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**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 2085**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 27 MAY 2022**

**INTERNAL QUESTION PAPER NUMBER: 20 - 2022**

**2085. Mrs G Opperman (DA) to ask the Minister of Social Development:**

What amount of budget cuts did (a) her department experience in each province, especially in the Northern Cape, and (b) each programme receive? NW2488E

**REPLY:**

**Eastern Cape Province**

1. & b) The Eastern Cape Department of Social Development (DSD) did not experience a budget cut for the 2022/23 financial year and 2022 MTEF period other than the budget cuts that were implemented in the 2021 MTEF period.

The budget for the Department was however reduced because of the ECD function shift from DSD to the Department of Education (DOE).

**Free State Province**

1. Amount of budget cuts experienced in the Free State Province

From the final allocation for the 2020/21 financial year to the main allocation for 2021/22, the departmental budget for the FS DSD decreased by R 77.196 million.

The cuts were mainly on the Compensation of Employees as a result of the freezing of annual salary adjustments over the MTEF.

From the Main Allocation to the Final Allocation (during the Adjustment Budget) the department received:

* R 37.336 million as a roll-over of the ECD Conditional Grant;
* R 31.692 million for gratuities paid to officials on levels 1-12;
* R 12 million for appointment of social workers;
* R 10.702 in respect of the ECD Stimulus;
* R 4.2 million towards the ENGO Payment

1. Decrease/increase ease per programme as well as final appropriation:

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**Gauteng Province**

1. The baseline allocation for the Gauteng Department of Social Development was reduced by R 614,545 million in the 2022/23 financial year due to the ECD function shift, centralisation of the ICT budget to the Department of e-Government, infrastructure cut, and fiscal consolidation reduction.

**Table 1: Baseline Reduction - 2022/23 Financial Year**

|  |  |
| --- | --- |
| ***ITEM*** | ***2022/23***  ***R’000*** |
| ECD Function Shift | 591 278 |
| ICT Budge Centralisation (Department of e-Government) | 7 533 |
| Infrastructure | 12 100 |
| Cuts from Provincial Treasury (Fiscal consolidation) | 3 634 |
| ***TOTAL*** | ***614 545*** |

b)Each programme received the following:

Table 2: Baseline Reduction per Programme - 2022/23 Financial Year

|  |  |
| --- | --- |
| Programme | Amount  R’000 |
| Administration | 15 023 |
| Social Welfare Services | 0 |
| Children & Families | 542 414 |
| Restorative Services | 12 100 |
| Development & Research | 45 008 |
| *TOTAL* | ***614 545*** |

**KwaZulu-Natal Province**

1. The budget cuts experienced by KwaZulu-Natal DSD were R 322, 909 million for 2021/2022 and

R 427, 238 million for 2022/2023 financial years.

1. Each programme received the following budget cuts:

|  |  |  |
| --- | --- | --- |
| Programme | 2021/22  R’000 | 2022/23  R’000 |
| Administration | 45,779 | 52,278 |
| Social Welfare Services | 59,332 | 81,696 |
| Children and Families | 172,798 | 231,264 |
| Restorative Services | 20,000 | 29,000 |
| Development and Research | 25,000 | 33,000 |
| Total | **322,909** | **427,238** |

**Limpopo Province**

1. R 482 686 million
2. Program 1: Administration – R 80,788 million

Program 2: Social Welfare Services - R 74,649 million

Program 3: Children and families – R 225,563 million

Program 4: Restorative Services – R 56,469 million

Program 5: Development and Research –

R 45,217 million

**Mpumalanga Province**

1. There were no budgets cut to any of the programmes made by the National Department for the 2021/22 financial year. The departmental overall budget was reduced in the 2022/23 financial year following the ECD function shift to the Department of Education See the breakdown of the allocated budget from National to Province below:

|  |  |  |
| --- | --- | --- |
| Programme | 2021/22 | 2022/23 |
| Administration | R 334 631 000 | R 411,885,000 |
| Social Welfare Services | R 298 595 000 | R 291 548 000 |
| Children and Families | R 811 255 000 | R 482 218 000 |
| Restorative Services | R 209 532 000 | R234 935 000 |
| Development and Research | R 199 666 000 | R 195 644 000 |
| TOTAL | R 1,853 679 000 | R 1,840,989,000 |

1. An amount of R 80.0 million was cut from the budget allocation of the Department at the provincial level during the budget adjustment of the 2021/22 financial year. This amount was cut from the budget allocation for new social infrastructure projects.

**Northwest Province**

The budget reduction implemented in 2021/22 financial was R 228.4 million and in 2022/23

R 311.5 million and a further transfer of ECD function to the Department of Education amounting to R 192 million.

Budget reduction per program.



Allocation per program for 2022/23

|  |  |
| --- | --- |
| **PROGRAM** | **2022/23** |
| Administration | 227 079 |
| Social Welfare Services | 587 476 |
| Children and Families | 345 313 |
| Restorative Services | 303 840 |
| Development and Research | 190 684 |
| Total for Programmes | 1 654 392 |

**Northern Cape Province**

1. & b)

The Department received a budget cut on the EPWP allocation from R 9,3 million to R 5,2 million. The reduction was mostly in Programme 5.

**Western Cape**

1. The Western Cape DSD has the following budget cuts for the 2022/23 financial year.

|  |  |
| --- | --- |
| **Programmes** | **(R’000)** |
| Administration | 1,658 |
| Social Welfare Services | 21,213 |
| Children and Families | (351,604) |
| Restorative Services | 4,629 |
| Development and Research | 30,884 |
| **Total** | **(293,220)** |

The department allocation for 2022/23 was reduced by R 391.531 million for the Early Childhood Development (ECD) function shift from Vote 7: Social Development to Vote 5: Education.

The department reprioritised allocations to mitigate budget shortfalls as follows:

Compensation of Employees (CoE)

The department received an additional R 40 million to provide for the 2022/23 Wage agreement. However, the additional funding will not cover the department’s CoE budget requirements and therefore, the department had to reduce its Recruitment Plan (Filling of vacant posts) by R 25 million to cover the shortfall. This compromise will hamper the filling of critical posts and effective service delivery.

Goods and Services

The departments received an additional R 1 million for digitizing the Non-profit organisation management systems (NPOMS) and R 1 million for the development of a Mobile Client Service System to support Social Workers to deliver more efficient services.

Considering baseline budget reductions, the department implemented additional budget cuts.

* No new staff bursaries can be awarded
* Training budget was reduced
* Maintenance of offices and facilities was reduced
* Austerity measures for Stationery, printing, and office supplies

Transfer Payments and Subsidy Payments

* Non-Profit Institutions

The departments received an additional,

* + R 4.978 million for the Social Sector EPWP Incentive Grant for Provinces.
  + R 3 million for the conversion of Robbie Nurock community health centre into a homeless shelter.
  + R 21.333 for Social Development - Welfare NGOs

The impact of baseline budget reductions will have the following consequences

* + Reductions to payments for Older Persons will lead to the termination of all transport costs to service centres; 14 non-compliant service centres will not be funded, and termination of awareness programmes in old age homes.
  + The reduction of payments to the disabled will lead to a reduction in disability training and awareness programmes. Funds to Disability Forums will be reduced.
  + Funding will have to be reduced to all 33 shelters. There will be a reduction in funding of 40 Families Social Service Organisations’. This will lead to no parent, teenage, father /boys programme can continue in any of the Safety Hotspot areas and placing Families at higher risk.
  + Fewer practitioners in Substance Abuse NPO's will be trained. Reduction in early intervention services. Reduction of 80 youth beds. The reduction of bed space across the other Substance Abuse Centres. Reduction in aftercare services rendered by the NPO sector and more pressure on DSD to render aftercare services. Impact on operational cost and a decrease in student intake for universities
  + Reduction in EPWP Programme
  + Reduction in project budgets for Youth Cafés. No expansion of Youth Cafes.
* Households

No new External Bursaries can be awarded

Capital Assets.

The department received an additional R2 million to enable Mobile connectivity. However, the procurement of IT equipment was reduced and thus affecting the departmental Technology Refresh.

**Programme 1: Administration**

* + The reduction in COE severely impacted service delivery monitoring and performance of administrative duties.
  + IT refresh was scaled down.

**Programme 2: Social Welfare Services**

* + The reduction in COE resulted in the downscaling of services and outputs within the department.
  + 2021/22 Adjusted Budget for transfer payments was maintained, thus no increases in post-funding, subsidies, and programmes funding. This resulted in downscaling of services within the NGO sector. Certain service offerings were suspended or terminated.

**Programme 3: Children and Families**

* Reduction in CoE severely impacts services offered by the department.
* The allocation for 2022/23 was reduced by

R 391.531 million for the Early Childhood Development (ECD) function shift from Vote 7: Social Development to Vote 5: Education.

**Programme 4: Restorative Services**

* The reduction in CoE severely impacted services offered at facilities. Norms and standards ratio for a child vs care worker was not met and increased absenteeism.
* 2021/22 Adjusted Budget for transfer payments was maintained, thus no increases in post-funding, subsidies, and programmes funding. This resulted in downscaling of services within the NGO sector. Certain service offerings were suspended or terminated.

**Programme 5: Restorative Services**

* The reduction in CoE severely impacted services offered by the Department.
* Ability to respond to disasters and humanitarian relief was severely impacted. There was limited ability to address food insecurity where SASSA didn't have additional funding.