

# Vote 11

## Co-operative Governance and Traditional Affairs

R thousand	2023/24			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	2 440 976	2 433 411	(7 565)	
MEC remuneration	2 037	2 098		61
<b>Total amount to be appropriated</b>	<b>2 443 013</b>	<b>2 435 509</b>	<b>(7 504)</b>	
<i>of which:</i>				
Current payments	2 346 901	2 289 048	(57 853)	
Transfers and subsidies	24 670	95 682		71 012
Payments for capital assets	71 442	50 779	(20 663)	
Payments for financial assets	-	-		
Responsible MEC	MEC for Co-operative Governance and Traditional Affairs			
Administering department	Co-operative Governance and Traditional Affairs			
Accounting Officer	Head: Co-operative Governance and Traditional Affairs			

### 1. Vision and mission

#### Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *Capable and co-operative governance for sustainable service delivery.*

#### Mission

The department's mission statement is: *To co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities.*

### 2. Strategic outcomes

The department's strategic policy direction is to:

- Improve municipal and traditional institutional capacity.
- Improve co-ordination of service delivery.
- Improve institutional capacity.

### 3. Summary of the adjustments estimate for 2023/24

The main appropriation of the Department of Co-operative Governance and Traditional Affairs (COGTA) was R2.443 billion in 2023/24. Some adjustments were made to the department's budget and this resulted in a net decrease of R7.504 million. Thus, the adjusted appropriation of the department is R2.436 billion.

The department was not allocated funding in respect of the carry-through costs of the 2023 wage agreement which was implemented on 1 April 2023 as the national and provincial fiscus is unable to assist with any additional funding. The department will be able to absorb the costs in the current budget due to savings from an internal moratorium on the filling of vacant posts in Programme 1: Administration and Programme 3: Development and Planning. However, the department has reprioritised to absorb the wage cost in Programme 2: Local Governance and Programme 4: Traditional Institutional Management, as these programmes do not have sufficient savings under *Compensation of employees*.

The department undertook several budget adjustments, as explained below, and detailed in Section 4:

- *Roll-overs*: An amount of R2.496 million was rolled over from 2022/23 to 2023/24 for the provision of water in hot spot areas in the iLembe District Municipality. These donor funds were received from the African Union (AU) and allocated to OTP in 2022/23 to assist with water distribution to communities after the April 2022 flood disaster. These donor funds were not utilised by OTP in 2022/23. The funds were allocated to OTP in the Adjustments Estimate in November 2022 and the consultation process with the municipalities and COGTA on the determination of the greatest need of water in the province took longer than expected. As these funds were specifically and exclusively allocated, a roll-over was requested for the utilisation of these funds, but OTP indicated that the funds should be allocated to COGTA in 2023/24, as they are now responsible for this project. The funds were allocated against *Transfers and subsidies to: Provinces and municipalities* under Programme 3 for transfer to the iLembe District Municipality.
- *Virement between programmes*: The department undertook various virements between programmes, as follows:
  - o Savings of R21.936 million were realised under Programme 1, mainly against:
    - *Compensation of employees* resulting from the department placing an internal moratorium on the filling of vacant posts to fund various service delivery programmes (such as electrification projects in various municipalities) within the department. This moratorium was implemented at the beginning of the financial year until December 2023. The department will not fill 23 vacant posts that were budgeted to be filled but not for the full year under this programme, including posts such as Drivers/Messengers, Transport Officers, Assistant Director: Physical Security, Risk Management Officer, Accounting Clerk: Capturer, Chief Accounting Clerk: Creditors, Financial Officers: Financial Accounting, Director: SCM, Chief Director: Monitoring and Evaluation, Deputy Directors: Compliance, Monitoring and Evaluation, and Recruitment and Selection, Remuneration Officer, Registry Clerks: Human Resource Management and Development, etc. It should be noted that there were sufficient savings under this programme from vacant posts to cater for the unfunded cost of the 2023 wage agreement.
    - *Goods and services* mainly due to the following:
      - With regard to the maintenance of office buildings, there were delays in the appointment of service providers for the planned renovations at the department's Mayville offices, and these renovations include water proofing the roof, renovations to the canteen and some offices, among others. According to the department, the Bid Evaluation Committee (BEC) took longer than anticipated to meet as they did not sit for three months from April to June 2023 and only met in July 2023. The hand-over of the project was done in September 2023, and the first phase was completed on 20 October 2023. The second phase will commence in the third quarter and funds will be reprioritised in-year in this regard.
      - The department purchased a house at 42 Temple Street in Pietermaritzburg to be used as departmental offices where this purchase was paid for in 2022/23 but was budgeted for in 2023/24, and hence the savings. The funds were initially budgeted for under *Goods and services* pending the purchase of the house, whereafter the funds were to be shifted to *Buildings and other fixed structures*.
      - CFO support projects, where Provincial Treasury will be assisting the department with the AFS support, and the department will no longer use consultants, hence the savings.
      - The IT strategies project, which entails the alignment of all of the department's ICT projects to objectives and key performance indicators, will not be undertaken for the full amount that was budgeted for, as the budget was over-estimated. Also, the project had not started by mid-year, and the commencement date is not certain, as the procurement processes are moving slower than anticipated. The department indicated that the project has subsequently been postponed to 2024/25. As such, the funds were reprioritised to other projects, such as the e-Leave and e-Submission projects.
  - o Savings of R23.893 million were realised under Programme 3 mainly against the following:

- *Compensation of employees* as a result of the internal moratorium on the filling of vacant posts to fund various service delivery programmes, as explained. It is noted that there were sufficient savings under this programme from vacant posts to cater for the unfunded cost of the 2023 wage agreement.
- *Goods and services* mainly due to various projects that are unlikely to be implemented/fully implemented in the current year, namely Massification (including electrification) and Small Town Rehabilitation projects in various municipalities, as well as the maintenance of Community Service Centres (CSCs) and *Imizi Yezizwe* (houses for *Amakhosi*), among others. This was mainly due to enforced savings to provide for other areas of spending pressures. Also, savings were realised from the KwaXolo Caves project and the development of a geospatial land register and application management system that have not yet commenced, and the department thus has put the commencement of the projects on hold, in order to cater for urgent service delivery projects.
- *Buildings and other fixed structures* also due to various projects that are unlikely to be implemented/fully implemented in the current year, as a result of the slow movement on new construction, refurbishment and rehabilitation projects, and changes needed to be made to the implementation plan for *Imizi Yezizwe* from a transfer to in-house implementation. The department had budgeted for the construction of *Imizi Yezizwe* under this category in the main budget but had planned to undertake a shift to the beneficiaries' traditional trust and levies account. However, this was found to be too risky due to the current capacity of Traditional Councils (TCs). It was for this reason that these projects were agreed to be implemented internally. In addition, various other projects including the Mbila, Mondli, Cele K, Masihabisane, Macambini and Amaqadi CSCs, Fodo, Xaba, Shiyabanye, Madlebe and the Mpungose TACs might not be fully implemented in the current year due to lengthy procurement processes.

The total savings of R45.829 million were moved, as follows:

- o R17.053 million was moved to Programme 2, as follows:
  - R4.223 million was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement that the department did not receive funding for, as explained.
  - R11.670 million was moved to *Goods and services* to mainly cater for the appointment of service providers pertaining to the revenue and debt management project, which was under-budgeted for. The department had initially budgeted R3 million for this project.
  - R1.142 million was moved to *Transfers and subsidies to: Households* to cater for higher than budgeted staff exit costs, as well as claims against the state in respect of an arbitration case against the department concerning two officials, which was not anticipated.
  - R18 000 was moved to *Machinery and equipment* for the payment of invoices from 2022/23 for the procurement of office furniture.
- o R28.776 million was moved to Programme 4, as follows:
  - R5.326 million was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement, as well as the salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R22.804 million was moved to *Goods and services* to cater for the increase in respect of TC secretaries' stipends (from R6 000 budgeted for in the main budget to R8 000 per month) and the salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R26 000 was moved to *Transfers and subsidies to: Households* to cater for staff exit costs which were higher than budgeted.
  - R620 000 was moved to *Machinery and equipment* for the payment of invoices from 2022/23 for the procurement of office furniture.

The department undertook further virements between sub-programmes and economic categories within programmes, and details are provided under Section 4. The increase against *Transfers and subsidies to: Provinces and municipalities* was approved by Provincial Treasury in line with Treasury Regulation 6.3.1(b). All of these virements are permissible in terms of the PFMA, Treasury Regulations, as well as the National Treasury guidelines.

The decrease against *Buildings and other fixed structures* does not require Legislature approval in terms of Section 43(4)(c) of the PFMA, as the funds of R16.679 million remained within capital against *Infrastructure transfers: Capital*.

The reduction of R2.713 million against *Machinery and equipment* requires Legislature approval in terms of Section 43(4)(c) of the PFMA because capital for the Vote as a whole decreases. There are also some reductions within *Transfers and subsidies to: Provinces and municipalities* and *Transfers and subsidies to: Higher education institutions* in respect of the transfer to the University of KwaZulu-Natal (UKZN) that need Legislature approval in terms of Section 43(4)(b) of the PFMA.

- *Shifts*: No shifts were undertaken across programmes. However, a shift was undertaken between economic classifications within Programme 1, as explained in Section 4.
- *Other adjustments*: The department's budget allocation was decreased by an amount of R10 million, for allocation to Vote 9: Community Safety and Liaison in respect of the provincial Crime Fighting Initiative, as announced by the Honourable Premier in the 2023 SOPA. The cut was effected under Programme 1, against *Compensation of employees* due to an internal moratorium on the filling of vacant posts implemented at the beginning of the financial year until December 2023.

Tables 11.1 and 11.2 reflect a summary of the 2023/24 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 11: COGTA*.

**Table 11.1 : Summary by programmes**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	454 095	-	-	(21 936)	-	(10 000)	(31 936)	422 159
2. Local Governance	322 551	-	-	17 053	-	-	17 053	339 604
3. Development and Planning	434 051	2 496	-	(23 893)	-	-	(21 397)	412 654
4. Traditional Institutional Management	1 232 316	-	-	28 776	-	-	28 776	1 261 092
<b>Total</b>	<b>2 443 013</b>	<b>2 496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 000)</b>	<b>(7 504)</b>	<b>2 435 509</b>
<b>Amount to be voted</b>								<b>(7 504)</b>

**Table 11.2 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>2 346 901</b>	<b>-</b>	<b>-</b>	<b>(49 124)</b>	<b>1 271</b>	<b>(10 000)</b>	<b>(57 853)</b>	<b>2 289 048</b>
Compensation of employees	824 765	-	-	(33 879)	-	(10 000)	(43 879)	780 886
Goods and services	1 522 136	-	-	(15 245)	1 271	-	(13 974)	1 508 162
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>24 670</b>	<b>2 496</b>	<b>-</b>	<b>68 516</b>	<b>-</b>	<b>-</b>	<b>71 012</b>	<b>95 682</b>
Provinces and municipalities	16 600	2 496	-	68 224	-	-	70 720	87 320
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Higher education institutions	1 280	-	-	(1 280)	-	-	(1 280)	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	250	-	-	-	-	-	-	250
Households	6 540	-	-	1 572	-	-	1 572	8 112
<b>Payments for capital assets</b>	<b>71 442</b>	<b>-</b>	<b>-</b>	<b>(19 392)</b>	<b>(1 271)</b>	<b>-</b>	<b>(20 663)</b>	<b>50 779</b>
Buildings and other fixed structures	39 969	-	-	(16 679)	-	-	(16 679)	23 290
Machinery and equipment	15 131	-	-	(2 713)	-	-	(2 713)	12 418
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	16 342	-	-	-	(1 271)	-	(1 271)	15 071
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 443 013</b>	<b>2 496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 000)</b>	<b>(7 504)</b>	<b>2 435 509</b>
<b>Amount to be voted</b>								<b>(7 504)</b>

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

The department has not changed the purpose of any of its programmes, which largely conform to the sector specific programme and budget structure for the COGTA sector for 2023/24. The department obtained approval from National Treasury on 22 June 2018 to deviate from the said structure from 2019/20 onward. The non financial data slightly differs from the tabled 2023/24 *EPRE*, and these changes are reflected in the “Revised target” column in the non financial tables. There are also some changes to the wording, shown in bold italics, as well as deletions, reflected by a strike-through. The department is now aligning the non financial information in the *EPRE* to the information in the APP.

##### 4.1 Programme 1: Administration

This programme comprises all support services within the department, the Office of the MEC and all special projects. Tables 11.3 and 11.4 reflect a summary of the 2023/24 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 R31.936 million, are given in the paragraphs below the tables.

**Table 11.3 : 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	15 383			7 969			7 969	23 352
2. Corporate Services	438 712			(29 905)		(10 000)	(39 905)	398 807
<b>Total</b>	<b>454 095</b>	<b>-</b>	<b>-</b>	<b>(21 936)</b>	<b>-</b>	<b>(10 000)</b>	<b>(31 936)</b>	<b>422 159</b>
Amount to be voted								<b>(31 936)</b>

**Table 11.4 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>425 791</b>	<b>-</b>	<b>-</b>	<b>(19 742)</b>	<b>1 271</b>	<b>(10 000)</b>	<b>(28 471)</b>	<b>397 320</b>
Compensation of employees	196 293			(11 844)		(10 000)	(21 844)	174 449
Goods and services	229 498			(7 898)	1 271		(6 627)	222 871
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>6 240</b>	<b>-</b>	<b>-</b>	<b>(790)</b>	<b>-</b>	<b>-</b>	<b>(790)</b>	<b>5 450</b>
Provinces and municipalities	900			(185)			(185)	715
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	5 340			(605)			(605)	4 735
<b>Payments for capital assets</b>	<b>22 064</b>	<b>-</b>	<b>-</b>	<b>(1 404)</b>	<b>(1 271)</b>	<b>-</b>	<b>(2 675)</b>	<b>19 389</b>
Buildings and other fixed structures				120			120	120
Machinery and equipment	5 722			(1 524)			(1 524)	4 198
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	16 342				(1 271)		(1 271)	15 071
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>454 095</b>	<b>-</b>	<b>-</b>	<b>(21 936)</b>	<b>-</b>	<b>(10 000)</b>	<b>(31 936)</b>	<b>422 159</b>
Amount to be voted								<b>(31 936)</b>

##### Virement – Programme 1: Administration: (R21.936 million)

The main appropriation of Programme 1 decreased by R21.936 million due to various virements which affected both sub-programmes, but mainly the Corporate Services sub-programme. In total, savings of R22.056 million were identified, as follows:

- Savings of R11.844 million were realised against *Compensation of employees* as a result of the internal moratorium on the filling of vacant posts implemented at the beginning of the financial year until December 2023, as discussed.
- Savings of R7.898 million were realised against *Goods and services* mainly due to various projects that are unlikely to be implemented/fully implemented in the current year, or were paid for in the prior year, namely maintenance of office buildings, the purchase of a house at 42 Temple Street in

Pietermaritzburg to be used as departmental offices which was paid for in 2022/23, the CFO support projects and the IT strategies project, as detailed earlier.

- Savings of R185 000 were realised against *Transfers and subsidies to: Provinces and municipalities* due to lower than budgeted motor vehicle licence fees.
- Savings of R605 000 were realised against *Transfers and subsidies to: Households* due to lower than budgeted bursaries costs as a result of delays with the submission of statements of accounts by the tertiary institutions, as well as staff exit costs that were lower than budgeted.
- Savings of R1.524 million were realised against *Machinery and equipment* in respect of computer equipment and furniture that will not be purchased due to enforced savings and reprioritisation toward service delivery projects. The enforced savings were possible as there were lower furniture and equipment requirements because of the internal moratorium, as indicated.

The total savings of R22.056 million were moved, as follows:

- R21.936 million was moved out of Programme 1, as follows:
  - R17.053 million was moved to Programme 2 mainly against *Goods and services* to cater for the appointment of service providers pertaining to the revenue and debt management project. Also, the funds were allocated to other economic categories to cater for the cost of the 2023 wage agreement, higher than budgeted staff exit costs, claims against the state in respect of an arbitration case against the department concerning two officials and for the payment of invoices from 2022/23 for the procurement of office furniture.
  - R4.883 million was moved to Programme 4 against *Goods and services* to partially cater for the increase of TC secretaries' stipends and salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
- The balance of R120 000 was moved within Programme 1 against *Buildings and other fixed structures* for the purchase of guardhouses for the Mkondeni offices and Wadley House, which were higher than budgeted.

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

The reduction against *Machinery and equipment* requires Legislature approval in terms of Section 43(4)(c) of the PFMA because capital for the Vote as a whole decreases.

### Shifts – Programme 1: Administration

The department undertook a shift of R1.271 million under Programme 1 within the Corporate Services sub-programme, from *Software and other intangible assets* to *Goods and services* (computer services) in respect of Microsoft licences. This was reclassified in 2023/24 due to a SCOA classification review that indicated that the licences are capital in nature as they extend beyond a 12-month period. However, after careful scrutiny, it was determined that the licences were for a period of 12 months only, and hence the funds were shifted back to *Goods and services*. The licences are in respect of the Environmental Systems Research Institute (ESRI) licence, Mimecast licence, Exinda licence, Symantec licence and Secure Sockets Layer (SSL) licence. The purpose of these funds remains the same.

### Other adjustments – Programme 1: Administration: (R10 million)

Programme 1's budget was decreased by R10 million, from the sub-programme: Corporate Services against *Compensation of employees* for movement to DCSL in respect of the provincial Crime Fighting Initiative. The savings were due to the internal moratorium on the filling of vacant posts implemented at the beginning of the financial year until December 2023.

## 4.2 Programme 2: Local Governance

The purpose of this programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government. Tables 11.5 and 11.6 reflect a summary of

the 2023/24 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 R17.053 million, are provided in the paragraphs after the tables.

Table 11.5 : Programme 2: Local Governance

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Municipal Administration	55 750			4 441			4 441	60 191
2. Municipal Finance	30 505			4 318			4 318	34 823
3. Public Participation	185 433			11 821			11 821	197 254
4. Capacity Development	10 313			(1 190)			(1 190)	9 123
5. Municipal Perf. Monitoring, Reporting and Evaluation	40 550			(2 337)			(2 337)	38 213
<b>Total</b>	<b>322 551</b>	<b>-</b>	<b>-</b>	<b>17 053</b>	<b>-</b>	<b>-</b>	<b>17 053</b>	<b>339 604</b>
Amount to be voted								<b>17 053</b>

Table 11.6 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>321 539</b>	<b>-</b>	<b>-</b>	<b>15 893</b>	<b>-</b>	<b>-</b>	<b>15 893</b>	<b>337 432</b>
Compensation of employees	271 352			4 223			4 223	275 575
Goods and services	50 187			11 670			11 670	61 857
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>1 142</b>	<b>-</b>	<b>-</b>	<b>1 142</b>	<b>1 692</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	550			1 142			1 142	1 692
<b>Payments for capital assets</b>	<b>462</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>480</b>
Buildings and other fixed structures							-	-
Machinery and equipment	462			18			18	480
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>322 551</b>	<b>-</b>	<b>-</b>	<b>17 053</b>	<b>-</b>	<b>-</b>	<b>17 053</b>	<b>339 604</b>
Amount to be voted								<b>17 053</b>

### Virement – Programme 2: Local Governance: R17.053 million

The main appropriation of Programme 2 was increased by R17.053 million as a result of the following virements, which affected three sub-programmes: Municipal Administration, Municipal Finance and Public Participation:

- Savings of R17.053 million were realised in Programme 1 mainly due to savings from *Compensation of employees* as a result of the internal moratorium on filling vacant posts implemented at the beginning of the financial year until December 2023, and *Goods and services* due to various projects that are unlikely to be implemented/fully implemented in the current year, as discussed earlier.

The total savings of R17.053 million were moved to the sub-programmes: Municipal Administration, Municipal Finance and Public Participation in Programme 2, as follows:

- R4.223 million was moved to *Compensation of employees* to cater for the 2023 wage agreement.
- R11.670 million was moved to *Goods and services* to mainly cater for the appointment of service providers pertaining to the revenue and debt management project, which was under-budgeted for.
- R1.142 million was moved to *Transfers and subsidies to: Households* to cater for higher than budgeted staff exit costs, as well as claims against the state in respect of an arbitration case against the department concerning two officials, which was not anticipated.
- R18 000 was moved to *Machinery and equipment* for the payment of invoices from 2022/23 for the procurement of office furniture.

Further virements across sub-programmes and within economic categories were undertaken under this programme. These virements are permissible in terms of the PFMA.

**Service delivery measures – Programme 2: Local Governance**

Table 11.7 shows the service delivery information for Programme 2 as per the 2023/24 APP of COGTA, as well as the actual achievements for the first six months of the year.

Some targets were adjusted under the Revised target column to align the targets in the *EPRE* to the department's tabled APP. Also, three new measures were added to the department's APP, which were not included in the *EPRE*. The outputs are shown as "New" in the Original target column. Some targets were removed to align them to the 2023/24 APP, and these are indicated by a strike-through.

Also, the wording of one target was amended to align it to the 2023/24 APP and this is reflected in bold and italics in the table. Some targets are not reported on at mid-year, as the department projects to undertake them in the fourth quarter.

**Table 11.7 : Service delivery measures – Programme 2: Local Governance**

Outputs		Performance indicators	Performance targets		
			2023/24 Original target	2023/24 Mid-year actual	2023/24 Revised target
<b>2.1. Municipal Performance, Monitoring, Reporting and Evaluation</b>					
2.1.1.	Municipalities supported with Performance Management Systems	• No. of municipalities supported to institutionalise PMS	54	28	
2.1.2.	Municipal performance reports compiled	• No. of Section 47 reports compiled as prescribed by the MSA	1	1	
2.1.3.	Municipal evaluations conducted	• No. of evaluation studies conducted	1	-	2
2.1.4.	Quarterly Municipal Performance assessments conducted in monitoring implementation of municipal IDPs and SDBIPs	• No. of municipalities assessed on municipal performance	54	54	
2.1.5.	Municipal support and intervention plans monitored	• No. of municipal support and intervention plans monitored	New	-	54
<b>2.2. Municipal Governance and Administration</b>					
2.2.1.	Municipal Administration support provided to municipalities	• No. of municipalities supported to comply with MSA Regulations on the appointment of Senior Managers	54	26	
2.2.2.	Oversight structures functional	• No. of municipalities supported to maintain functional oversight structures	54	26	
2.2.3.	Municipalities under intervention monitored in line with the municipal turnaround plans	• % of municipalities under intervention monitored in line with recovery plan	100%	100%	
2.2.4.	Performance assessment of ministerial representatives	• % of ministerial representatives assessed on performance	New	-	100%
<b>2.3. Municipal Finance</b>					
2.3.1.	Reduction of UIFW in municipalities	• No. of municipalities supported to reduce UIFW	54	27	
2.3.2.	Municipalities achieving unqualified audit outcomes	• No. of municipalities supported to achieve unqualified audit outcomes	54	-	
2.3.3.	Support municipalities with the reduction of Eskom debt	• No. of municipalities supported with the reduction of Eskom debt	3	6	
2.3.4.	Support municipalities with the reduction in consumer debt through active citizen participation	• No. of municipalities supported with the reduction of consumer debt	54	-	
2.3.5.	Reduction in government debt	• No. of municipalities supported to reduce government debt	54	-	
2.3.6.	Section 131 reports of the MFMA submitted	• No. of reports submitted on state of municipal finance in terms of Section 131 of the MFMA	1	1	-
2.3.7.	Municipalities guided to comply with MPRA	• No. of municipalities guided to comply with the MPRA	44	22	
2.3.8.	Municipalities monitored on the implementation of indigent policies	• No. of municipalities monitored on the implementation of indigent policies	53	20	54
2.3.9.	Identified municipalities supported to resolve unfunded budgets	• % of identified municipalities supported to resolve unfunded budgets	New	-	100%
<b>2.4. Public Participation</b>					
2.4.1.	Ward Committees Functional	• No. of municipalities supported to maintain functional ward committees	44	44	
2.4.2.	War Rooms Functional	• No. of War Rooms with CDWs functional	320	184	420
2.4.3.	Municipal <b>Rapid Response Teams</b> functional	• No. of municipal Rapid Response Teams functional	44	44	
2.4.4.	Municipalities monitored on the implementation of GBVF responsive programmes	• No. of municipalities monitored on the implementation of GBVF responsive programmes	54	27	
2.4.5.	Municipalities supported to promote participation in community-based local governance processes	• No. of municipalities supported to promote participation in community-based local governance processes	54	54	
2.4.6.	Municipalities supported to respond to community concerns	• No. of municipalities supported to respond to community concerns	44	22	
2.4.7.	Municipalities supported with the establishment of youth units	• No. of municipalities supported with the establishment of youth units	54	28	



**Table 11.7 : Service delivery measures – Programme 2: Local Governance**

Outputs	Performance indicators	Performance targets		
		2023/24 Original target	2023/24 Mid-year actual	2023/24 Revised target
<b>2.5. Capacity Building</b>				
2.5.1. Capacity building strategy developed and implemented	• No. of integrated capacity building strategy for local government implemented	1	1	
2.5.2. Capacity building interventions conducted in municipalities	• No. of capacity building interventions conducted in municipalities	16	8	
<b>2.6. Intergovernmental Relations</b>				
2.6.1. Districts and metro development hubs operational	• No. of districts and metro development hubs operational	11		
2.6.2. Technical clusters supported	• No. of Provincial Stakeholder Forums facilitated	8		
<b>2.7. IDP Co-ordination</b>				
2.7.1. Municipal IDPs aligned to One Plans (District Development Plans)	• No. of municipalities supported to align their IDPs to national, provincial and district priorities	54		
2.7.2. Traditional Authorities supported to participate in IDP process	• No. of municipalities supported to ensure participation of Traditional Authorities into the IDP process	11		
2.7.3. Municipalities with legally compliant IDPs	• No. of municipalities with legally compliant IDPs	54		

### 4.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. Tables 11.8 and 11.9 reflect a summary of the 2023/24 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 R21.397 million, are given in the paragraphs below the tables.

**Table 11.8 : Programme 3: Development and Planning**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Spatial Planning	44 543			(8 889)			(8 889)	35 654
2. Land Use Management	28 111			(958)			(958)	27 153
3. Local Economic Development	158 902			(31 850)			(31 850)	127 052
4. Municipal Infrastructure	142 749	2 496		18 398			20 894	163 643
5. Disaster Management	59 746			(594)			(594)	59 152
<b>Total</b>	<b>434 051</b>	<b>2 496</b>	<b>-</b>	<b>(23 893)</b>	<b>-</b>	<b>-</b>	<b>(21 397)</b>	<b>412 654</b>
<b>Amount to be voted</b>								<b>(21 397)</b>

**Table 11.9 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>375 185</b>	<b>-</b>	<b>-</b>	<b>(73 405)</b>	<b>-</b>	<b>-</b>	<b>(73 405)</b>	<b>301 780</b>
Compensation of employees	180 790			(31 584)			(31 584)	149 206
Goods and services	194 395			(41 821)			(41 821)	152 574
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>17 030</b>	<b>2 496</b>	<b>-</b>	<b>68 138</b>	<b>-</b>	<b>-</b>	<b>70 634</b>	<b>87 664</b>
Provinces and municipalities	15 700	2 496		68 409			70 905	86 605
Departmental agencies and accounts							-	-
Higher education institutions	1 280			(1 280)			(1 280)	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	50			1 009			1 009	1 059
<b>Payments for capital assets</b>	<b>41 836</b>	<b>-</b>	<b>-</b>	<b>(18 626)</b>	<b>-</b>	<b>-</b>	<b>(18 626)</b>	<b>23 210</b>
Buildings and other fixed structures	39 969			(16 799)			(16 799)	23 170
Machinery and equipment	1 867			(1 827)			(1 827)	40
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>434 051</b>	<b>2 496</b>	<b>-</b>	<b>(23 893)</b>	<b>-</b>	<b>-</b>	<b>(21 397)</b>	<b>412 654</b>
<b>Amount to be voted</b>								<b>(21 397)</b>

**Roll-overs – Programme 3: Development and Planning: R2.496 million**

Programme 3's budget increased by R2.496 million, being donor funding received from the AU to provide water in hot spot areas in the iLembe District Municipality. As explained, the funds were received from the AU and were allocated to OTP in 2022/23 to assist with water distribution to communities following the April 2022 flood disaster. These funds were not utilised by OTP in 2022/23 as the funds were allocated to OTP in the Adjustments Estimate in November 2022 and the consultation process with the municipalities and COGTA on the determination of the greatest need of water in the province took longer than expected. As these funds were specifically and exclusively allocated, a roll-over was requested, but OTP indicated that the funds should be allocated to COGTA in 2023/24, as they are now responsible for this project. The funds were allocated against *Transfers and subsidies to: Provinces and municipalities* under the sub-programme: Municipal Infrastructure.

**Virement – Programme 3: Development and Planning: (R23.893 million)**

The main appropriation of Programme 3 decreased by R23.893 million due to various virements which affected all sub-programmes, with the exception of the Municipal Infrastructure sub-programme. In total, savings of R93.311 million were identified in Programme 3, as follows:

- Savings of R31.584 million were realised against *Compensation of employees* as a result of the internal moratorium on the filling of vacant posts to fund various service delivery programmes.
- Savings of R41.821 million were realised against *Goods and services* mainly due to enforced savings against various projects that are unlikely to be implemented/fully implemented in the current year, namely Massification (including electrification) and Small Town Rehabilitation projects in various municipalities, as well as the maintenance of CSCs and *Imizi Yezizwe*, among others. This was mainly to provide funds to other areas of spending pressure. Also, savings were realised from the KwaXolo Caves project and the development of a geospatial land register and application management system that have not yet commenced, as discussed.
- Savings of R1.280 million were realised against *Transfers and subsidies to: Departmental agencies and accounts* in respect of funds to be transferred to UKZN, where four post-doctoral academic experts were to be contracted to undertake a programme of action to improve the resilience of human settlements through improved spatial planning and land use management in the province. The reduction is because UKZN has not finalised the appointment of the four post-doctoral students to undertake the project, and the funds will now be transferred in 2024/25.
- Savings of R16.799 million were realised against *Buildings and other fixed structures* due to the slow movement of CSC projects (both new construction and rehabilitation) in respect of new construction, refurbishment and rehabilitation projects, and changes needed to be made to the implementation plan for *Imizi Yezizwe* from a transfer to in-house implementation.
- Savings of R1.827 million were realised against *Machinery and equipment* due to delays in the procurement of office furniture and equipment as a result of the non-filling of vacant posts.

The total savings of R93.311 million were moved, as follows:

- R23.893 million was moved to Programme 4 to cater for the following:
  - R5.326 million was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement, as well as salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R17.921 million was moved to *Goods and services* to cater for the increase of TC secretaries' stipends and salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R26 000 was moved to *Transfers and subsidies to: Households* to cater for staff exit costs which were higher than budgeted.
  - R620 000 was moved to *Machinery and equipment* for the payment of invoices from 2022/23 for the procurement of office furniture.

- The balance of R69.418 million was moved within Programme 3, as follows:
  - R68.409 million was moved to *Transfers and subsidies to: Provinces and municipalities (Infrastructure transfers: Capital)*, as follows:
    - R21.609 million was moved to the Nquthu Local Municipality for electrification of 181 households at R8.545 million in Ward 1, 146 households at R6.187 million in Ward 2 and 166 households at R6.877 million in Ward 8. The Nquthu Local Municipality consists of some 32 622 households within its jurisdiction and is experiencing huge electrification backlogs within the Eskom supply area in respect of an estimated 7 000 households.
    - R20.700 million was moved to the Mkhambathini Local Municipality for the electrification of 252 households in Ward 2. The municipality has approximately 7 080 households without access to electricity. The municipality has prioritised Ward 2 to complete the electrification of households that were not electrified in the initial phase of the project.
    - R20.700 million was moved to the uMzumbe Local Municipality for the electrification of 500 households in Ward 20. The uMzumbe Local Municipality also has a high electrification backlog due to the expansion of previously electrified areas. If these households are not electrified timeously, there is a high risk of illegal connections, given that the electricity infrastructure is already in the vicinity of these households.
    - R4 million was moved relating to Disaster Management Centres in respect of the Ndwedwe Municipality (R3 million) for the construction of a fire and disaster management centre, and the Dr Nkosazana Dlamini-Zuma Municipality (R1 million) for the equipping of the existing disaster management centre with emergency communication and information management technology, and the procurement and fitting of furniture and operational appliances.
    - R1.400 million was moved in respect of the Small Town Rehabilitation programme for transfer to the Nquthu Local Municipality for the installation of solar street lights and high masts to assist with the improvement of security within the town.
  - R1.009 million was moved to *Transfers and subsidies to: Households* in respect of higher than budgeted staff exit costs.

It is noted that R8.600 million was reduced within *Transfers and subsidies to: Provinces and municipalities*, in respect of various Small Town Rehabilitation projects. There was a reduction of R3.700 million from the uMdoni Local Municipality, R3 million from Abaqulusi Local Municipality and R1.900 million from the Mtubatuba Local Municipality, due to the department shifting focus toward the most economically deprived municipalities. The total funds of R8.600 million were moved to the Nquthu Local Municipality within the Small Town Rehabilitation programme for the installation of solar street lights and high masts to assist with the improvement of security within the town. These movements are only visible in the *Transfers to local government* tables.

These virements are permissible in terms of the PFMA. The increase in transfers was approved by Provincial Treasury in terms of Treasury Regulation 6.3.1(b). The decrease in *Buildings and other fixed structures* does not require Legislature approval in terms of Section 43(4)(c) of the PFMA, as the decrease of R16.799 million remains within capital against *Infrastructure transfers: Capital*.

The reductions within *Transfers and subsidies to: Provinces and municipalities* require Legislature approval in terms of Section 43(4)(b) of the PFMA, as detailed in Table 11.22. The reduction in *Transfers and subsidies to: Higher education institutions* against UKZN needs Legislature approval in terms of Section 43(4)(b) of the PFMA. The reduction in *Machinery and equipment* needs Legislature approval in terms of Section 43(4)(c) of the PFMA as capital for the Vote as a whole decreases.

### Service delivery measures – Programme 3: Development and Planning

Table 11.10 shows the service delivery information for Programme 3 as per the 2023/24 APP and *EPRE* of COGTA, as well as the actual achievements for the first half of the year. The information reflected in the *EPRE* is largely aligned to the tabled APP, with the exception of some targets which are adjusted in the Revised target column to align the targets to the tabled APP. Also, some new measures were added

to the APP, which were not included in the *EPRE*. The outputs are shown as “New” in the Original target column. Some targets are no longer measured and these are indicated by a strike-through. Also, the wording of some targets were amended to align them to the APP and these are reflected in bold and italics in the table. Some targets are not reported on at mid-year, as the department projects to undertake them in the fourth quarter.

Table 11.10 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance targets		
		2023/24 Original target	2023/24 Mid-year actual	2023/24 Revised target
<b>3.1. Local Economic Development (Special initiatives)</b>				
3.1.1. Support functionality of DDAs	• No. of District Development Agencies supported to achieve 80% functionality	10	7	7
3.1.2. Monitor implementation of Municipal LED Strategies	• No. of municipal LED Strategies monitored for implementation	54	18	
3.1.3. Municipalities supported to implement the Provincial Small Town Revitalisation Strategy	• No. of Municipalities supported to implement the Provincial Small Town Revitalisation Strategy	3	-	4
3.1.4. Municipalities supported to develop package partnership strategies for project implementation opportunities that will create economic growth	• No. of municipalities supported to develop <del>package partnership strategies for project implementation</del> package development partnerships	4	-	6
3.1.5. <del>Municipalities monitored on the implementation of District Economic Recovery Plans</del>	• <del>No. of municipalities monitored on the implementation of District Economic Recovery Plans</del>	11	-	
3.1.6. Economically depressed municipalities supported with revitalisation	• No. of economically depressed municipalities supported with revitalisation	New	-	3
<b>3.2. Local Economic Development (CWP)</b>				
3.2.1. Work opportunities reported through Community Works Programme	• No. of work opportunities reported through Community Works Programme	45 000	-	
<b>3.3. Local Economic Development (EPWP)</b>				
3.3.1. Increase participation in public employment programmes	• No. of EPWP work opportunities created	500	-	
<b>3.4. Local Economic Development (CSCs)</b>				
3.4.1. CSCs rehabilitated/ maintained	• No. of identified CSCs rehabilitated/ maintained	8	-	
3.4.2. New CSCs at construction phase	• No. of new CSCs at construction phase	2	-	
3.4.3. Identified <i>Imizi Yezizwe</i> at construction phase maintained	• No. of identified <i>Imizi Yezizwe</i> at construction phase	6	-	
3.4.4. <del><i>Imizi Yezizwe</i> rehabilitated/ maintained</del>	• <del>No. of identified <i>Imizi Yezizwe</i> at construction phase</del>	6		
3.4.5. Municipalities and TCs supported with functionality	• No. of municipalities supported with Grade 1 CSCs functionality	23	23	
3.4.6. Municipalities and TCs supported with functionality	• No. of TCs supported with Grade 2 CSCs functionality	30	30	
<b>3.5. Spatial Planning</b>				
3.5.1. Provincial SDFs monitored for implementation	• No. of provincial SDFs monitored for implementation	1	1	
3.5.2. Municipalities supported with the implementation of SDFs	• No. of municipalities supported with the implementation of SDFs	54	27	
3.5.3. Municipalities supported with the implementation of Land Use Schemes	• No. of Municipalities supported with the implementation of Land Use Schemes	44	22	
3.5.4. <del>Districts/ Metro monitored on the implementation of One Plans</del>	• <del>No. of Districts/ Metro monitored on the implementation of One Plans</del>	11	-	
<b>3.6. Development Information Services</b>				
3.6.1. Provincial Integrated Land Information System implemented	• No. of functional Integrated Land Information Systems implemented	1	1	
3.6.2. Institutional GIS capacity strengthened	• No. of institutional GIS capacity strengthening programmes implemented	4	2	
<b>3.7. Land Use Management</b>				
3.7.1. Co-ordinated awareness programmes on the importance and impact of land use management <b>systems</b> and <b>planning</b>	• No. of awareness programmes on the importance and impact of land use management and planning conducted	4	2	
3.7.2. Municipalities supported to implement an effective Land Use Management system	• No. of municipalities supported to implement an effective Land Use Management system	44	44	
3.7.3. Provincial Land Use Management and Development Protocols developed	• No. of Provincial Land Use Management and Development protocols developed	1	-	

Table 11.10 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance targets		
		2023/24 Original target	2023/24 Mid-year actual	2023/24 Revised target
<b>3.8. Municipal Infrastructure</b>				
3.8.1. Infrastructure co-ordinating structures functional (water, sanitation task team, electricity task team, MIG forum)	• No. of infrastructure co-ordinating structures achieving 80% functionality	2	2	
3.8.2. Water Service Authorities monitored on implementation of the operation and maintenance	• No. of Water Service Authorities monitored on implementation of operation and maintenance	14	14	
3.8.3. Municipalities supported to increase provision of basic level of sanitation services	• % of MIG funded sanitation projects monitored for implementation	100%	100%	
3.8.4. Municipalities supported with the implementation of electrification programmes	• No. of municipalities supported with the implementation of electrification programmes	32	23	
3.8.5. Reduction in delays in water use licences approval	• % of water use licence applications monitored for approval	100%	100%	
3.8.6. Bulk water supply projects monitored for implementation	• % of regional bulk infrastructure projects monitored for implementation	100%	100%	
3.8.7. Alternative water resource supplies provided to municipalities	• No. of alternative water resource supply programmes implemented in municipalities	2	-	
3.8.8. Districts monitored on the spending of national grants	• No. of districts monitored on the spending of National Grants	10	-	
3.8.9. Municipalities supported with the implementation of the <b>Electricity Asset Management Framework</b>	• No. of municipalities supported with the implementation of the Electricity Asset Management Framework	24	15	
3.8.10. Municipalities monitored on the implementation of infrastructure delivery programmes	• No. of municipalities monitored on the implementation of infrastructure delivery programmes	53	37	
3.8.11. Water Master Plan Intervention Programmes implemented	• No. of Water Master Plan Intervention Programmes implemented	7	11	11
3.8.12. Municipalities monitored on the review of Water Service Development Plans	• No. of municipalities monitored on the review of Water Service Development Plans	13	14	14
3.8.13. Municipalities supported with the implementation of the <b>Electricity Master Plan</b>	• No. of municipalities supported with the implementation of the <b>Electricity Master Plan</b>	24	12	
3.8.14. Electricity Master Plan Reviewed	• No. of municipalities supported with the implementation of the Electricity Master Plan	24	12	
3.8.15. Municipalities supported with MIG planning	• No. of municipalities supported with MIG planning	54	-	
3.8.16. Municipalities supported towards MIG project registration	• % of municipalities supported towards MIG project registration	100%	-	
3.8.17. WSAs supported in the planning and implementation of WSIG	• % of WSAs supported in the planning and implementation of WSIG	100%	-	
3.8.18. COGTA infrastructure transfers and in-house projects monitored	• % of COGTA infrastructure transfers and in-house projects monitored	100%		
<b>3.9. Disaster Management</b>				
3.9.1. Municipalities supported to maintain functional disaster management centres	• No. of municipalities supported to maintain functional Disaster Management Centres	11	11	
3.9.2. Disaster management advisory forums held	• No. of provincial disaster management advisory forums held	4	2	3
3.9.3. Municipalities supported on fire brigade services	• No. of municipalities supported on fire brigade services	11	6	8
3.9.4. Districts and Metro supported with the development of disaster management policies <b>policy frameworks</b>	• No. of Districts and Metro supported with the development of disaster management policies <b>policy frameworks</b>	11	6	8
3.9.5. Municipalities supported to develop/review with disaster management plans <b>planning to incorporate incorporate</b> climate change adaptation <b>programmes</b>	• No. of municipalities supported with disaster management planning to incorporate climate change adaptation <b>programmes</b>	11	6	8
3.9.6. <b>Post</b> disaster emergency recovery grants monitored	• % of disaster emergency recovery <b>post disaster</b> grants monitored	100%	100%	
3.9.7. Contingency plan developed to manage future <b>seasonal</b> disasters	• No. of contingency plan developed to manage seasonal disasters	New	1	2
3.9.8. Integrated communication systems <b>installed</b>	• No. of integrated communication systems <b>installed</b>	New	1	1
3.9.9. Draft provincial disaster risk profiles developed for disaster-prone areas	• No. of draft provincial disaster risk profiles developed for disaster-prone areas	New	-	1
3.9.10. Disaster Management Summit facilitated	• No. of Disaster Management Summits facilitated	New		1
3.9.11. Flood preparedness plans developed	• No. of flood preparedness plans developed	New		1

#### 4.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional councils. Tables 11.11 and 11.12 reflect a summary of the 2023/24 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 R28.776 million, are provided in the paragraphs after the tables.

Table 11.11 : Programme 4: Traditional Institutional Management

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Traditional Institutional Administration	1 145 074			26 846			26 846	1 171 920
2. Traditional Resource Administration	87 242			1 930			1 930	89 172
<b>Total</b>	<b>1 232 316</b>	-	-	<b>28 776</b>	-	-	<b>28 776</b>	<b>1 261 092</b>
Amount to be voted								<b>28 776</b>

Table 11.12 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>1 224 386</b>	-	-	<b>28 130</b>	-	-	<b>28 130</b>	<b>1 252 516</b>
Compensation of employees	176 330			5 326			5 326	181 656
Goods and services	1 048 056			22 804			22 804	1 070 860
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>850</b>	-	-	<b>26</b>	-	-	<b>26</b>	<b>876</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions	250						-	250
Households	600			26			26	626
<b>Payments for capital assets</b>	<b>7 080</b>	-	-	<b>620</b>	-	-	<b>620</b>	<b>7 700</b>
Buildings and other fixed structures							-	-
Machinery and equipment	7 080			620			620	7 700
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>1 232 316</b>	-	-	<b>28 776</b>	-	-	<b>28 776</b>	<b>1 261 092</b>
Amount to be voted								<b>28 776</b>

#### Virement – Programme 4: Traditional Institutional Management: R28.776 million

The main appropriation of Programme 4 was increased by R28.776 million as a result of the following virements, which affected both sub-programmes:

- Savings of R28.776 million were identified from Programmes 1 and 3, as follows:
  - R4.883 million was realised as savings from Programme 1 against *Goods and services* mainly due to various projects that are unlikely to be implemented/fully implemented in the current year, as mentioned earlier.
  - R23.893 million was realised as savings from Programme 3 against *Compensation of employees* as a result of the internal moratorium on filling vacant posts to fund various service delivery programmes, as explained.
- The total savings of R28.776 million were moved to the sub-programmes: Traditional Institutional Administration and Traditional Resource Administration to cater for the following:
  - R5.326 million was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement, as well as salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R22.804 million was moved to *Goods and services* to cater for the increase in respect of TC secretaries' stipends and salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023.
  - R26 000 was moved to *Transfers and subsidies to: Households* to cater for staff exit costs which were higher than budgeted.

- o R620 000 was moved to *Machinery and equipment* for the payment of invoices from 2022/23 for the procurement of office furniture.

Further virements were undertaken within the programme and within economic classification. These virements are permissible in terms of the PFMA.

### Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.13 shows the service delivery information for Programme 4 as per the 2023/24 APP and *EPRE* of COGTA, as well as the actual achievements for the first six months of the year. The information reflected in the *EPRE* is largely aligned to the tabled APP, and only two changes are made in the Revised target column. One target is removed and this is indicated by a strike-through. One new measure was added to the APP, which were not included in the *EPRE*. Also, the wording of some targets were amended to align them to the APP and these are reflected in bold italics in the table. Some targets are not reported on at mid-year, as the department plans to undertake them in the fourth quarter.

**Table 11.13 : Service delivery measures – Programme 4: Traditional Institutional Management**

Outputs		Performance indicators	Performance targets		
			2023/24 Original target	2023/24 Mid-year actual	2023/24 Revised target
<b>4.1 Traditional Institutional Administration</b>					
4.1.1	Implementation of guidelines by institutions of traditional leadership monitored	<ul style="list-style-type: none"><li>No. of guidelines monitored for implementation</li></ul>	5	5	
4.1.2	Resolution of succession claims/disputes	<ul style="list-style-type: none"><li>% of traditional leadership succession claims/ disputes received and processed</li></ul>	100%	96%	
4.1.3	<del>Multi-Sectoral Departmental Dispute Resolution Committee Meetings held</del>	<del><ul style="list-style-type: none"><li>No. of Multi-Sectoral Departmental Dispute Resolution Committee Meetings held</li></ul></del>	4	-	
4.1.3	Information sharing sessions on conflict management conducted with <i>Amakhosi</i>	<ul style="list-style-type: none"><li>No. of information sharing sessions on conflict management conducted with <i>Amakhosi</i></li></ul>	12	5	10
4.1.4	<i>Amakhosi</i> recognised	<ul style="list-style-type: none"><li>% recognition of <i>Amakhosi/ Amabambabukhosi recognitions</i> concluded within 18 6 months of <i>the ubukhosi position</i> becoming vacant</li></ul>	100%	100%	
4.1.5.	Family trees updated	<ul style="list-style-type: none"><li>% of recognised <i>Amakhosi/ Amabambabukhosi</i> with updated family trees</li></ul>	100%	100%	
4.1.6	Traditional Affairs turnaround <b>strategies</b> implemented	<ul style="list-style-type: none"><li>No. of Traditional Affairs turnaround strategies implemented</li></ul>	1	-	
<b>4.2 Traditional Resource Administration</b>					
4.2.1	Functionality of the Provincial and Local House(s) and its sub-committees monitored	<ul style="list-style-type: none"><li>No. of Provincial Houses monitored for functionality</li><li>No. of Local Houses monitored for functionality</li></ul>	1 11	1 10	
4.2.2	Maintained consolidated data base of support given to <i>Amakhosi</i> (Provincial House)	<ul style="list-style-type: none"><li>No. of databases of co-ordinated government support maintained</li></ul>	1	-	
4.2.3	Maintained database of <i>Izinduna</i>	<ul style="list-style-type: none"><li>No. of <i>Izinduna</i> databases maintained</li></ul>	1	-	
4.2.4	Participation of <i>Amakhosi</i> in municipal councils supported	<ul style="list-style-type: none"><li>% of <i>Amakhosi</i> supported to participate in municipal councils</li></ul>	100%	100%	
4.2.5	Identified traditional affairs officials assessed in line with job descriptions	<ul style="list-style-type: none"><li>% of identified traditional affairs officials assessed in line with job descriptions</li></ul>	New	-	100%
4.2.6	Anti GBVF Intervention/campaigns for traditional leadership	<ul style="list-style-type: none"><li>No. of anti-GBVF intervention/campaigns for traditional leadership</li></ul>	2	1	
4.2.7	TCs supported to perform their functions	<ul style="list-style-type: none"><li>No. of TCs supported to perform their functions</li></ul>	307	153	

## 5. Specifically and exclusively appropriated allocations

Table 11.14 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2023. Note that conditional grants and transfers to local government (which are also specifically and exclusively appropriated funds) are not included here, as these are discussed in Sections 8 and 9. Details of the main adjustment, which resulted in an overall increase of R2.496 million, are provided in the paragraph following the table.

Table 11.14 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Prog. 2: District champion of OSS/DDM responsibilities	2 000						-	2 000
2. Prog. 3: R/over AU donor funding for flood (from OTP)		2 496					2 496	2 496
3. Prog. 4: Remuneration of Izinduna	171 331						-	171 331
4. Prog. 4: Backpay of remuneration of Izinduna	631 083						-	631 083
<b>Total</b>	<b>804 414</b>	<b>2 496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 496</b>	<b>806 910</b>
Amount to be voted								<b>2 496</b>

- **Roll-overs:** The department's specifically and exclusively appropriated funds increased by R2.496 million. This was allocated to the department to provide water in hot spot areas in the iLembe District Municipality. As indicated, donor funds were received from the AU and allocated to OTP in 2022/23 to assist with water distribution to communities following the April 2022 flood disaster. These funds were not utilised by OTP in 2022/23 and were rolled over and allocated to COGTA, as requested by OTP. The funds were allocated against *Transfers and subsidies to: Provinces and municipalities* under Programme 3.

## 6. Gifts, donations and sponsorships

It is noted that the department plans to donate R250 000 in 2023/24 and this exceeds the R100 000 threshold. However, this donation has already been approved by the Legislature as it was included in the 2023/24 Main Appropriation Act. The donation is in respect of the Tembe Trust Account in support of the Umthayi Amarula Festival. The department is not envisaging any further gifts, donations and sponsorships in excess of R100 000 during the current financial year.

## 7. Infrastructure

Table 11.15 summarises infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R40.387 million, are given in the paragraphs below.

Table 11.15 : 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		
<b>Existing infrastructure assets</b>	<b>38 120</b>	<b>-</b>	<b>-</b>	<b>(9 070)</b>	<b>-</b>	<b>-</b>	<b>(9 070)</b>	<b>29 050</b>
Maintenance and repair: Current	17 251			(2 705)			(2 705)	14 546
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital	20 869			(6 365)			(6 365)	14 504
<b>New infrastructure assets: Capital</b>	<b>19 100</b>			<b>(10 314)</b>			<b>(10 314)</b>	<b>8 786</b>
<b>Infrastructure transfers</b>	<b>15 700</b>	<b>2 496</b>	<b>-</b>	<b>68 409</b>	<b>-</b>	<b>-</b>	<b>70 905</b>	<b>86 605</b>
Infrastructure transfers: Capital	15 700	2 496		68 409			70 905	86 605
Infrastructure transfers: Current							-	-
<b>Infrastructure: Payments for financial assets</b>								
Infrastructure: Leases	29 004			(11 134)			(11 134)	17 870
<b>Non infrastructure</b>	<b>23 238</b>						<b>-</b>	<b>23 238</b>
Capital infrastructure	55 669	2 496	-	51 730	-	-	54 226	109 895
Current infrastructure	46 255	-	-	(13 839)	-	-	(13 839)	32 416
<b>Total</b>	<b>125 162</b>	<b>2 496</b>	<b>-</b>	<b>37 891</b>	<b>-</b>	<b>-</b>	<b>40 387</b>	<b>165 549</b>
Amount to be voted								<b>40 387</b>

- **Roll-overs:** The department's infrastructure budget allocation was increased by R2.496 million as a roll-over from 2022/23. This was allocated to the department to provide water in hot spot areas in the iLembe District Municipality. As indicated, these donor funds were received from the AU and were allocated to OTP in 2022/23 to assist with water distribution to communities following the April 2022 flood disaster. This amount was not utilised by OTP in 2022/23 and the funds were thus requested for roll-over to 2023/24 and were allocated to COGTA, as requested by OTP.
- **Virement:** The infrastructure budget was increased by an amount of R37.891 million, as follows:
  - o Savings of R37.891 million were realised within Programme 3 against *Goods and services* mainly due to various projects that are unlikely to be implemented/fully implemented in the current year, as well as savings from the KwaXolo Caves project and the development of a geospatial land register and application management system that have not yet commenced, as discussed.



- o The total savings of R37.891 million were moved within Programme 3 to *Infrastructure transfers: Capital* for the implementation of service delivery projects. These include water intervention projects, Small Town Rehabilitation, as well as Massification projects, as listed earlier.

In addition to the virements to the infrastructure budget, the following virements were made within the infrastructure budget, as follows:

- o Savings of R2.705 million were realised within Programme 1 against *Maintenance and repair: Current* mainly due to various projects that are unlikely to be implemented/fully implemented in the current year, namely maintenance of office buildings, etc., as mentioned earlier.
- o Savings of R16.679 million were realised within Programme 3 against *Refurbishment and rehabilitation: Capital* (R6.365 million) and *New infrastructure assets: Capital* (R10.314 million) due to slow movement of CSC projects (both new construction and rehabilitation), as a result of lengthy SCM processes, as explained.
- o Savings of R11.134 million were realised within Programme 1 against *Infrastructure: Leases* due to outstanding invoices from 2022/23 that were budgeted to be paid in 2023/24, but the department received and paid for these invoices in March, and this resulted in savings.
- o The total savings of R30.518 million were moved to Programme 3 against *Infrastructure transfers: Capital* for the implementation of service delivery projects in the province. These include water intervention projects, Small Town Rehabilitation, as well as Massification projects, as listed earlier.

As indicated, there is a reduction of R8.600 million within *Infrastructure transfers: Capital*, in respect of various Small Town Rehabilitation projects. The reductions of R3.700 million from the uMdoni Local Municipality, R3 million from the AbaQulusi Local Municipality and R1.900 million from the Mtubatuba Local Municipality were due to the department shifting focus toward the most economically deprived municipalities. These funds were moved to the Nquthu Local Municipality within the Small Town Rehabilitation programme for the installation of solar street lights and high masts to assist with the improvement of security within the town. This movement thus was within *Infrastructure transfers: Capital*. These movements are only visible in the *Transfers to local government* tables.

These virements are permissible in terms of the PFMA, and the increases in transfers were approved by Provincial Treasury where applicable in line with Treasury Regulation 6.3.1(b). As explained, the decreases against *Refurbishment and rehabilitation: Capital*, and *New infrastructure assets: Capital* do not require Legislature approval in terms of the PFMA, as the decrease of R16.679 million remained within capital against *Infrastructure transfers: Capital*.

The reduction within *Transfers and subsidies to: Provinces and municipalities*, although not visible in the table, requires Legislature approval in terms of Section 43(4)(b) of the PFMA. These are detailed in Table 11.22.

## 8. Conditional grants

The department receives a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces, and these funds are used by the department to employ EPWP learnerships relating to the Municipal In-Service Programme (MISP), which seeks to bridge the youth skills gap identified. Tables 11.16 and 11.17 provide details of the grant per main category. No change was made to the conditional grant allocation.

**Table 11.16 : 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		
3. Development and Planning	1 960	-	-	-	-	-	-	1 960
EPWP Integrated Grant for Provinces	1 960						-	1 960
<b>Total</b>	<b>1 960</b>	-	-	-	-	-	-	<b>1 960</b>
Amount to be voted								-

Table 11.17 : 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		
<b>Current payments</b>	<b>1 960</b>	-	-	-	-	-	-	<b>1 960</b>
Compensation of employees							-	-
Goods and services	1 960						-	1 960
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 960</b>
<b>Amount to be voted</b>								<b>-</b>

## 9. Transfers and subsidies

Table 11.18 shows the summary of transfers and subsidies by programme and main category. Details of the main adjustments, which resulted in a net increase of R71.012 million, are provided in the paragraphs after the table.

Table 11.18 : 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		
<b>1. Administration</b>	<b>6 240</b>	<b>-</b>	<b>-</b>	<b>(790)</b>	<b>-</b>	<b>-</b>	<b>(790)</b>	<b>5 450</b>
Provinces and municipalities	900	-	-	(185)	-	-	(185)	715
Motor vehicle licences	900			(185)			(185)	715
Households	5 340	-	-	(605)	-	-	(605)	4 735
Staff exit costs	3 470			(123)			(123)	3 347
Bursaries and claims against the state	1 870			(482)			(482)	1 388
<b>2. Local Governance</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>1 142</b>	<b>-</b>	<b>-</b>	<b>1 142</b>	<b>1 692</b>
Households	550	-	-	1 142	-	-	1 142	1 692
Staff exit costs	550			1 142			1 142	1 692
<b>3. Development and Planning</b>	<b>17 030</b>	<b>2 496</b>	<b>-</b>	<b>68 138</b>	<b>-</b>	<b>-</b>	<b>70 634</b>	<b>87 664</b>
Provinces and municipalities	15 700	2 496	-	68 409	-	-	70 905	86 605
Small Town Rehabilitation prog.	15 700			1 400			1 400	17 100
Massification/ electrification projects				63 009			63 009	63 009
Disaster Management Centres				4 000			4 000	4 000
Water interventions programme		2 496					2 496	2 496
Higher education institutions	1 280	-	-	(1 280)	-	-	(1 280)	-
UKZN	1 280			(1 280)			(1 280)	-
Households	50	-	-	1 009	-	-	1 009	1 059
Staff exit costs	50			1 009			1 009	1 059
<b>4. Traditional Institutional Management</b>	<b>850</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>876</b>
Non-profit institutions	250	-	-	-	-	-	-	250
Tembe Trust Account	250						-	250
Households	600	-	-	26	-	-	26	626
Staff exit costs	600			26			26	626
<b>Total</b>	<b>24 670</b>	<b>2 496</b>	<b>-</b>	<b>68 516</b>	<b>-</b>	<b>-</b>	<b>71 012</b>	<b>95 682</b>
<b>Amount to be voted</b>								<b>71 012</b>

- **Roll-overs:** The department's transfers and subsidies budget allocation was increased by R2.496 million for the provision of water in hot spot areas in the iLembe District Municipality. As indicated, donor funds were received from the AU and allocated to OTP in the Adjustments Estimate in 2022/23 to assist with water distribution to communities following the April 2022 flood disaster. These funds were not utilised by OTP in 2022/23 and were requested for roll-over to 2023/24 but for allocation to COGTA. The funds were allocated against *Provinces and municipalities* under Programme 3.

- *Virements*: The department undertook virements in respect of *Transfers and subsidies* resulting in an increase of R68.516 million, as follows:
  - Programme 1 decreased by R790 000 due to the following:
    - Savings of R185 000 were identified under *Provinces and municipalities* in respect of motor vehicle licences due to delays in the delivery of motor vehicles.
    - Net savings of R605 000 were identified under *Households*, as follows:
      - Savings of R123 000 were in respect of staff exit costs which were lower than budgeted for.
      - Savings of R482 000 were in respect of external bursaries as the number of bursaries was reduced in line with the number of qualifying applications.
  - Programme 2 increased by R1.142 million against *Households* in respect of staff exit costs, which were higher than budgeted.
  - Programme 3 increased by a net amount of R68.138 million, as follows:
    - Savings of R68.409 million were realised from Programme 3 mainly against *Goods and services* and *Buildings and other fixed structures*, as explained.
    - The net savings of R68.409 million were moved to *Provinces and municipalities* for the implementation of service delivery projects in the province by various municipalities. These include Massification (water and electrification projects), as well as the Small Town Rehabilitation and Disaster Management Centres, as indicated.

There were also movements within *Provinces and municipalities*, with a decrease of R8.600 million in respect of various Small Town Rehabilitation projects. Reductions of R3.700 million from the uMdoni Local Municipality, R3 million from the AbaQulusi Local Municipality and R1.900 million from the Mtubatuba Local Municipality were due to the department shifting focus toward the most economically deprived municipalities. This is only evident in Table 11.22 (the *Transfers to local government* table), as the movement is within the same sub-programme, programme, and economic classification. The funds remained within *Provinces and municipalities*, for transfer to the Nquthu Municipality for the installation of solar street lights and high masts to assist with the improvement of security within the town.

    - Savings of R1.280 million were realised against *Higher education institutions* in respect of funds not transferred to UKZN as they have not finalised the appointment of the four post-doctoral students to undertake a programme of action to improve the resilience of human settlements through improved spatial planning and land use management in the province.
    - R1.009 million was moved to *Households* in respect of staff exit costs. The savings were realised from *Compensation of employees* within Programme 3 due to the internal moratorium on the filling of vacant posts to fund other service delivery programmes, as explained.
  - Programme 4 was increased by R26 000 against *Households* in respect of staff exit costs. The savings were moved from Programme 3 against *Compensation of employees* due to the internal moratorium on the filling of vacant posts to fund service delivery programmes, as explained.

All of these virements are permissible in terms of the PFMA and Treasury Regulations, and Provincial Treasury approval was granted where transfers were increased in line with Treasury Regulations 6.3.1(b).

The reductions against *Provinces and municipalities* (R8.600 million), although not visible in the table, and *Higher education institutions* (R1.280 million) require Legislature approval in terms of the PFMA, in terms of Section 43(4)(b) and (c) of the PFMA.

## 10. Transfers to local government

Tables 11.19 to 11.23 show the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act, 2023. It is noted that the amount against *Provinces and municipalities* in Table 11.18 includes provision for motor vehicle

licences. The amounts are excluded from the transfers to local government table, as these funds will not be transferred to any municipality. The allocations to specific municipalities will be gazetted after the tabling of the Adjustments Estimate, in line with DORA requirements. Details of the main adjustments, which resulted in an overall increase of R70.905 million, are provided in the paragraphs below:

- **Roll-overs:** The department's transfers to local government allocation was increased by R2.496 million for the provision of water in hot spot areas in the iLembe District Municipality. As indicated, donor funds were received from the AU and were allocated to OTP in 2022/23 to assist with water distribution to communities following the April 2022 flood disaster. These funds were not utilised by OTP in 2022/23 and were requested for roll-over to 2023/24 but for allocation to COGTA. The funds were allocated against *Infrastructure transfers: Capital* under Programme 3. This is reflected in Table 11.23.
- **Virement:** The department undertook the following virements affecting transfers to local government:
  - o Savings of R68.409 million were realised within Programme 3 against *Goods and services* (R51.610 million) and *Buildings and other fixed structures* (R16.799 million) as explained in detail under the programme.
  - o The total savings of R68.409 million were moved to *Provinces and municipalities* for transfer to various municipalities for the implementation of service delivery projects by the municipalities, as shown in Tables 11.19 to 11.23.

In addition to the above virements, the following virements were undertaken within Programme 3, within *Provinces and municipalities*, and are only visible in Tables 11.19 and 11.22.

An amount of R8.600 million was reduced within *Provinces and municipalities*, in respect of various Small Town Rehabilitation projects. The reductions of R3.700 million from the uMdoni Local Municipality, R3 million from AbaQulusi Local Municipality and R1.900 million from Mtubatuba Local Municipality were due to the department shifting focus toward the most economically deprived municipalities. The funds were moved for transfer to the Nquthu Local Municipality for the installation of solar street lights and high masts to improve security in the town.

The virements are permissible in terms of the PFMA and Treasury Regulations and, where applicable, were approved by Provincial Treasury, namely the increase in transfers in line with Treasury Regulation 6.3.1(b).

The decrease of R8.600 million in respect of transfers against the uMdoni, AbaQulusi and Mtubatuba Local Municipalities requires Legislature approval in terms of Section 43(4)(b) of the PFMA.

Table 11.19 : 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	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	3 700	-	-	17 000	-	-	17 000	20 700
B KZN212 uMdoni	3 700	-	-	(3 700)	-	-	(3 700)	-
B KZN213 uMzambe	-	-	-	20 700	-	-	20 700	20 700
Total: uMgungundlovu Municipalities	-	-	-	20 700	-	-	20 700	20 700
B KZN226 Mkhambathini	-	-	-	20 700	-	-	20 700	20 700
Total: uThukela Municipalities	7 100	-	-	-	-	-	-	7 100
B KZN235 Okhahlamba	7 100	-	-	-	-	-	-	7 100
Total: uMzinyathi Municipalities	-	-	-	31 609	-	-	31 609	31 609
B KZN242 Nquthu	-	-	-	31 609	-	-	31 609	31 609
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	3 000	-	-	(3 000)	-	-	(3 000)	-
B KZN263 AbaQulusi	3 000	-	-	(3 000)	-	-	(3 000)	-
Total: uMkhanyakude Municipalities	1 900	-	-	(1 900)	-	-	(1 900)	-
B KZN275 Mtubatuba	1 900	-	-	(1 900)	-	-	(1 900)	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	2 496	-	3 000	-	-	5 496	5 496
B KZN293 Ndwedwe	-	-	-	3 000	-	-	3 000	3 000
C DC29 iLembe District Municipality	-	2 496	-	-	-	-	2 496	2 496
Total: Harry Gwala Municipalities	-	-	-	1 000	-	-	1 000	1 000
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	1 000	-	-	1 000	1 000
Unallocated	-	-	-	-	-	-	-	-
Total	15 700	2 496	-	68 409	-	-	70 905	86 605
Amount to be voted								70 905

Table 11.20 : Transfers to local government - Disaster Management programme

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A	KZN2000 eThekweni						-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	3 000	-	-	3 000	3 000
B	KZN293 Ndwedwe			3 000			3 000	3 000
Total: Harry Gwala Municipalities	-	-	-	1 000	-	-	1 000	1 000
B	KZN436 Dr Nkosazana Dlamini Zuma			1 000			1 000	1 000
Unallocated							-	-
Total	-	-	-	4 000	-	-	4 000	4 000
Amount to be voted								4 000

Table 11.21 : Transfers to local government - Massification programme (including electrification)

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A	KZN2000 eThekweni						-	-
Total: Ugu Municipalities	-	-	-	20 700	-	-	20 700	20 700
B	KZN213 uMzumbi			20 700			20 700	20 700
Total: uMgungundlovu Municipalities	-	-	-	20 700	-	-	20 700	20 700
B	KZN226 Mkhambathini			20 700			20 700	20 700
Total: uThukela Municipalities	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	21 609	-	-	21 609	21 609
B	KZN242 Nquthu			21 609			21 609	21 609
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-
Unallocated							-	-
Total	-	-	-	63 009	-	-	63 009	63 009
Amount to be voted								63 009

Table 11.22 : Transfers to local government - Small Town Rehabilitation programme

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A	KZN2000 eThekweni						-	-
Total: Ugu Municipalities	3 700	-	-	(3 700)	-	-	(3 700)	-
B	KZN212 uMdoni	3 700		(3 700)			(3 700)	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	7 100	-	-	-	-	-	-	7 100
B	KZN235 Okhahlamba	7 100					-	7 100
Total: uMzinyathi Municipalities	-	-	-	10 000	-	-	10 000	10 000
B	KZN242 Nquthu			10 000			10 000	10 000
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	3 000	-	-	(3 000)	-	-	(3 000)	-
B	KZN263 Abaqulusi	3 000		(3 000)			(3 000)	-
Total: uMkhanyakude Municipalities	1 900	-	-	(1 900)	-	-	(1 900)	-
B	KZN275 Mtubatuba	1 900		(1 900)			(1 900)	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-
Unallocated							-	-
Total	15 700	-	-	1 400	-	-	1 400	17 100
Amount to be voted								1 400

Table 11.23 : Transfers to local government - Water intervention programme

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Other				
		Roll-overs	unavoidable	Virement	Shifts	adjustments		
A	KZN2000 eThekweni						-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	2 496	-	-	-	-	2 496	2 496
C	DC29 iLembe District Municipality	2 496					2 496	2 496
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-
Unallocated							-	-
Total	-	2 496	-	-	-	-	2 496	2 496
Amount to be voted								2 496

## 11. Actual payments and revised spending projections for the rest of 2023/24

Tables 11.24 and 11.25 reflect actual payments as at the end of September 2023 and 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 2022/23 Audited outcome.

Table 11.24 : Actual payments and revised spending projections by programme

R thousand	2022/23 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2023 - September 2023	% of budget	October 2023 - March 2024	% of budget	
1. Administration	435 739	422 159	218 696	51.8	203 463	48.2	422 159
2. Local Governance	337 076	339 604	166 304	49.0	173 300	51.0	339 604
3. Development and Planning	479 085	412 654	228 713	55.4	183 941	44.6	412 654
4. Traditional Institutional Management	567 726	1 261 092	820 358	65.1	440 734	34.9	1 261 092
Total	1 819 626	2 435 509	1 434 071	58.9	1 001 438	41.1	2 435 509

Table 11.25 : Actual payments and revised spending projections by economic classification

R thousand	2022/23 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2023 - September 2023	% of budget	October 2023 - March 2024	% of budget	
<b>Current payments</b>	<b>1 525 555</b>	<b>2 289 048</b>	<b>1 319 821</b>	<b>57.7</b>	<b>969 227</b>	<b>42.3</b>	<b>2 289 048</b>
Compensation of employees	746 691	780 886	392 204	50.2	388 682	49.8	780 886
Goods and services	778 771	1 508 162	927 614	61.5	580 548	38.5	1 508 162
Interest and rent on land	93	-	3	-	(3)	-	-
<b>Transfers and subsidies to:</b>	<b>234 321</b>	<b>95 682</b>	<b>86 472</b>	<b>90.4</b>	<b>9 210</b>	<b>9.6</b>	<b>95 682</b>
Provinces and municipalities	181 489	87 320	80 523	92.2	6 797	7.8	87 320
Departmental agencies and accounts	1	-	-	-	-	-	-
Higher education institutions	1 280	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	40 433	250	-	-	250	100.0	250
Households	11 118	8 112	5 949	73.3	2 163	26.7	8 112
<b>Payments for capital assets</b>	<b>59 452</b>	<b>50 779</b>	<b>27 778</b>	<b>54.7</b>	<b>23 001</b>	<b>45.3</b>	<b>50 779</b>
Buildings and other fixed structures	26 884	23 290	10 512	45.1	12 778	54.9	23 290
Machinery and equipment	31 189	12 418	2 194	17.7	10 224	82.3	12 418
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	1 379	15 071	15 072	100.0	(1)	(0.0)	15 071
<b>Payments for financial assets</b>	<b>298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total	1 819 626	2 435 509	1 434 071	58.9	1 001 438	41.1	2 435 509

Table 11.A : Summary by economic classification : Co-operative Governance and Traditional Affairs

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>2 346 901</b>	-	-	(49 124)	1 271	(10 000)	(57 853)	<b>2 289 048</b>
Compensation of employees	824 765	-	-	(30 102)	(3 777)	(10 000)	(43 879)	780 886
Salaries and wages	728 960	-	-	(31 117)	(3 777)	(10 000)	(44 894)	684 066
Social contributions	95 805	-	-	1 015	-	-	1 015	96 820
<b>Goods and services</b>	<b>1 522 136</b>	-	-	(19 022)	5 048	-	(13 974)	<b>1 508 162</b>
Administrative fees	3 391	-	-	(204)	-	-	(204)	3 187
Advertising	9 937	-	-	2 286	-	-	2 286	12 223
Minor assets	751	-	-	(385)	-	-	(385)	366
Audit cost: External	9 333	-	-	(1 198)	-	-	(1 198)	8 135
Bursaries: Employees	1 000	-	-	300	-	-	300	1 300
Catering: Departmental activities	4 909	-	-	(1 148)	-	-	(1 148)	3 761
Communication (G&S)	14 734	-	-	1 044	-	-	1 044	15 778
Computer services	41 967	-	-	(15 200)	1 271	-	(13 929)	28 038
Cons. & prof serv: Business and advisory services	179 012	-	-	(67 387)	3 777	-	(63 610)	115 402
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	11 270	-	-	1 909	-	-	1 909	13 179
Contractors	40 011	-	-	6 337	-	-	6 337	46 348
Agency and support / outsourced services	9 000	-	-	1 852	-	-	1 852	10 852
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl govt motor transport)	20 110	-	-	366	-	-	366	20 476
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	67	-	-	67	67
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4 500	-	-	3 343	-	-	3 343	7 843
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	5 000	-	-	2 514	-	-	2 514	7 514
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	8 200	-	-	13 145	-	-	13 145	21 345
Consumable supplies	4 272	-	-	6 332	-	-	6 332	10 604
Consumable: Stationery, printing and office supplies	11 153	-	-	(152)	-	-	(152)	11 001
Operating leases	33 730	-	-	(11 269)	-	-	(11 269)	22 461
Property payments	64 176	-	-	(3 379)	-	-	(3 379)	60 797
Transport provided: Departmental activity	-	-	-	-	-	-	-	-
Travel and subsistence	39 472	-	-	19 772	-	-	19 772	59 244
Training and development	1 444	-	-	158	-	-	158	1 602
Operating payments	1 004 764	-	-	21 303	-	-	21 303	1 026 067
Venues and facilities	-	-	-	571	-	-	571	571
Rental and hiring	-	-	-	1	-	-	1	1
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>24 670</b>	<b>2 496</b>	-	<b>68 516</b>	-	-	<b>71 012</b>	<b>95 682</b>
Provinces and municipalities	16 600	2 496	-	68 224	-	-	70 720	87 320
Provinces	900	-	-	(185)	-	-	(185)	715
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	900	-	-	(185)	-	-	(185)	715
Municipalities	15 700	2 496	-	68 409	-	-	70 905	86 605
Municipalities	15 700	2 496	-	68 409	-	-	70 905	86 605
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-
Higher education institutions	1 280	-	-	(1 280)	-	-	(1 280)	-
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	250	-	-	-	-	-	-	250
Households	6 540	-	-	1 572	-	-	1 572	8 112
Social benefits	4 670	-	-	2 054	-	-	2 054	6 724
Other transfers to households	1 870	-	-	(482)	-	-	(482)	1 388
<b>Payments for capital assets</b>	<b>71 442</b>	-	-	<b>(19 392)</b>	<b>(1 271)</b>	-	<b>(20 663)</b>	<b>50 779</b>
Buildings and other fixed structures	39 969	-	-	(16 679)	-	-	(16 679)	23 290
Buildings	39 969	-	-	(16 799)	-	-	(16 799)	23 170
Other fixed structures	-	-	-	120	-	-	120	120
Machinery and equipment	15 131	-	-	(2 713)	-	-	(2 713)	12 418
Transport equipment	3 070	-	-	(1 470)	-	-	(1 470)	1 600
Other machinery and equipment	12 061	-	-	(1 243)	-	-	(1 243)	10 818
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	16 342	-	-	-	(1 271)	-	(1 271)	15 071
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 443 013</b>	<b>2 496</b>	-	-	-	<b>(10 000)</b>	<b>(7 504)</b>	<b>2 435 509</b>
<b>Amount to be voted</b>								<b>(7 504)</b>