

sc finance  
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# **PUBLIC HEARINGS ON CONDITIONAL** **GRANTS**

**Presentation to the Select  
Committee on Finance**

**14 February 2007**

## Funding Allocation

- The Division of Revenue Act (DORA) dictates the terms of reference in spending the Hospital Revitalisation Conditional Grant.
- Project Implementation Plans are submitted annually which dictate the spend pattern on the projects
- The funding allocation is controlled by the National Department of Health and National Treasury and we have to adjust project plans within those allocations.
- As yet there has been no approval for Edendale or King Edward VIII, Business Plans submitted in Jan '06.  
Approval unlikely due to funding cuts

## **Comprehensive HIV&AIDS Grant**

- Actual Spending at 70 % of total allocation
- Claims to the value of R 10.654million awaited from NHLS, which will increase percentage to 72%
- Projected Expenditure to 31/03/07 include:
  - Acquisition of equipment
  - Verification and payment of NHLS claims for laboratory services.

## **Comprehensive HIV&AIDS Cont...**

- Purchase of HIV & Aids drugs
- Purchase to be effected for nutrients and multivitamins for R7million
- Acquisition of HBC to be effected - R2,7m
- Spending expected to be on target
- Adequate monitoring capacity is in place
- Challenges experienced due to appeals against tender award for rapid test kits

## **Health Professionals Training & Development Grant**

- Actual spending at 70% of total allocation
- Personnel spending on track
- Possible over spending in goods and services expected
- Overall spending expected to be on target
- Adequate monitoring capacity in place



## **Hospital Revitalization**

- Actual spending at 44% of allocation
- Allocation includes R 88.9million originally earmarked for release back to National Department of Health.
- If amount of R 88.9million is excluded, expenditure to date improves to 61% of the total adjusted allocation of R 228.389million.
- The amount of R 88.9million resulted from a projected under spending on King George VII Hospital due to the appeals that delayed the commencement of the project, with the project commencing in earnest during the first quarter of the 2006/07 financial year

## **Hospital Revitalization cont...**

- Overspending in buildings and other fixed structures.
- Under spending in machinery and equipment due to delays in completion of the construction of facilities.
- Overall spending expected to be on target

## **Hospital Revitalization cont...**

- Capacity for monitoring projects have been enhanced through:
  - The filling of vacancies in project management, which will include capacity for project planning, monitoring and support.
  - The appointment of project managers for each Revitalization site, who are quantity surveyors



## **Status Report on Hospital Revitalization**

- The Hospital Revitalisation Project covers 6 active projects currently managed by Infrastructure Development .
- With effect from 1/4/2007 KZN will take on Rietvlei Hospital in Umzimkulu as an existing E/Cape revitalisation Project.
- The capacity of implementing agents have improved, resulting in enhanced project implementation pace

## King George V Hospital

- **The project** is back on track with the new District Hospital, kitchen and dining facilities under construction, and due for completion in March 2008.
- Expenditure for 2006/07 will be R 135,3m, for 2007/08 is estimated to be R241,9m, and for 2008/09 is R 237,6m

## Madadeni Hospital

- The existing Hospital site will be used for the development.
- The Environmental Impact Assessment, Traffic Survey, and Geotechnical Studies have been requested and are in progress.
- Expenditure for 2006/07 is R 1,0m

## Rietvlei

- Rietvlei is 95% complete and is scheduled for final completion of the current phase in June 2007.
- It is anticipated that R13,0m will be spent in 2007/08.