

# Vote 1

## Office of the Premier

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	784 877	852 032		67 155
Remuneration of the Premier <sup>1</sup>	2 260	2 260		
<b>Total amount to be appropriated</b>	<b>787 137</b>	<b>854 292</b>		<b>67 155</b>
<i>of which:</i>				
Current payments	648 417	708 520		60 103
Transfers and subsidies	116 923	118 124		1 201
Payments for capital assets	21 797	27 423		5 626
Payments for financial assets	-	225		225
Responsible MEC	The Premier			
Administering department	Office of the Premier			
Accounting Officer	Director-General: Office of the Premier			

### 1. Vision and mission

#### Vision

The vision of the department is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2035.*

#### Mission

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Promoting an integrated service delivery model.
- Enhancing co-operative governance within the province.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.

### 2. Strategic objectives

The *strategic policy direction* of the Office of the Premier (OTP) is directly linked to national government's 14 outcomes and also informs the department's strategic objectives, as listed below:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.
- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

Based on the mission and the mandate, the department identified the following strategic objectives:

<sup>1</sup> At the time of going to print, the proclamation determining the 2018 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2018/19 EPRE.

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.
- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

### 3. Summary of adjusted estimates for the 2018/19 financial year

The main appropriation of the OTP was R787.137 million in 2018/19. During the year, the department received an additional allocation totalling R67.155 million, which resulted in an adjusted appropriation of R854.292 million.

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

- *Roll-overs:* R3.076 million was approved as a roll-over from 2017/18 and relates to the following:
  - R390 000 in respect of invoices related to the Moerane Commission of Inquiry, received too late for processing, allocated to *Goods and services* under the Financial Management sub-programme in Programme 1: Administration.
  - R2.686 million in respect of commitments related to the Terry Street Parking project, which was delayed due to inclement weather, allocated to the Information Communication Technology sub-programme under Programme 2: Institutional Development and *Buildings and other fixed structures*.
- *Virement between programmes:* The department undertook the following virements across programmes:
  - Savings amounting to R8.186 million were identified in Programme 1 against *Compensation of employees* (R7.743 million) and *Goods and services* (R443 000). The savings under *Compensation of employees* were attributed to critical posts not being filled. These include the Director: Administration in the office of the Director-General and a number of finance posts not filled as originally anticipated, due to lengthy internal funding and recruitment processes for critical posts. The savings in *Goods and services* relate to cost-cutting against travel and subsistence. Of the savings, an amount of R3.800 million was moved to *Goods and services* in Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes. A further R400 000 was moved to *Machinery and equipment*, also in Programme 2 for vehicles for the office of the Director-General, as well as Communication Services. The balance of R3.986 million was moved to *Goods and services* in Programme 3: Policy and Governance to address pressures arising from the hosting of the African Renaissance Festival, as well as pressures for events related to funerals and the launch of the Social Cohesion and Moral Regeneration programmes.
  - Net savings of R6.791 million, after the movement of R3.986 million to this programme from Programme 1, were identified in Programme 3 against *Compensation of employees* (R2 million) and *Goods and services* (R8.777 million). The savings under *Compensation of employees* were due to the Poverty Eradication Master Plan (PEMP) posts not being filled as originally anticipated because these were not deemed to be critical posts. The savings in *Goods and*

*services* related to forced savings. The total savings of R10.777 million were allocated to *Goods and services* in Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes, as well as to increase lease payments for the new premises in Pietermaritz Street to allow the landlord to meet occupational specifications.

- o Extensive virements were undertaken between sub-programmes and economic classifications within programmes, and these are discussed in detail in Section 4 below. Where necessary, approval for the increase in transfer payments, as detailed later, was received from Provincial Treasury. Where Legislature approval is required for the reduction to a transfer or capital, this is highlighted in the various sections below.

Note that the reduction and change in purpose of funds that were specifically and exclusively appropriated for the PEMP operations centre requires Legislature approval.

- *Shifts*: A shift was undertaken between sub-programmes and economic classifications within Programme 2, and this is discussed in detail in Section 4 below. There is no change in purpose for these funds and, as the movement is within Programme 2, it is not visible in Table 1.1.
- *Other adjustments*: The department's budget allocation was increased by a net amount of R64.079 million as explained below:
  - o R50 million was allocated toward the Youth Development Fund in line with a pronouncement made by the Honourable Premier in his State of the Province Address, as well as the Budget Speech for Vote 1. This funding was allocated to *Goods and services* under the Special Programmes sub-programme in Programme 2.
  - o R1 million was allocated for the urgent roof repairs of the Moses Mabhida building. The roof of this building has serious leaks which have caused extensive damage to the building. In line with project requirements, R1 million was allocated to the department in 2018/19, while the balance of R5.932 million will be allocated in 2019/20. This funding was allocated to the Information Communication Technology sub-programme under Programme 2 and *Buildings and other fixed structures*.
  - o R7 million was allocated for pressures resulting from the Moerane Commission of Inquiry under the Financial Management sub-programme in Programme 1 and *Goods and services*.
  - o R6.900 million was allocated for relocation payments to approximately 110 staff dating back to 2008, when government departments were relocated from Ulundi to Pietermaritzburg, as follows:
    - R1.500 million to Programme 1 and *Goods and services* across all sub-programmes.
    - R4.600 million to Programme 2 and *Goods and services* across all sub-programmes.
    - R800 000 to Programme 3 and *Goods and services* across all sub-programmes except the Heritage sub-programme.
  - o The KwaZulu-Natal Gaming and Betting Board (KZNGBB) was erroneously allocated R821 000 in 2018/19 as this amount formed part of the lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 was removed from the Gaming and Betting sub-programme under Programme 2 and *Transfers and subsidies to: Departmental agencies and accounts*.

Tables 1.1 and 1.2 reflect a summary of the 2018/19 adjusted appropriation of the department, summarised according to programme and economic classification.

Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 1: Office of the Premier*.

Table 1.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	102 326	390	-	(8 186)	-	8 500	704	103 030
2. Institutional Development	410 377	2 686	-	14 977	-	54 779	72 442	482 819
3. Policy and Governance	274 434	-	-	(6 791)	-	800	(5 991)	268 443
<b>Total</b>	<b>787 137</b>	<b>3 076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64 079</b>	<b>67 155</b>	<b>854 292</b>
Amount to be voted								<b>67 155</b>

Table 1.2 : 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>648 417</b>	<b>390</b>	<b>-</b>	<b>(3 981)</b>	<b>(206)</b>	<b>63 900</b>	<b>60 103</b>	<b>708 520</b>
Compensation of employees	323 028	-	-	(16 682)	-	-	(16 682)	306 346
Goods and services	325 389	390	-	12 701	(206)	63 900	76 785	402 174
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>116 923</b>	<b>-</b>	<b>-</b>	<b>1 816</b>	<b>206</b>	<b>(821)</b>	<b>1 201</b>	<b>118 124</b>
Provinces and municipalities	60	-	-	45	-	-	45	105
Departmental agencies and accounts	94 954	-	-	-	206	(821)	(615)	94 339
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	21 909	-	-	1 771	-	-	1 771	23 680
<b>Payments for capital assets</b>	<b>21 797</b>	<b>2 686</b>	<b>-</b>	<b>1 940</b>	<b>-</b>	<b>1 000</b>	<b>5 626</b>	<b>27 423</b>
Buildings and other fixed structures	5 729	2 686	-	1 000	-	1 000	4 686	10 415
Machinery and equipment	11 249	-	-	940	-	-	940	12 189
Heritage assets	4 819	-	-	-	-	-	-	4 819
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>225</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>225</b>
<b>Total</b>	<b>787 137</b>	<b>3 076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64 079</b>	<b>67 155</b>	<b>854 292</b>
Amount to be voted								<b>67 155</b>

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

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

However, it is noted that there were some changes to service delivery measures to align the targets originally published in the 2018/19 EPRE with the department's APP, which was published after the EPRE, as detailed in Sections 4.1 to 4.3 of this report.

##### 4.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Provincial Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

Tables 1.3 and 1.4 reflect a summary of the 2018/19 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R704 000 are provided in the paragraphs following the tables.

Table 1.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Premier Support	27 751	-	-	(2 000)	-	150	(1 850)	25 901
2. Executive Council Support	10 264	-	-	(2 000)	-	100	(1 900)	8 364
3. Director-General Support	14 458	-	-	3 040	-	600	3 640	18 098
4. Financial Management	49 853	390	-	(7 226)	-	7 650	814	50 667
<b>Total</b>	<b>102 326</b>	<b>390</b>	<b>-</b>	<b>(8 186)</b>	<b>-</b>	<b>8 500</b>	<b>704</b>	<b>103 030</b>
Amount to be voted								<b>704</b>

Table 1.4 : 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>99 880</b>	<b>390</b>	<b>-</b>	<b>(8 186)</b>	<b>-</b>	<b>8 500</b>	<b>704</b>	<b>100 584</b>
Compensation of employees	66 878			(7 743)			(7 743)	59 135
Goods and services	33 002	390		(443)		8 500	8 447	41 449
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>1 182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 182</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	1 182			-			-	1 182
<b>Payments for capital assets</b>	<b>1 264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 264</b>
Buildings and other fixed structures							-	-
Machinery and equipment	1 264						-	1 264
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>Total</b>	<b>102 326</b>	<b>390</b>	<b>-</b>	<b>(8 186)</b>	<b>-</b>	<b>8 500</b>	<b>704</b>	<b>103 030</b>
<b>Amount to be voted</b>							<b>704</b>	

### Roll-overs – Programme 1: Administration: R390 000

An amount of R390 000 was approved as a roll-over from 2017/18 and is attributed to invoices related to the Moerane Commission of Inquiry, received too late for processing, allocated to *Goods and services* under the Financial Management sub-programme in Programme 1.

### Virement – Programme 1: Administration: (R8.186 million)

Savings amounting to R8.186 million were identified in Programme 1 against *Compensation of employees* (R7.743 million) and *Goods and services* (R443 000). The savings under *Compensation of employees* were attributed to critical posts not being filled and this impacted mainly the Executive Council Support and Financial Management sub-programmes. These included a number of finance posts not filled as originally anticipated, due to lengthy internal funding and recruitment processes for critical posts. The savings in *Goods and services* relate to cost-cutting on travel and subsistence. These savings were moved as follows:

- R3.986 million was moved to Programme 3 to address pressures arising from the hosting of the African Renaissance Festival, as well as pressures for funerals and the launch of the Social Cohesion and Moral Regeneration programmes.
- R4.200 million was moved to Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes.

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

### Other adjustments – Programme 1: Administration: R8.500 million

Additional funding of R8.500 million was allocated to the department, with R7 million allocated towards the costs for the Moerane Commission of Inquiry against *Goods and services* under the Financial Management sub-programme. The department was not previously provided any additional funds for this and, as these costs were unforeseen and unavoidable, funding was provided from the provincial fiscus. The balance of R1.500 million was for relocation payments to staff dating back to 2008, when government departments were relocated from Ulundi to Pietermaritzburg, also allocated to *Goods and services*, but across all sub-programmes in Programme 1.

## Service delivery measures – Programme 1: Administration

Table 1.5 shows the revised service delivery for Programme 1.

Note that four measures in this programme were removed and two new measures were introduced to align with the 2018/19 APP, which was tabled after the *EPRE*.

The removed measures are reflected in the 2018/19 Revised target column as “n/a”. The two new measures are indicated in the Original target column as “New”.

**Table 1.5 : Service delivery measures – Programme 1: Administration**

Outputs	Performance indicators	Performance indicators		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised target
<b>1. Premier Support</b>				
1.1 Administrative support services to the Premier	• No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Provincial Executive Council	20	10	
<b>2. Executive Council Support</b>				
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Provincial Executive Council meeting decision matrices circulated within 10 working days of meeting	20	11	
<b>3. Director-General Support</b>				
3.1 Strategic management meeting resolutions	• No. of EXCO meetings supported	12	n/a	n/a
<b>4. Financial Management</b>				
4.1 Financial management reports	• No. of financial management reports, monthly IYM submitted to Provincial Treasury by the 15th of each month	12	n/a	n/a
4.2 AFS	• No. of AFS submitted in terms of prescripts	1 final, 3 interim	n/a	n/a
4.3 Procurement plan	• No. of procurement plans submitted in terms of prescripts	1	n/a	n/a
4.4 Audit recommendations	• % of external audit recommendations implemented	New	92%	100%
4.5 Invoices paid within 30 days	• % of invoices paid within 30 days	New	93%	100%

## 4.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management in the province.

Tables 1.6 and 1.7 reflect a summary of the 2018/19 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 R72,442 million in the main appropriation of Programme 2, are provided in the paragraphs following the tables.

**Table 1.6 : Programme 2: Institutional Development**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Strategic Human Resources	91 093			(5 900)		1 700	(4 200)	86 893
2. Information Communication Technology (ICT)	82 823	2 686		(4 960)		1 700	(574)	82 249
3. Legal Services	11 719			2 800		400	3 200	14 919
4. Communication Services	62 608			(2 140)		400	(1 740)	60 868
5. Special Programmes	98 383			(17 602)		51 150	33 548	131 931
6. Intergovernmental Relations	16 117			41 979		100	42 079	58 196
7. Gaming and Betting	47 634			800		(671)	129	47 763
<b>Total</b>	<b>410 377</b>	<b>2 686</b>	<b>-</b>	<b>14 977</b>	<b>-</b>	<b>54 779</b>	<b>72 442</b>	<b>482 819</b>
<b>Amount to be voted</b>								<b>72 442</b>

Table 1.7 : 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>338 108</b>	-	-	<b>12 090</b>	<b>(206)</b>	<b>54 600</b>	<b>66 484</b>	<b>404 592</b>
Compensation of employees	156 911			(6 775)			(6 775)	150 136
Goods and services	181 197			18 865	(206)	54 600	73 259	254 456
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>63 712</b>	-	-	<b>752</b>	<b>206</b>	<b>(821)</b>	<b>137</b>	<b>63 849</b>
Provinces and municipalities	60			34			34	94
Departmental agencies and accounts	42 925				206	(821)	(615)	42 310
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	20 727			718			718	21 445
<b>Payments for capital assets</b>	<b>8 557</b>	<b>2 686</b>	-	<b>1 940</b>	-	<b>1 000</b>	<b>5 626</b>	<b>14 183</b>
Buildings and other fixed structures	4 747	2 686				1 000	3 686	8 433
Machinery and equipment	3 810			1 940			1 940	5 750
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>				<b>195</b>			<b>195</b>	<b>195</b>
<b>Total</b>	<b>410 377</b>	<b>2 686</b>	-	<b>14 977</b>	-	<b>54 779</b>	<b>72 442</b>	<b>482 819</b>
<b>Amount to be voted</b>								<b>72 442</b>

### Roll-overs – Programme 2: Institutional Development: R2.686 million

An amount of R2.686 million was approved as a roll-over from 2017/18 and is attributed to commitments related to the Terry Street Parking project, which was delayed due to inclement weather, allocated to the Information Communication Technology sub-programme under Programme 2 and *Buildings and other fixed structures*. It is noted that the Office Support and Auxilliary Services components for the department are located in this sub-programme, and all infrastructure and motor vehicle funding is centralised here, apart from those related to the Royal Household sub-programme.

### Virement – Programme 2: Institutional Development: R14.977 million

A total of R14.977 million was moved to this programme from savings in Programmes 1 and 3, as follows:

- Savings amounting to R4.200 million were identified in Programme 1 against *Compensation of employees* and *Goods and services* attributed to critical posts not being filled and cost-cutting on travel and subsistence, respectively. An amount of R3.800 million of these savings were moved to *Goods and services* in Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes under the Intergovernmental Relations sub-programme. The balance of R400 000 was moved to *Machinery and equipment* for vehicles for the Office of the Director-General, as well as Communication Services. Note that all vehicle purchases for the department are centralised in Programme 2.
- Savings of R10.777 million were identified in Programme 3 against *Compensation of employees* (R2 million) and *Goods and services* (R8.777 million). The savings under *Compensation of employees* were due to PEMP posts not being filled as originally anticipated because these were not deemed to be critical posts. This reduction and change in purpose of funds that were specifically and exclusively appropriated for the PEMP operations centre requires Legislature approval. The savings in *Goods and services* relate to enforced savings. All the savings were allocated to *Goods and services* in Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes under the Intergovernmental Relations sub-programme, as well as to increase lease payments for the new premises in Pietermaritz Street to allow the landlord to meet occupational specifications.

Note that the reduction and change in purpose of funds that were specifically and exclusively appropriated for the PEMP operations centre require Legislature approval.

- There was also movement within Programme 2, with R6.775 million identified as savings under *Compensation of employees* due to key posts, such as Chief Directors in the Integrity Management and Democracy Support units, as well as the Youth sub-programme, all against the Special Programmes sub-programme, not being filled as originally anticipated because of lengthy internal funding and recruitment processes for critical posts. This funding was moved within the programme as follows:
  - R4.288 million was allocated to *Goods and services* to address the above-mentioned pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes under the Intergovernmental Relations sub-programme.
  - R34 000 was moved to *Transfers and subsidies to: Provinces and municipalities* for under-budgeted motor vehicle licences.
  - R718 000 was allocated to *Transfers and subsidies to: Households* to address pressures in staff exit costs.
  - R1.540 million was moved to *Machinery and equipment* for vehicles for the Office of the Director-General, as well as Communication Services. Note that all vehicle purchases for the department are centralised in Programme 2.
  - R195 000 was moved to *Payments for financial assets* to address write-offs of thefts and losses.

All these virements are permissible in terms of the PFMA and Treasury Regulations, apart from the reduction in specifically and exclusively appropriated funding, which requires Legislature approval.

#### **Shift – Programme 2: Institutional Development**

The department shifted funds within the Gaming and Betting sub-programme in Programme 2 amounting to R206 000 to correct a misallocation of funding for computer services in respect of the KZNGBB. These funds were incorrectly placed against *Goods and services* instead of for transfer to the KZNGBB against *Transfers and subsidies to: Departmental agencies and accounts*, and this is now corrected. There is no change in purpose for these funds.

#### **Other adjustments – Programme 2: Institutional Development: R54.779 million**

An amount of R54.779 million was allocated to the department, as follows:

- R50 million was allocated toward the Youth Development Fund in line with a pronouncement made by the Honourable Premier in his State of the Province Address, as well as the Budget Speech for Vote 1. This funding was allocated to *Goods and services* under the Special Programmes sub-programme in Programme 2. Note that this allocation of funds is specifically and exclusively allocated for the purpose stated, as specified in the KZN Adjustments Appropriation Act, 2018. These funds may therefore not be used for any other purpose.
- R1 million was allocated for the urgent roof repairs of the Moses Mabhida building. The roof of this building has serious leaks which have caused extensive damage to the building. In line with project requirements, R1 million was allocated to the department in 2018/19, while the balance of R5.932 million will be allocated in 2019/20. This funding was allocated to the Information Communication Technology sub-programme under Programme 2 and *Buildings and other fixed structures*. Note that both these funds are specifically and exclusively allocated for the purpose stated, as specified in the KZN Adjustments Appropriation Act, 2018. These funds may therefore not be used for any other purpose.
- R4.600 million was allocated for relocation payments to staff dating back to 2008 when government departments were relocated from Ulundi to Pietermaritzburg, against *Goods and services* across all sub-programmes. Note that this allocation of funds is specifically and exclusively allocated for the purpose stated, as specified in the KZN Adjustments Appropriation Act, 2018. These funds may therefore not be used for any other purpose.



- In addition, KZNGBB was erroneously allocated R821 000 in 2018/19, as this amount formed part of the lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 was removed from the budget under the Gaming and Betting sub-programme under Programme 2 and *Transfers and subsidies to: Departmental agencies and accounts*.

### Service delivery measures – Programme 2: Institutional Development

Table 1.8 shows the service delivery for Programme 2 and all measures are fully aligned to the 2018/19 APP. Note that two measures are annual in nature and are only reported on after the closure of the financial year.

Table 1.8 : Service delivery measures – Programme 2 : Institutional Development

Outputs	Performance indicators	Performance indicators		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised target
<b>1 Strategic Human Resources</b>				
1.1 Technical human resource management policy support services	<ul style="list-style-type: none"> <li>• No. of quarterly reports on technical support services provided to all HR units in the provincial govt. of KZN on policy matters</li> </ul>	4	2	
1.2 Public Service training sessions	<ul style="list-style-type: none"> <li>• No. of training sessions</li> </ul>	200	97	
<b>2 Information Communication Technology</b>				
2.1 IT governance assessment reports	<ul style="list-style-type: none"> <li>• No. of 6 monthly provincial depts' IT governance assessment co-ordination reports</li> </ul>	2	1	
<b>3 Legal Services</b>				
3.1 Appropriate and constitutionally compliant provincial legislation	<ul style="list-style-type: none"> <li>• No. of quarterly reports on Provincial Legislative programme submitted within 10 days of the end of each quarter</li> </ul>	4	2	
<b>4 Communication Services</b>				
4.1 Effective and efficient communication engagement	<ul style="list-style-type: none"> <li>• No. of articles on the PGDP published in the print media targeting external audiences</li> </ul>	8	2	
<b>5 Special Programmes</b>				
5.1 Integrity conferences	<ul style="list-style-type: none"> <li>• No. of Integrity leadership conferences (after every 2<sup>nd</sup> year)</li> </ul>	1	Annual	
5.2 Annual performance plans for each human rights target group	<ul style="list-style-type: none"> <li>• No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children, 1 x senior citizens</li> </ul>	1 per group, 4 total	2	
5.3 Ombudsperson co-ordination	<ul style="list-style-type: none"> <li>• No. of OTP Ombudsperson reports</li> </ul>	4	-	
<b>6 Intergovernmental Relations (IGR)</b>				
6.1 Technical Premier's forum meetings	<ul style="list-style-type: none"> <li>• No. of IGR Technical Premier's Co-ordinating forum decision matrices</li> </ul>	4	2	
<b>7 Gaming and Betting</b>				
7.1 Enhance the Gaming and Betting regulatory environment in KZN	<ul style="list-style-type: none"> <li>• Amended KZN Gaming and Betting legislation implemented</li> <li>• No. of quarterly assessment reports on Gaming Board activities</li> <li>• No. of functionality assessment reports</li> </ul>	Amended Gaming and Betting regulation of 2012  4 quarterly reports  2	Annual  2  1	

### 4.3 Programme 3: Policy and Governance

The purpose of this programme is to initiate province-wide development and implementation of policies and strategies to achieve a co-ordinated approach toward sustainable provincial growth and development. The objectives remain unchanged from the *EPRE*.

Tables 1.9 and 1.10 reflect a summary of the 2018/19 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 R5.991 million, are provided in the paragraphs below.

Table 1.9 : Programme 3: Policy and Governance

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
1. Provincial Policy Management	50 626			(2 400)		150	(2 250)	48 376
2. Premier's Priority Programmes	98 145			4 609		550	5 159	103 304
3. Royal Household	65 830			(1 000)		100	(900)	64 930
4. Heritage	59 833			(8 000)			(8 000)	51 833
<b>Total</b>	<b>274 434</b>	<b>-</b>	<b>-</b>	<b>(6 791)</b>	<b>-</b>	<b>800</b>	<b>(5 991)</b>	<b>268 443</b>
<b>Amount to be voted</b>							<b>(5 991)</b>	

Table 1.10 : 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>210 429</b>	<b>-</b>	<b>-</b>	<b>(7 885)</b>	<b>-</b>	<b>800</b>	<b>(7 085)</b>	<b>203 344</b>
Compensation of employees	99 239			(2 164)			(2 164)	97 075
Goods and services	111 190			(5 721)		800	(4 921)	106 269
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>52 029</b>	<b>-</b>	<b>-</b>	<b>1 064</b>	<b>-</b>	<b>-</b>	<b>1 064</b>	<b>53 093</b>
Provinces and municipalities				11			11	11
Departmental agencies and accounts	52 029						-	52 029
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				1 053			1 053	1 053
<b>Payments for capital assets</b>	<b>11 976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 976</b>
Buildings and other fixed structures	982			1 000			1 000	1 982
Machinery and equipment	6 175			(1 000)			(1 000)	5 175
Heritage assets	4 819						-	4 819
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>				<b>30</b>			<b>30</b>	<b>30</b>
<b>Total</b>	<b>274 434</b>	<b>-</b>	<b>-</b>	<b>(6 791)</b>	<b>-</b>	<b>800</b>	<b>(5 991)</b>	<b>268 443</b>
<b>Amount to be voted</b>							<b>(5 991)</b>	

### Virement – Programme 3: Policy and Governance: (R6.791 million)

Net savings of R6.791 million were identified in Programme 3, made up of the following:

- R3.986 million was moved to this programme from Programme 1 with the savings mainly attributed to critical posts not being filled due to lengthy internal funding and recruitment processes for critical posts. There were also minor savings in *Goods and services* related to cost-cutting on travel and subsistence. These funds were allocated to *Goods and services* to address pressures related to the African Renaissance Festival, as well as pressures for funerals and the launch of the Social Cohesion and Moral Regeneration programmes.
- Savings of R12.871 million were identified against *Compensation of employees* (R2.164 million), *Goods and services* (R9.707 million) and *Machinery and equipment* (R1 million). The savings under *Compensation of employees* were due to PEMP posts not being filled as originally anticipated because these were not deemed to be critical posts, as well as a director post in the Heritage unit. Note that the PEMP savings are specifically and exclusively allocated funding, and the movement of these funds requires Legislature approval. The savings in *Goods and services* relate to forced savings to address pressures elsewhere in the department. The savings in *Machinery and equipment* were due to over-budgeting for office furniture within the Royal Household sub-programme. Note that this reduction in capital does not require Legislature approval as the net impact on capital for the Vote as a whole is an increase. Note that some of the PEMP savings were moved within Programme 3 to be utilised in the Provincial Policy Management sub-programme towards the evaluation of the impact of PEMP and OSS. The movements from and within this programme are as follows:
  - o Of these savings, R10.777 million was moved to *Goods and services* in Programme 2 to address pressures from an unanticipated number of events held related to the Social Cohesion and Moral Regeneration programmes.

- o The balance of R2.095 million was moved within the programme as follows:
  - R11 000 was moved to *Transfers and subsidies to: Provinces and municipalities* for under-budgeted motor vehicle licences.
  - R1.053 million was moved to *Transfers and subsidies to: Households* for under-budgeted staff exit costs.
  - R1 million was moved to *Buildings and other fixed structures* to address pressures in the Royal Household sub-programme for higher than expected costs for the tiling project at Enyokeni Palace.
- R30 000 was allocated to *Payments for financial assets* to address write-offs of thefts and losses.

Legislature approval is required for the decrease in funding that was specifically and exclusively allocated in respect of the PEMP operations centre.

### Other adjustments – Programme 3: Policy and Governance: R800 000

Additional funding of R800 000 was allocated to the department for relocation payments to staff dating back to when government departments were relocated from Ulundi to Pietermaritzburg, against *Goods and services* across all sub-programmes, apart from the Heritage sub-programme.

### Service delivery measures – Programme 3: Policy and Governance

Table 1.11 shows the revised service delivery information for Programme 3.

Note that two measures in this programme are removed and two new measures are introduced to align with the 2018/19 APP. The removed measures are reflected in the 2018/19 Revised target column as “n/a”. The two new measures are indicated in the Original target column as “New”.

**Table 1.11 : Service delivery measures – Programme 3: Policy and Governance**

Outputs	Performance indicators	Performance indicators		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised target
<b>1. Provincial Policy Management</b>				
1.1 Macro policy development and co-ordination				
1.1.1 Policy audit reports	• No. of policy audit reports	2	1	
<b>2. Premier's Priority Programmes</b>				
2.1 PGDP capacity workshops with strategic partnership	• No. of workshops of stakeholders on PGDP Vision 2035	4	1	
2.2 Youth Projects co-ordination	• No. of co-ordination reports on projects for youth	4	n/a	n/a
2.3 Youth forum co-ordination reports	• No. of quarterly monitoring reports on youth forums	4	n/a	n/a
2.4 Strategic partnership forums	• No. of forum meetings with each sector – 1 x NGO, 1 x Business, Labour and Academics, 1 x Traditional Authority, and 1 x Religious sector	4	1	
2.5 Poverty Eradication Master Plan implementation	• No. of quarterly co-ordination reports on progress with PEMP implementation	New	2	4
2.6 Moral Regeneration Movement (MRM) co-ordination	• No. of MRM co-ordination reports	New	2	4
<b>3. King's Support and Royal Household</b>				
3.1 Service reports	• Quarterly reports on support services provided to His Majesty and Royal Household	4	2	
<b>4. Heritage</b>				
4.1 Heritage awareness	• No. of community heritage awareness campaigns	8	5	
4.2 Heritage memory infrastructure developed	• No. of monuments or memorials erected	8	4	
4.3 Monitoring reports on Amafa Council performance	• No. of Amafa monitoring reports	4	2	

## 5. Specifically and exclusively appropriated allocations

Table 1.12 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act. Note that transfers to public entities and local government (which are also specifically and exclusively appropriated funds) are not included here, as they are discussed in Sections 8, 9 and 10 below.

Details of the main adjustments, which resulted in an overall increase of R61.800 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the tables.

**Table 1.12 : Summary of specifically and exclusively appropriated funding**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Prog 1: Moerane Commission of Inquiry						7 000	7 000
Prog 1: Relocation costs for ex-Ulundi staff						1 500	1 500
Prog 2: Youth Development Fund						50 000	50 000
Prog 2: Moses Mabhida building roof repairs						1 000	1 000
Prog 2: Relocation costs for ex-Ulundi staff						4 600	4 600
Prog 2: Centralisation of communication budget	43 172					-	43 172
Prog 3: Relocation costs for ex-Ulundi staff						800	800
Prog 3: Poverty Eradication Master Plan operations centre	12 919			(3 100)		(3 100)	9 819
<b>Total</b>	<b>56 091</b>	<b>-</b>	<b>-</b>	<b>(3 100)</b>	<b>-</b>	<b>64 900</b>	<b>117 891</b>
<b>Amount to be voted</b>							<b>61 800</b>

- *Virement*: Savings of R3.100 million were identified due to vacant posts. These include the Chief Director, a Director, an Administrator and an Administration Clerk, which are not deemed critical at this stage. The department moved this funding, with R1.600 million moved within Programme 3 to be utilised in the Provincial Policy Management sub-programme towards the evaluation of the impact of PEMP and OSS. The balance of R1.500 million was moved to *Goods and services* in Programme 2 to increase lease payments for the new premises in Pietermaritz Street to allow the landlord to meet occupational specifications. Note this reduction in specifically and exclusively appropriated funding requires Legislature approval.

Legislature approval is required for the decrease in funding that was specifically and exclusively allocated for the PEMP operations centre.

- *Other adjustments*: The budget for specifically and exclusively allocated funding was increased by R64.900 million, as follows:
  - o R8.500 million was allocated to Programme 1, with R7 million allocated towards the costs for the Moerane Commission of Inquiry against *Goods and services*. The department was not previously provided any additional funds for this, as these costs were unforeseen and unavoidable. The balance of R1.500 million was for relocation payments to staff dating back to 2008, when government departments were relocated from Ulundi to Pietermaritzburg, allocated to *Goods and services*.
  - o An amount of R55.600 million was allocated to Programme 2, as follows:
    - R50 million was allocated under *Goods and services* toward the Youth Development Fund in line with a pronouncement made by the Honourable Premier in his State of the Province Address, as well as the Budget Speech for Vote 1.
    - R1 million is allocated against *Buildings and other fixed structures* for the urgent roof repairs of the Moses Mabhida building. The roof of this building has serious leaks which have caused extensive damage to the building. In line with project requirements, R1 million was allocated to the department in 2018/19, while the balance of R5.932 million will be allocated in 2019/20.
    - R4.600 million was allocated for relocation payments to staff dating back to 2008 when government departments were relocated from Ulundi to Pietermaritzburg.

- o R800 000 was allocated to Programme 3 under *Goods and services* for relocation payments to staff dating back to 2008 when government departments were relocated from Ulundi to Pietermaritzburg.

## 6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorships in excess of R100 000.

## 7. Infrastructure

Table 1.13 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R4.686 million, are provided in the paragraphs following the tables.

**Table 1.13 : Summary of infrastructure payments by category**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Virement	Shifts	Other adjustments		
		Roll-overs	unavoidable					
<b>Existing infrastructure assets</b>	<b>8 046</b>	<b>2 686</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>1 000</b>	<b>4 686</b>	<b>12 732</b>
Maintenance and repair: Current	2 317						-	2 317
Upgrades and additions: Capital	3 557						-	3 557
Refurbishment and rehabilitation: Capital	2 172	2 686		1 000		1 000	4 686	6 858
<b>New infrastructure assets: Capital</b>							-	-
<b>Infrastructure transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
<b>Infrastructure: Payments for financial assets</b>							-	-
Infrastructure: Leases	12 456						-	12 456
<b>Non infrastructure</b>							-	-
Capital infrastructure	5 729	2 686	-	1 000	-	1 000	4 686	10 415
Current infrastructure	14 773	-	-	-	-	-	-	14 773
<b>Total</b>	<b>20 502</b>	<b>2 686</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>1 000</b>	<b>4 686</b>	<b>25 188</b>
<b>Amount to be voted</b>								<b>4 686</b>

- *Roll-overs*: An amount of R2.686 million was rolled over from 2017/18, attributed to commitments related to the Terry Street Parking project, which was delayed due to inclement weather, allocated to the Information Communication Technology sub-programme under Programme 2 and *Refurbishment and rehabilitation: Capital*.
- *Virement*: R1 million was moved to *Refurbishment and rehabilitation: Capital* to address pressures for higher than expected costs for the tiling project at Enyokeni Palace. The savings were against *Machinery and equipment* due to over-budgeting for office furniture in the Royal Household sub-programme, and were moved within Programme 3.
- *Other adjustments*: The infrastructure budget was increased by R1 million, allocated for the urgent roof repairs of the Moses Mabhida building. The roof of this building has serious leaks which have caused extensive damage to the building. In line with project requirements, R1 million was allocated to the department in 2018/19, while the balance of R5.932 million will be allocated in 2019/20. This funding was allocated to the Information Communication Technology sub-programme in Programme 2 and is reflected against *Refurbishment and rehabilitation: Capital*.

## 8. Conditional grants

The department receives no national conditional grants.

## 9. Transfers and subsidies

Table 1.14 shows the summary of transfers and subsidies by programme and main category. The table includes transfers made to the department's public entities, namely KZNGBB, Amafa and RHT, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act.,

2018. Details of the main adjustments, which resulted in an overall increase of R1.201 million in the transfers and subsidies allocation, are provided in the paragraphs following the tables.

Table 1.14 : 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>1 182</b>	-	-	-	-	-	-	<b>1 182</b>
Households	1 182	-	-	-	-	-	-	1 182
PARMED	1 182	-	-	-	-	-	-	1 182
<b>2. Institutional Development</b>	<b>63 712</b>	-	-	<b>752</b>	<b>206</b>	<b>(821)</b>	<b>137</b>	<b>63 849</b>
Provinces and municipalities	60	-	-	34	-	-	34	94
Motor vehicle licences	60	-	-	34	-	-	34	94
Departmental agencies and accounts	42 925	-	-	-	206	(821)	(615)	42 310
KZNGBB	42 925	-	-	-	206	(821)	(615)	42 310
Households	20 727	-	-	718	-	-	718	21 445
Staff exit costs	3	-	-	718	-	-	718	721
Provincial Bursary Programme	20 724	-	-	-	-	-	-	20 724
<b>3. Policy and Governance</b>	<b>52 029</b>	-	-	<b>1 064</b>	-	-	<b>1 064</b>	<b>53 093</b>
Provinces and municipalities	-	-	-	11	-	-	11	11
Motor vehicle licences	-	-	-	11	-	-	11	11
Departmental agencies and accounts	52 029	-	-	-	-	-	-	52 029
Amafa	33 989	-	-	-	-	-	-	33 989
Royal Household Trust	18 040	-	-	-	-	-	-	18 040
Households	-	-	-	1 053	-	-	1 053	1 053
Staff exit costs	-	-	-	1 053	-	-	1 053	1 053
<b>Total</b>	<b>116 923</b>	-	-	<b>1 816</b>	<b>206</b>	<b>(821)</b>	<b>1 201</b>	<b>118 124</b>
<b>Amount to be voted</b>								<b>1 201</b>

- **Virement:** The department undertook the following virements affecting transfers and subsidies resulting in a net increase of R1.816 million:
  - Savings against *Compensation of employees* due to vacant posts in Programmes 2 and 3 were moved within the programmes to *Provinces and municipalities* to address under-budgeted motor vehicle licences with R34 000 allocated in Programme 2 and R11 000 in Programme 3.
  - Savings from *Compensation of employees* due to vacant posts in Programme 2 (R718 000) and Programme 3 (R153 000), as well as *Goods and services* in Programme 3 resulting from cost-cutting, were moved within the programmes to *Households* to address under-budgeting for staff exit costs.
  - Forced savings of R1.053 million against *Goods and services* were moved within Programme 3 for under-budgeted staff exit costs.
- **Shifts:** The department shifted funds within the Gaming and Betting sub-programme in Programme 2 amounting to R206 000 to correct a misallocation of funding for computer services in respect of the KZNGBB. These funds were incorrectly placed against *Goods and services* instead of *Departmental agencies and accounts* for transfer to the KZNGBB, and this is now corrected. There is no change in purpose for these funds.
- **Other adjustments:** The transfer to KZNGBB under *Departmental agencies and accounts* in Programme 2 was decreased by R821 000 due to KZNGBB being erroneously allocated this amount in 2018/19 as this amount formed part of the lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 is removed from the transfer to KZNGBB.

## 10. Transfers to local government

The department made no changes to transfer payments to local government.

It is noted that an amount of R105 000 is reflected against *Transfers and subsidies to: Provinces and municipalities* in Table 1.14. This relates to the payment of motor vehicle licences. As this amount will not be transferred to any municipality, the table reflecting transfers to local government is excluded.

## 11. Actual payments and revised spending projections for the rest of 2018/19

Tables 1.15 and 1.16 reflect actual payments as at the end of September 2018, 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 2017/18 Audited outcome.

**Table 1.15 : Actual payments and revised spending projections by programme**

	2017/18 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2018 - September 2018	% of budget	October 2018 - March 2019	% of budget	
<b>R thousand</b>							
1. Administration	90 169	103 030	49 693	48.2	53 337	51.8	103 030
2. Institutional Development	353 124	482 819	239 089	49.5	243 730	50.5	482 819
3. Policy and Governance	308 761	268 443	160 681	59.9	107 762	40.1	268 443
<b>Total</b>	<b>752 054</b>	<b>854 292</b>	<b>449 463</b>	<b>52.6</b>	<b>404 829</b>	<b>47.4</b>	<b>854 292</b>

**Table 1.16 : Actual payments and revised spending projections by economic classification**

	2017/18 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2018 - September 2018	% of budget	October 2018 - March 2019	% of budget	
<b>R thousand</b>							
<b>Current payments</b>	<b>594 868</b>	<b>708 520</b>	<b>373 405</b>	<b>52.7</b>	<b>335 115</b>	<b>47.3</b>	<b>708 520</b>
Compensation of employees	277 490	306 346	144 788	47.3	161 558	52.7	306 346
Goods and services	317 378	402 174	228 617	56.8	173 557	43.2	402 174
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>141 635</b>	<b>118 124</b>	<b>68 950</b>	<b>58.4</b>	<b>49 174</b>	<b>41.6</b>	<b>118 124</b>
Provinces and municipalities	80	105	105	100.0	-	-	105
Departmental agencies and accounts	115 328	94 339	46 739	49.5	47 600	50.5	94 339
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	26 227	23 680	22 106	93.4	1 574	6.6	23 680
<b>Payments for capital assets</b>	<b>15 464</b>	<b>27 423</b>	<b>6 883</b>	<b>25.1</b>	<b>20 540</b>	<b>74.9</b>	<b>27 423</b>
Buildings and other fixed structures	1 710	10 415	3 469	33.3	6 946	66.7	10 415
Machinery and equipment	11 663	12 189	2 426	19.9	9 763	80.1	12 189
Heritage assets	2 091	4 819	988	20.5	3 831	79.5	4 819
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>87</b>	<b>225</b>	<b>225</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>225</b>
<b>Total</b>	<b>752 054</b>	<b>854 292</b>	<b>449 463</b>	<b>52.6</b>	<b>404 829</b>	<b>47.4</b>	<b>854 292</b>

The department is projecting a balanced budget for all three programmes at year-end. However, 52.6 per cent of the department's annual budget was spent at mid-year, which is higher than the straight-line benchmark of 50 per cent after six months. This was largely due to *Goods and services* spending, which was at 56.8 per cent at mid-year, largely due to pressures from the Social Cohesion, Moral Regeneration, Heritage and Royal Household events. The low projections in the remaining quarters compared to mid-year spending are attributed to the scaling down of the number of events in the second half of the year.





Table 1.A : Summary by economic classification : Office of the Premier

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>648 417</b>	<b>390</b>	<b>-</b>	<b>(3 981)</b>	<b>(206)</b>	<b>63 900</b>	<b>60 103</b>	<b>708 520</b>
Compensation of employees	323 028	-	-	(16 682)	-	-	(16 682)	306 346
Salaries and wages	294 904	-	-	(17 355)	-	-	(17 355)	277 549
Social contributions	28 124	-	-	673	-	-	673	28 797
Goods and services	325 389	390	-	12 701	(206)	63 900	76 785	402 174
Administrative fees	3 637	-	-	485	-	-	485	4 122
Advertising	56 987	-	-	(8 120)	-	-	(8 120)	48 867
Minor assets	7 495	-	-	(1 927)	-	-	(1 927)	5 568
Audit cost: External	4 690	-	-	32	-	-	32	4 722
Bursaries: Employees	1 022	-	-	(250)	-	-	(250)	772
Catering: Departmental activities	13 536	-	-	576	-	-	576	14 112
Communication (G&S)	9 782	-	-	214	-	-	214	9 996
Computer services	42 705	-	-	(12 370)	(206)	-	(12 576)	30 129
Cons. & prof serv: Business and advisory services	29 314	390	-	(7 557)	-	7 000	(167)	29 147
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	3	-	-	3	3
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	409	-	-	1 200	-	-	1 200	1 609
Contractors	32 975	-	-	59 984	-	-	59 984	92 959
Agency and support / outsourced services	960	-	-	40	-	-	40	1 000
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl gov't motor transport)	7 775	-	-	40	-	-	40	7 815
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	20	-	-	-	-	-	-	20
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	6 554	-	-	(298)	-	-	(298)	6 256
Consumable: Stationery, printing and office supplies	8 919	-	-	(1 917)	-	-	(1 917)	7 002
Operating leases	20 605	-	-	343	-	-	343	20 948
Property payments	8 732	-	-	734	-	-	734	9 466
Transport provided: Departmental activity	13 750	-	-	(6 257)	-	-	(6 257)	7 493
Travel and subsistence	36 366	-	-	(2 261)	-	-	(2 261)	34 105
Training and development	8 493	-	-	(4 416)	-	50 000	45 584	54 077
Operating payments	155	-	-	1 741	-	6 900	8 641	8 796
Venues and facilities	10 508	-	-	(7 318)	-	-	(7 318)	3 190
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>116 923</b>	<b>-</b>	<b>-</b>	<b>1 816</b>	<b>206</b>	<b>(821)</b>	<b>1 201</b>	<b>118 124</b>
Provinces and municipalities	60	-	-	45	-	-	45	105
Provinces	60	-	-	45	-	-	45	105
Provincial Revenue Funds	-	-	-	45	-	-	45	105
Provincial agencies and funds	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	94 954	-	-	-	206	(821)	(615)	94 339
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	94 954	-	-	-	206	(821)	(615)	94 339
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	21 909	-	-	1 771	-	-	1 771	23 680
Social benefits	3	-	-	1 771	-	-	1 771	1 774
Other transfers to households	21 906	-	-	-	-	-	-	21 906
<b>Payments for capital assets</b>	<b>21 797</b>	<b>2 686</b>	<b>-</b>	<b>1 940</b>	<b>-</b>	<b>1 000</b>	<b>5 626</b>	<b>27 423</b>
Buildings and other fixed structures	5 729	2 686	-	1 000	-	1 000	4 686	10 415
Buildings	5 729	2 686	-	1 000	-	1 000	4 686	10 415
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	11 249	-	-	940	-	-	940	12 189
Transport equipment	3 215	-	-	1 940	-	-	1 940	5 155
Other machinery and equipment	8 034	-	-	(1 000)	-	-	(1 000)	7 034
Heritage assets	4 819	-	-	-	-	-	-	4 819
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>225</b>
<b>Total</b>	<b>787 137</b>	<b>3 076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64 079</b>	<b>67 155</b>	<b>854 292</b>
<b>Amount to be voted</b>								<b>67 155</b>