilities	2 120	-	-	(1 407)	-	-	(1 407)	713
Rental and hiring	-	-	-	3 868	-	-	3 868	3 868
Interest and rent on land	419	-	-	590	-	-	590	1 009
Interest	419	-	-	590	-	-	590	1 009
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	750 139	-	-	23 412	-	-	23 412	773 551
Provinces and municipalities	232 091	-	-	(349)	-	-	(349)	231 742
Provinces	6 695	-	-	(349)	-	-	(349)	6 346
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	6 695	-	-	(349)	-	-	(349)	6 346
Municipalities	225 396	-	-	-	-	-	-	225 396
Municipalities	225 396	-	-	-	-	-	-	225 396
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 246	-	-	-	-	-	-	22 246
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	22 246	-	-	-	-	-	-	22 246
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	56 513	-	-	-	-	-	-	56 513
Households	439 289	-	-	23 761	-	-	23 761	463 050
Social benefits	126 497	-	-	(10 511)	-	-	(10 511)	115 986
Other transfers to households	312 792	-	-	34 272	-	-	34 272	347 064
Payments for capital assets	1 970 560	2 090	-	24 306	-	-	26 396	1 996 956
Buildings and other fixed structures	786 945	-	-	112 428	-	-	112 428	899 373
Buildings	786 945	-	-	100 167	-	-	100 167	887 112
Other fixed structures	-	-	-	12 261	-	-	12 261	12 261
Machinery and equipment	1 183 615	2 090	-	(88 122)	-	-	(86 032)	1 097 583
Transport equipment	238 711	-	-	13 676	-	-	13 676	252 387
Other machinery and equipment	944 904	2 090	-	(101 798)	-	-	(99 708)	845 196
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	45 036 978	5 260	-	-	-	109 598	114 858	45 151 836
Amount to be voted								114 858