

③ 08 0206 SC
finance.

Introduction

The GDE faces a number of vital challenges resulting from the rapid demographic changes in the Gauteng Province that impact on its ability to ensure quality learning within the context of the external environment. This is so because there is a growing emphasis on 'educational attainment levels, that quality of life, and the future well-being of the province.

From 2003 to 2007, the number of learners in the province increased by 14.4% which represents a total increase of 14.4% in the number of learners. This growth in the number of learners makes it extremely difficult for the Department of Education to provide the necessary infrastructure and resources to cater for the needs of all learners. A key challenge facing the Department is the provision of classrooms and teachers. A key challenge facing the Department is the provision of classrooms and teachers. A key challenge facing the Department is the provision of classrooms and teachers.

The Department of Education has been successful in securing additional funding from the National Treasury and the Department of Education to support the provision of classrooms and teachers. This funding has been used to build classrooms and recruit teachers in many districts. The Department of Education has also been successful in securing additional funding from the National Treasury and the Department of Education to support the provision of classrooms and teachers.

The Department of Education is experiencing rapid urbanisation and more informal settlements are being created in the province. To cope with this pressure the Department needs more funding in line with the increased demand for schooling in informal settlements and rural schools where there are no schools.



Department of Education

Presentation of the Third Quarter Outcomes in respect of the 2007/08 Conditional Grants as at 31 December 2007

1. Introduction

The GDE faces a number of vital challenges resulting from the rapid demographic changes in the Gauteng Province that impact on its ability to ensure quality service delivery within the context of the external environment. This is so because there is a relationship between peoples' educational attainment levels, their quality of life, and the future well-being of the Province and the national state.

From 2003 to 2007, the number of learners in public education in Gauteng has increased with 240 434, which represents a total increase of 14.4%. The growth in learner numbers is, however, unpredictable. This phenomenon makes it extremely difficult to plan for service delivery, especially the provision of classrooms and teachers. A key challenge facing the Department is the shortage of classroom space in many districts that have witnessed an influx of learners from other areas and from outside of the province, and the learners of the schools from the North-West Department of Education and the Mpumalanga Department of Education that were incorporated into the GDE. In total, the number of learners in public schools of the GDE has increased with 103 276 learners in the 2007 academic year which represents an increase of 6.42%.

Gauteng Province is experiencing rapid urbanisation and more informal settlements are being created in the province. To cope with this pressure the Department needs more funding in line with the increased demand for schooling in informal settlements and rural schools where there are no schools.

Presentation of the Third Quarter Outcomes in respect of the 2007/08 Conditional Grants as at 31 December 2007

2. Budget Trends Analysis

2.1 Expenditure by Programme

Programme	2006/07	2007/08	2007/08	2007/08	2007/08	2007/08
1 Administration	778,685	290,901	570,986	893,177	936,890	95.3%
2 Public ordinary school education	9,058,642	2,153,622	5,233,565	8,023,128	11,668,835	68.8%
3 Independent school education	204,851	93,487	138,027	206,274	216,461	95.3%
4 Education in specialised schools	636,974	226,192	380,547	534,014	709,353	75.3%
5 Further education and training	443,294	124,841	255,995	417,255	600,303	69.5%
6 Adult basic education and training	168,063	38,103	88,357	142,693	223,052	64.0%
7 Early childhood development	35,707	8,223	21,313	34,670	152,739	22.7%
8 Auxilliary and associated services	288,976	26,704	51,395	129,218	138,004	93.6%
9 Special function	7,501	3,200	5,816	84	-	0.0%
Total expenditure	11,622,693	2,965,273	6,746,001	10,380,513	14,645,637	70.9%

2.2 Expenditure by economic classification

	Previous Year Actual	Actual spending to end of July	Actual spending to end of Sep	Actual spending to end of Dec	Adjusted Budget 2007/08	Percentage Spent
1	2	6	15	15	18	
Economic classification						
Current payments	9,996,308	2,544,126	5,454,990	8,608,876	12,641,164	68.1%
Compensation of employees	8,958,370	2,433,570	5,105,254	7,852,969	10,769,051	72.92%
Goods and services	1,030,373	110,543	349,160	755,297	1,872,113	40.34%
Interest and rent on land	83	1	9	9	-	0.00%
Financial transactions in assets and liabilities	7,482	12	167	601	-	0.00%
Total transfers and subsidies	856,329	251,422	994,413	1,376,539	1,243,953	110.7%
Provinces and municipalities	7,304	16	53	95	-	0.0%
Departmental agencies and accounts	- 136	(9,131)	(9,131)	285	-	0.0%
Non-profit institutions	825,249	253,141	990,463	1,353,953	1,220,581	110.93%
Households	23,640	7,396	13,028	22,206	23,372	95.01%
Payments for capital assets	770,056	169,725	296,998	395,098	760,520	52.0%
Buildings and other fixed structures	598,799	148,225	267,737	359,424	698,023	51.49%
Machinery and equipment	149,837	19,700	26,681	31,918	62,497	51.07%
Software and other intangible assets	21,420	-	503	1,679	-	0.00%
Land and subsoil assets	-	1,800	2,077	2,077	-	0.00%
Total expenditure	11,622,693	2,965,273	6,746,001	10,380,513	14,645,637	70.9%
Previous year actual		2,516,944	5,386,635	8,565,070	11,615,192	73.7%

- Spending is on track across all programmes.
- The expenditure in Public Ordinary schools will increase after the LTSM procured in the Third Quarter is paid and after all the teacher training iro the NCS preparation is completed and paid for.
- The low expenditure in Early Childhood Development and ABET is as a result of growth plans for 2008 academic year.
- In respect of personnel, a number of draft resolutions for which budget allocations were made remain unresolved at the ELRC. These are the resolution for performance bonuses for educators, incentives for educators in rural areas and the hard to teach subjects (Scarce skills allowance). Underspending in respect of compensation of employees due to vacant posts as a result of appointment process not finalized due to withdrawals and disputes and as a result of schools unable to find suitable teachers. In addition, we have a high vacancy rate of both educators and PS personnel in offices.
- Transfers are on track and the remaining portion of the FET Grant and independent schools subsidies remain to be transferred.
- Expenditure in CAPEX is above the 2006/07 expenditure for the same period and if there is no delivery problems there is a potential of some over-expenditure as a result of projects being delivered ahead of schedule.

2.3 Expenditure by Conditional Grants

Grant	Previous year actual expenditure	Spent by Province	Spent by Province	Spent by Province	Total Available	% Spent
		July	September	December		
Further education and training college sector recapitalisation grant	106,000	49,129	49,129	119,382	140,509	85%
HIV and Aids (life skills education) grant	16,989	1,701	7,394	17,603	22,416	79%
National school nutrition programme grant	77,271	25,122	50,420	85,641	114,574	75%
Total	200,260	75,952	106,943	222,626	277,499	80%

- Expenditure was on track for all conditional grants.
- Expenditure in Further Education and training will increase after the final tranche of the FET grant is transferred.
- Expenditure in the HIV grant is above the 2006/07 expenditure level for the same period.

Category	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Land and buildings	1,000	1,000	1,000	1,000	1,000	1,000
Motor vehicles and equipment	1,000	1,000	1,000	1,000	1,000	1,000
Other equipment	1,000	1,000	1,000	1,000	1,000	1,000
Information technology	1,000	1,000	1,000	1,000	1,000	1,000
Professional services	1,000	1,000	1,000	1,000	1,000	1,000
Travel and subsistence	1,000	1,000	1,000	1,000	1,000	1,000
Printing and stationery	1,000	1,000	1,000	1,000	1,000	1,000
Telephone and fax	1,000	1,000	1,000	1,000	1,000	1,000
Post and courier	1,000	1,000	1,000	1,000	1,000	1,000
Energy and water	1,000	1,000	1,000	1,000	1,000	1,000
Repairs and maintenance	1,000	1,000	1,000	1,000	1,000	1,000
Security and surveillance	1,000	1,000	1,000	1,000	1,000	1,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000
Interest on loans	1,000	1,000	1,000	1,000	1,000	1,000
Financial provisions in respect of staff	1,000	1,000	1,000	1,000	1,000	1,000
Grants and transfers	1,000	1,000	1,000	1,000	1,000	1,000
Contingencies	1,000	1,000	1,000	1,000	1,000	1,000
Capital expenditure	1,000	1,000	1,000	1,000	1,000	1,000
Current expenditure	1,000	1,000	1,000	1,000	1,000	1,000
Total expenditure	1,000	1,000	1,000	1,000	1,000	1,000

- Expenditure in CAPEX is above the 2008/09 expenditure for the same period and there is no delivery of projects as a result of some over-expenditure as a result of projects being delayed or schedule.
- Transfers are on track and the remaining portion of the FET grant and independent schools subsidies remain to be transferred.
- In total of personnel, a number of staff resolutions for which budget allocations were made remain unresolved at the ERFC. These are the resolutions for performance bonuses for educators, incentives for educators in rural areas and the hard to reach subjects (Science skills allowance). Underpinning in respect of compensation of employees due to vacant posts as a result of appointment process not finalized due to withdrawals and delays and as a result of schools unable to find suitable teachers. In addition, we have a high vacancy rate of both educators and PS personnel in offices.
- The low expenditure in Early Childhood Development and ABET is as a result of growth plans for 2008 academic year.
- The expenditure in Public Ordinary schools will increase after the LTM process in the Third Quarter is paid and after all the teacher training in the MCS preparation is completed and paid for.
- Spending is on track across all programmes.

3. HIV/AIDS

The Department is responding to the Aids epidemic by focusing on one of the five national priorities viz., dealing effectively with HIV/Aids in our schools. The Life Skills: HIV/AIDS Sexuality Programme has been implemented mainly in primary and secondary schools and was further extended to FETIs through peer education. The Life Skills programme focuses mainly on Sexuality Health Education (i.e. HIV and AIDS), substance abuse, child abuse and peer education and other skills needed by children and youth to cope with difficult everyday situations. The increase of orphans and also child-headed families put pressure on resources and this is managed in collaboration with other relevant sectors of government as well as NGOs.

3.1 Progress to date

Expenditure pattern has improved in this quarter compared to expenditures during this quarter in the past three years. Spending analyses as reflected in the IYM report indicates that the budget for 2007/8 financial year first quarter in relation to the HIV and AIDS conditional grant has increased from 21 012 in 2006/07 to R22 429 2007/8. The budget for the grant has qualified for an increase of almost R1 418 million. Of this budget, the real percentage budget spent to date is 78 % of the total budget allocated for the year and almost 19% of the outstanding budget is committed on requisitions. And the remainder which is 1% of committed on management and administration.

3.2 Challenges and Concerns experienced during the first quarter

- The multi-sectoral response to HIV and AIDS IN Gauteng has run a survey (September 2007) that indicate that the province is experiencing high level s of orphanage due to HIV and AIDS.
- The survey also shows a high level stress among educators, not necessarily from HIV and AIDS pandemic but other causes as well.
- Attitudes problems especially in white dominant schools this is demonstrated by poor attendance of training workshops.
- The nature of appointment of staff (contractual) working in the programme is a challenge as the programme is always losing staff to other departments.

3.3 Interventions /Corrective measures

- HIV and AIDS officials attended risk assessment course as a form of capacity building.
- More focus on care and support for both educators and learners.
- We need to train as many master trainers as possible to assist in the implementation of the programme.
- Strengthening of Advocacy in order to effectively integrate the NGO`s, CBO`s, SBST`s and SGB`s in the programme.
- Master trainers (peer educators) need to be capacitated so that they could implement and support the programme with less monitoring.
- Peer education and Care and Support to be bounded together.

3.3 Budget allocation, Expenditure trends and Balance per activity

EXPENDITURE STANDARD ITEMS	Actual April 07 to December 07	Projection January 07 to March 08	Adjusted Budget 2007/8	Percentage Spent
Advocacy	780	341	1,121	70%
Training education	5059	-1,694	3,365	150%
Peer education	3232	133	3,365	96%
Care and Support	1723	1,415	3,138	55%
LSM	5721	-2,356	3,365	170%
Management/Admin	828	518	1,346	62%
Monitoring & Evaluation	259	6,470	6,729	4%
Total	17,602	4,827	22,429	78%

3.4 Interventions to keep spending on Track

The following point reflects the Corrective actions and measures undertaken by the Department to ensure that spending will be on track for the financial year:

- The central procurement point (GSSC) has established a dedicated team to priorities HIV and AIDS activities.
- Clear understanding of the supply chain management prescriptions among the personnel working with HIV and AIDS is vital and can assist in strengthening the programme. Strengthened the evaluation and monitoring tool to track expenditure
- Meetings are held to have common approach with regard to implementation of the programmes for the year as well as budget utilization.

4. National School Nutrition Programme

The increasing learner enrolment in the province and learner migration require more funding to enable the Department to respond appropriately to the School Nutrition Programme.

4.1 Progress to date

The three focus areas of the NSNP are providing meals at schools, facilitating food gardens or other food production projects in and around the school and educating learners and the community at large about good nutrition.

The programme is expected to target public schools serving the poorest communities, with priority given to farm, rural and informal settlements for school feeding. It is funded through a Conditional Grant with which the province buys goods and services.

During the first nine months of the 2007/08 financial year, the Department has expanded the programme and the number of learners in the school feeding scheme stands at 474 849 in 1 280 schools. The disestablishment of the Cross Border Municipalities has resulted in 101 schools from the North West and Mpumalanga provinces being incorporated into the provincial nutrition programme. A total of 32 947 additional learners from these provinces have been included in the programme.

With the projected target of 420,210 learners reached, achieved the programme is being monitored carefully to ensure that this level of provision is maintained. All districts are monitoring the school nutrition programme at school level and minimal irregularities at schools are observed.

- Expenditure is on track and the total budget will be spent.
- The school database has been completed.
- 100% of the targeted number of needy has been reached.
- Service providers received payments in time.
- A fire safety and basic first aid training has been planned for January 2008.

4.2 Challenges and Concerns experienced during the first quarter

- Expenditure is posted wrongly.
- Administratively, it is clear that the Provincial office has challenges in receiving monthly reports from districts which impacts negatively on the information flow. Since the programme is almost audited annually, this will have negative impact on reporting and is receiving urgent intervention.

4.3 Interventions /Corrective measures

- Journal entries to be made to correct error.
- The Department has arranged some corrective accomplishment to these challenges impeding on reporting. Close cooperation and collaboration with the District Directors will be prioritized to ensure consistent and accurate reporting.

4.4 Budget allocation, Expenditure trends and Balance per activity

EXPENDITURE	Actual Apr 07 to December' 07	Projection January' 07 to Mch 08	Adjusted Budget 2007/8	Percentage Spent
STANDARD ITEMS				
GOODS AND SERVICES				
FOOD SUP:FOOD SUPPLIES	76 373 244	23 627 726	100 000 970	76%
HONORARIA (VOLUNTARILY WORKERS)	6 042 830	935 310	6 978 140	87%
DOM CONS:GAS, GENERAL	1 280 232	1 568 230	2 848 462	45%
ADVERT: TENDERS	0	20 000	20 000	0%
EQUIP<R5000:OFFICE FURNITURE	114 007	54 924	228 972	50%
LEASES:OFFICE EQUIPMENT	0	28 574	28 574	0%
T&S DOM WITHOUT OP:GG VHCL	0	308 374	308 374	0%
TRAIN&STAFF DEV:EXTERNAL	28 200	43 800	69 000	41%
ADVERT: GIFTS & PROMOTIONAL ITEM	2 399	65 601	68 000	4%
EQUIP<R5000:DOMESTIC EQUIPMENT	1 802 705	2 220 803	4 023 508	45%
TOTAL GOODS AND SERVICES	85 643 617	28 873 342	114 574 000	75%

5. FET Recapitalisation

5.1 Progress to date

Significant numbers of educators have undergone Assessor and Moderator training. The training on NCV content for both levels 2 and 3 has been done in November to December 2007. Further training is scheduled for the first quarter of the 2008 academic year under the stewardship of the provincial Further Education and Training Curriculum Directorate.

Work on systems is at varying stages in all Colleges and Eighty percent (80%) of LAN and WAN systems have been developed and are planned to be completed during the 4th quarter of the current financial year 2007/08.

Work is currently underway on the refurbishment and upgrading of classrooms, workshops, training centres, student centres, and other facilities. Completion of these activities is envisaged towards the middle of the 4th quarter.

At Sedibeng College, 12 engineering workshops are currently under construction at the Vereeniging campus, 6 other engineering workshops are being constructed at the Heidelberg Satellite Campus for which alternative funding other than the Recapitalisation grant is utilised and at WESTCOL, building plans for additional classrooms on Krugersdorp campus has been approved. A building contractor has also been appointed and agreed upon. The construction work is said to commence on the 14 January 2008. Plans for additional 2 classrooms on Krugersdorp campus have been submitted for approval.

The upgrading of sites is being fast tracked at colleges. The Ekurhuleni East Painting of buildings has been completed at the Kwa-Thema Campus. At the South West College, parking area at George Thabo campus is completed. 6 Staff working areas are in the process of being finalised. The Ekurhuleni West media centre has also been campus improved and finalised.

The Colleges have to date purchased the following items:

- Tools for engineering workshops
- Skills development equipment
- Business practicum rooms
- Tools for engineering workshops
- Equipment for the tourism practicum room
- 12 comprojectors for teaching and learning
- Kitchen, laundry and guestroom equipment for hospitality purchased.
- 319 computers
- Audio visual equipment
- Furniture for the simulated enterprise unit
- Audio visual equipment and furniture for the resource Centre
- Engineering/technical drawing supplies for NCV
- Student administration hardware and software equipment
- NCV life orientation computers networked.
- NCV books

Although purchases have been made, there are still outstanding orders to be delivered and most of the purchases and will be finalised in January. Around 80% of equipment budgeted for the current operational period has been delivered and installed and bulk of the provision for new facilities is planned for the following 2008/09 financial year.

Procurement has been completed for 5078 text books and stationery for level 2 and 3 learners and all colleges have received the approved textbook lists.

The colleges have been monitored by officials from the Department of Education and Gauteng Department of Education officials to Colleges during the Phase 5 Monitoring. Monthly reports were prepared for the provincial department through the existing Recapitalisation Forum in Gauteng.

Colleges	2007/08 Allocation	Expenditure against 2007/08 Allocation	Roll Over Request	Expenditure against Rollover	Total Funds Available	Total Expenditure	Total Percentage spent
CJC	18,000,000	7,041,234	8,075,381	6,500,969	26,075,381	13,542,203	52%
EWC	17,000,000	11,955,492	9,041,182	6,239,973	26,041,182	18,195,465	70%
EEC	20,000,000	10,509,410		0	20,000,000	10,509,410	53%
SED	14,000,000	12,023,999		0	14,000,000	12,023,999	86%
SWGC	15,000,000	4,025,351		0	15,000,000	4,025,351	27%
TNC	25,211,000	8,030,784	3,030,383	2,602,206	28,241,383	10,632,990	38%
TSC	27,105,000	7,494,684	909,149	528,653	28,014,149	8,023,337	29%
WESCOL	4,193,000	2,996,511			4,193,000	2,996,511	71%
TOTAL	140,509,000	64,077,465	21,056,095	15,871,801	161,565,095	79,949,266	49%

5.2 Challenges and Concerns experienced during the first quarter

- The Colleges are faced with inadequacy of suitable service providers
- Shortage of building materials
- Staff due to current dynamics
- The transfer of the R 2, 00,000 to Westcol is still not finalised
- The level 2 and level 3 combinations had a big effect on the number of textbooks and stationary to be purchased.
- Continuous rain might hamper construction progress.

5.3 Interventions /Corrective measures

- The college staff should receive information on equipment ordered and the progress made in relation to procurement process
- Placement of orders for building materials should be conducted well in advance
- Ongoing and prompt information sharing, consultation, pep-talks and support with staff on new developments in the college sector should be advanced.
- Approval of the transfer the R 2,000,00 to Westcol as soon as possible
- Continuous communication flow with Colleges and Department of Education to resolve matters should be a pre-requisite.
- Department of Education training programs for 2008 and contents to be made known well in advance.
- Adherence to Service Level Agreement entered into by the College and the service providers as to follow-up on building plans and the progress on construction.

5.4 Budget allocation, Expenditure trends and Balance per activity

Budget Allocation: Expenditure and balance							
Provinces	Outputs	Allocation	% of Allocation	Expenditure	Balance	% spent	
CJC	Development of Human Resources	1,000,000	0%	616,774	383,226		
	Development of System and Procedures	0	0%	0	0		#DIV/0!
	Upgrading of classrooms and workshop	2,000,000	11%	1,973,570	26,430	99%	
	Buying and Building of new classrooms and workshops	9,500,000	53%	3,588,380	5,911,620	38%	
	Upgrading of College Sites	0	0%	0	0		#DIV/0!
	Purchasing of equipment to support Teaching and Learning	2,500,000	14%	160,513	2,339,487	6%	
	Development of Curriculum	3,000,000	17%	701,997	2,298,003	23%	
	Sub-Total	18,000,000	100%	7,041,234	10,958,766	39%	
EEC	Development of Human Resources	600,000	4%	429,748	170,254	72%	
	Development of System and Procedures	1,500,000	9%	370,109	1,129,891	25%	
	Upgrading of classrooms and workshop	8,900,000	52%	5,973,930	2,926,070	67%	
	Buying and Building of new classrooms and workshops	340,000	2%	186,306	153,694	55%	
	Upgrading of College Sites	0	0%	0	0		#DIV/0!
	Purchasing of equipment to support Teaching and Learning	3,707,000	22%	3,012,460	694,540	81%	
	Development of Curriculum	1,953,000	11%	536,799	1,416,201	27%	
	Sub-Total	17,000,000	100%	10,599,410	6,400,590	62%	
EWC	Development of Human Resources	1,000,000	5%	1,076,679	-76,679	108%	
	Development of System and Procedures	0	0%	0	0		#DIV/0!
	Upgrading of classrooms and workshop	1,000,000	5%	1,039,175	-39,175	104%	
	Buying and Building of new classrooms and workshops	400,000	2%	374,503	25,497	94%	
	Upgrading of College Sites	11,000,000	55%	3,454,560	7,545,440	31%	
	Purchasing of equipment to support Teaching and Learning	4,700,000	24%	5,385,344	-685,344	115%	
	Development of Curriculum	1,900,000	10%	625,203	1,274,797	33%	
	Sub-Total	20,000,000	100%	11,955,496	8,044,504	60%	
SED	Development of Human Resources	500,000	4%	428,452	71,548	86%	
	Development of System and Procedures	70,000	5%	65,744	4,256	94%	
	Upgrading of classrooms and workshop	1,600,000	104%	2,361,467	-761,467	148%	
	Buying and Building of new classrooms and workshops	9,290,000	66%	7,286,750	2,003,250	78%	
	Upgrading of College Sites	0	0%	0	0		#DIV/0!
	Purchasing of equipment to support Teaching and Learning	1,000,000	65%	680,271	319,729	68%	
	Development of Curriculum	1,540,000	11%	1,201,315	338,685	78%	
	Sub-Total	14,000,000	100%	12,023,999	1,976,001	86%	
SWG	Development of Human Resources	600,000	4%	293,694	306,306	49%	
	Development of System and Procedures	200,000	1%	125,035	74,965	63%	
	Upgrading of classrooms and workshop	3,500,000	23%	1,830,700	1,669,300	53%	
	Buying and Building of new classrooms and workshops	355,000	2%	142,325	212,675	40%	
	Upgrading of College Sites	2,000,000	13%	129,363	1,870,637	6%	
	Purchasing of equipment to support Teaching and Learning	5,100,000	34%	1,193,515	3,906,485	23%	
	Development of Curriculum	3,245,000	22%	310,390	2,934,614	10%	
	Sub-Total	15,000,000	100%	4,025,078	10,974,922	27%	
TNC	Development of Human Resources	1,120,000	4%	797,432	322,568	71%	
	Development of System and Procedures	1,000,000	4%	600,780	399,220	60%	
	Upgrading of classrooms and workshop	7,341,400	29%	2,114,057	5,227,343	29%	
	Buying and Building of new classrooms and workshops	370,000	1%	0	370,000	0%	
	Upgrading of College Sites	9,046,600	36%	937,692	8,108,908	10%	
	Purchasing of equipment to support Teaching and Learning	4,233,000	17%	2,689,117	1,543,883	64%	
	Development of Curriculum	2,100,000	8%	891,706	1,208,294	42%	
	Sub-Total	25,211,000	100%	8,030,784	17,180,216	32%	
TSC	Development of Human Resources	600,000	2%	521,948	78,052	87%	
	Development of System and Procedures	3,000,000	11%	3,667,345	-667,345	122%	
	Upgrading of classrooms and workshop	12,200,000	45%	0	12,200,000	0%	
	Buying and Building of new classrooms and workshops	0	0%	0	0		#DIV/0!
	Upgrading of College Sites	0	0%	0	0		#DIV/0!
	Purchasing of equipment to support Teaching and Learning	10,005,000	37%	3,159,929	6,845,071	32%	
	Development of Curriculum	1,300,000	5%	145,462	1,154,538	11%	
	Sub-Total	27,105,000	100%	7,494,684	19,610,316	28%	
WESCOL	Development of Human Resources	140,000	3%	140,000	0	100%	
	Development of System and Procedures	0	0%	0	0		#DIV/0!
	Upgrading of classrooms and workshop	2,518,000	60%	2,093,858	424,142	83%	
	Buying and Building of new classrooms and workshops	900,000	19%	302,845	597,155	34%	
	Upgrading of College Sites	230,000	5%	230,000	0	100%	
	Purchasing of equipment to support Teaching and Learning	410,000	10%	229,808	180,192	56%	
	Development of Curriculum	95,000	2%	0	95,000	0%	
	Sub-Total	4,193,000	100%	2,996,511	1,196,489	71%	
Total	Development of Human Resources	5,580,000	4%	4,304,725	1,255,275	77%	
	Development of System and Procedures	5,770,000	4%	4,828,073	941,927	84%	
	Upgrading of classrooms and workshop	39,059,400	28%	17,396,817	21,662,583	45%	
	Buying and Building of new classrooms and workshops	21,055,000	15%	11,881,109	9,173,891	56%	
	Upgrading of College Sites	22,276,800	16%	4,751,847	17,524,953	21%	
	Purchasing of equipment to support Teaching and Learning	31,855,000	23%	16,510,857	15,344,143	52%	
	Development of Curriculum	15,133,000	11%	4,412,868	10,720,132	29%	
	Sub-Total	140,509,000	100%	64,077,196	76,431,804	46%	
TOTAL	140,509,000		64,077,196	76,431,804	46%		

5.5 Interventions to keep spending on Track

We had a slow start, however, we are certainly gaining momentum. Our Colleges have increased Commitments in order to fast track spending. The commitments documents (contracts and signed SLAs) are made available for provincial perusal.

Constant support in especially on finance is provided by the GDE includes support in respect of re-adjustment of operational plans and budget allocations in order to meet objectives and submissions of deviations promptly for GDE HOD and DoE approval. In addition we have stepped up the frequency of monitoring per college especially those which are behind in their spending and implementation. The last tranche of the grant allocation for 2007/08 is being finalized. The FET Colleges will receive their funds by the end of November 2007.

The Recapitalisation process has been monitored provincially as well as in the company of National Department of Education in order to verify expenditure in terms of what the colleges have purchased with the allocated funds. The expenditure must be in line with the objectives of the programme. Continued efforts are made to ensure that no rollovers are requested, whereas the delay in transfers of recapitalisation funds from South West Gauteng College to Westcol might result in roll over.

The Recapitalisation programme at the Colleges is, on the whole, progressing satisfactorily.

6. CAPEX

During the 2006/07 financial year an in-depth analysis was conducted with regard to the backlog of new schools and it was established that there was a need for 125 secondary schools and 49 primary schools.

A backlog of 4 698 classrooms (174 schools) existed in the 2004/05 financial year and after all current projects are completed, a backlog of 3 115 classrooms would remain. In order to address the growth in learner numbers due to in-migration since 2004/05, an additional 1 000 classrooms would be needed. This, however, does not take into account the requirements for Grade R learners and the possible state of overcrowding that may exist in schools coming across from the North West province in terms of the cross-border migration of institutions.

6.1 Progress to date

- New Schools prior to 2006 - 16 New schools Projects were handed to Public Works to complete. The remainder in final account stage are managed by GDE with consultants appointed by GDE. The consultants ARE SUPPOSED to provide monthly reports indicating the cash flow and progress on each individual project. Eight reports were received from Public Works which were outdated with obvious errors.
- Cosmo City - A second turn key contract was entered into with the Cosmo City Developers to build another 3 schools for the amount of R75 m. These schools were completed within a year and handed over at the end of October 2007.
- Turn Key - 16 schools - Tenders closed for a turn key contract including 16 schools on 9 June 2006. The appointment was made on 8 September and the cash flow was based on the 12 month construction period. 4 Projects were replaced by others due to site problems. A new statutory requirement for Site Development Plans which include an Environmental Impact study and Heritage investigation has delayed the start of construction up to 9 months. All school programmes are based on a 12 month construction period. The contractors progress are about 10% behind the planned progress. The cash flow has been revised accordingly. Workmanship was rejected on three schools Braamfisherville, Diepsloot and Chief Lethuli which delayed these three by another month. The cash flows do not include the suggested addition of landscaping(R20 m) as approval is awaited
- 8 GDE schools - These 8 schools were tendered by GDE in December 2005. Four contractors were awarded 2 projects each and the IDT instructed to appoint and manage these contractors. All the contractors have withdrawn. The IDT has re-tendered Nellmapius and Ratanda in September 2006 with a 9 month construction period with huge penalties. A premium is be paid for the short period and the cash flow assumes that the period will be achieved. GDE gave approval in November 2006 for the other six to be re-tendered. Three sites were handed over in April, one in June 2007 while the remaining started on site in August 2007. Prices for these are to be negotiated as they are excessive. The cash flow reflects the high prices as provided by the IDT.
- 23 Schools by IDT - 23 Schools were tendered by the IDT in December 2005. Contractors were appointed and most sites handed over at the end of May/beginning of June 2006. There is still a problem with Winnie Mandela site. Despite the contractual construction period of 9 months, more realistic periods were used for the cash flow calculations. Although beneficial occupation was taken on 7 sites in December 2007, first hand over was only taken on one school, Lehae, in October 2007. The schools were supposed to be complete in March 2007 and completion is long overdue.
- New Alternative Schools - Completion of these schools were delayed as variation orders had to be issued to make the schools functional. Repair work of R3m was added to repair three vandalised schools. It is expected that the retention money will only be paid out in the next financial year.
- New 2008 Schools - A third phase consisting of two primary and one secondary school is being negotiated with Codevco developers, to be completed in this financial year. The school at Buhle Park is negotiated with another developer. The request for service to Public Works for 18 schools has been given although formalisation of the request is still required. Public Works need to confirm whether the anticipated programmes used for the calculation of the cash flows are achievable.
- New 2009/10 Schools - A list of 25 schools were identified as priority to be built after the above schools. Due to current commitments they can only be activated in 2009.
- New 2011 Schools - An amount of R40 million was allowed in the 2011/12 financial year for planning of these facilities.

- Acquisition of land - Details of each site which has been bought is reflected with payments reflected in the month the transfer is expected to occur. Allowance for future years were added in accordance with the adjusted budget statement.
- Specialist facilities- The Sci Bono project is listed here (previously under Transfer to Trust). The specialist facilities for Arts and culture, Engineering field, Service field, grade R, Pretoria Library and Matthew Goniwe school of Governance were added per budget statement.
- Additions - 14 Projects were handed to Public Works. The remainder which are in final account stage are managed by GDE with consultants appointed by GDE. The consultants are supposed to provide monthly cash flows based on each individual project's programme and progress. Eight cost reports were received from Public Works which were outdated and contained obvious errors.
- Mobile classrooms - 53 Additional mobiles were added to the programme in January 2007 which are expected to be completed from June to December 2007.
- Upgrading of office accommodation - The upgrading of the offices at Sebokeng College is handled by Public Works. Additional projects were added for Tshwane South, Tshwane West, Gauteng West as well as a contingency amount
- National Grant - This programme is managed by SIP consultants. Individual project consultants provide them with cost reports and they compile the combined cash flow for this programme. A number of contracts were cancelled and documentation for completion contracts are in progress. 19 Projects were handed to Public Works. Again 8 outdated reports were received from Public Works.
- Fencing - Fencing projects are handled by GDE. New projects are still being added as security is a serious problem.
- Rehabilitation/ Upgrading - These projects are handled by GDE. Additional rehabilitation projects, including repair of storm damage were added to the programme.
- Replacement of temporary classrooms - Replacement of 50 mobile classrooms with conventional buildings are envisaged per year. The request for service must be submitted to Public Works urgently.
- Special Education Full Service - Buxoxele, Lakeview, Ntuthuko and M C Weiler has been identified long ago for provision of additional services. To be executed in the 2008/09 year as priority.
- Dolomite Risk - Only one project under construction. Kathorus College has been identified and provision for future projects were made.
- Sanitation Projects - Fourteen sanitation projects are to be completed in the 2008/09 year with 10 projects in the next financial year including a provision for 2010/11. Conventionally built toilet blocks must replace chemical and other temporary toilets.
- Ex North West Sanitation Projects - Tshwane metro has surveyed the sanitation requirements totaling R19 million. There is a possibility that this will be funded by the Department of Water Affairs and Forestry (DWAFS)
- Furniture - Provision was made for furniture for the new schools as well as office furniture.

In respect of the projects funded by the conditional grant:

- Completion Of New Construction started prior to 2006 - Currently GDE is responsible for 16 projects, for which all final accounts have been received to be settled. In terms of the agreement that the Department of Public Transport Roads and Works be responsible as implementing agents for infrastructure, they are dealing with 6 completion contracts, (contracts for which the original contract was cancelled, and new tenders had to be advertised for the completion of the contract). The same department has overseen the completion of 3 projects for which final accounts have been received. The completion of an Inner City School in Pretoria, as well as the upgrading and completion of JB Marks Primary School in Braamfischerville are two critical projects for completion. The projected expenditure will be realised, as the funding is de facto for the payment of the final accounts.
- Additions to existing schools - The GDE is finalising 16 projects where additions have been made. The Department of Public Transport Roads and Works is responsible for 14 projects, two critical projects which they are managing is the completion of Mandisa Schiceka Secondary School and Vukosi Primary School. On completion, these projects will provide 237 additional classrooms, 162 additional toilets seats and 24 Administration Blocks. As 15 of the projects are final account stage, the projected expenditure target will be met.
- Completion of projects initiated through funds originally provided by the National Department of Education -
- These projects started in 2003, and were unfunded in 2005/2006. The GDE is processing final accounts for 24 of 26 projects. The Department of Public Transport Roads and Works is overseeing the remaining 19 projects, of which 5 are completion contracts.

- Civil Works – Fencing - School safety has been improved through the provision of steel palisade fencing at 87 schools. The projects are either complete or in process. The projected expenditure target will be met
- Repairs to roofing, Ceilings and Sanitation - A total of 139 projects have been completed or are in process for completion and payment before the end of the financial year. Maintenance of roofing is a critical activity to ensure that roof trusses and walls do not deteriorate, hence, these projects received high priority.

6.2 Budget allocation, Expenditure trends and Balance per activity

PROGRAMME	BUDGET	ACTUAL BAS EXPENDITURE TO 30 JUNE 2007	ACTUAL BAS EXPENDITURE TO 30 SEPTEMBER 2007	Project Budget 2007/08	FUNDED BY INFRASTRUCTURE GRANT
NEW CONSTRUCTION					
New schools prior to 2006	670,023,000	4,027,281	8,274,340	34,032,227	34,032,227
New schools 2006		56,797,507	135,484,536	247,040,660	
IDT Transfer		48,746,747	143,242,751	293,175,532	
8 Alternative schools		-	-	8,913,804	
Professional fees on various projects		2,299,866	3,200,214	4,931,920	
Acquisition of land		1,800,000	1,962,000	12,331,483	
Transfer to Trust (Sci Bono)		-	-	69,969,694	
Sub Total - New Construction		113,671,401	292,163,841	670,395,320	
REHABILITATION/UPGRADING					
Additions		7,751,286	17,371,504	47,067,418	47,067,418
New mobile classrooms		-	3,590,367	3,796,203	
Upgrade office accommodation		-	800,015	7,508,740	
National Grant		7,066,139	15,365,366	29,670,797	29,670,797
Civil works - Fencing		6,030,894	14,530,110	25,534,756	25,534,756
Rehabilitation		6,546,967	13,650,175	28,035,332	28,035,332
Dolomite Risk Management		524,274	1,483,374	2,056,913	
Sub Total - Rehabilitation/Upgrade		27,919,560	66,790,911	143,670,159	
MAINTENANCE					
Maintenance - call centre allow		8,865,161	18,963,509	54,863,509	
Sub Total - Maintenance		8,865,161	18,963,509	54,863,509	
Sub Total Capital Projects	670,023,000	150,456,123	377,918,260	868,928,986	164,340,530
Less: Allowance for slippage				173,785,797	1,415,530
Sub Total				695,143,189	162,925,000
Available budget				670,023,000	
Projected under(over) expenditure				(25,120,189)	

Project status	Additional Classrooms	Additions	Full School - Primary	Maintenance	New School - Secondary	New Special School	Rehabilitation	Relocate Mobiles	Repair and Renovations	Roof Leaks & Ceiling Repairs	Special function rooms	Steel Palisade fencing	Storm Damage	Upgrading	Grand Total
Cancelled									1				1		2
Construction 25%	1				6		1		1			1			10
Construction 50%	1				5	1	4		1						14
Construction 75%	3		3		3		9		1	1	1	1			24
Construction started	5				6				5	8	1	12	9		45
Design			3				1								4
Handed-Over	3	1	6		3		10	5	57	36		69	6	1	197
Identified	1		36	4	10		29		42	1	7	1			138
Retention	32	2	14		8		22	2				1			84
Tender			2		1										4
Grand Total	46	3	64	4	41	1	75	7	108	46	9	85	16	17	522