Department Of Health

Select Committee on Finance

Public Hearings on Conditional Grants and CAPEX

3rd Quarter Provincial Budget Report ^{7th} February 2008

Presented by MEC for Health Eastern Cape - Mrs. Nomsa Jajula

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Rovings of the aster Coppe	Execut Trend		
Conditional Grants	05/06	06/07	07/08 (3 Quarters)
Final Appropriation	837,240	956,554	1,253,721
Spend	807,505	938,524	861,599
Under-spend	29,735	18,030	78,692
% of Under-spend	3.55%	1.88%	6%
Capital Expenditure	05/06	06/07	07/08 (3 Quarters)
Final Appropriation	454,507	579,287	838,528
Spend	357,843	562,207	629,109
Under-spend	96,664	17,080	0
% of Under-spend	21.27%	2.95%	0.0%

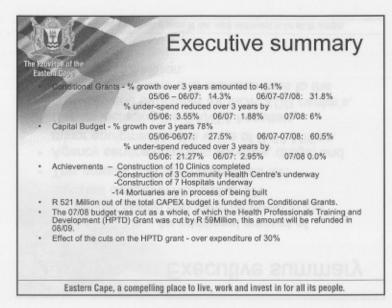
Executive summary Trend Analysis

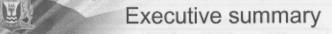
Conditional Grants - % growth over 3 years amounts to 46.1%

Conditional Grants	05/06	06/07	07/08
Final Appropriation	837,240	956,554	1,253,721
% increase/(decrease)	TOTAL SHALL SHALL	14.3%	31.8%

Capital Budget - % growth over 3 years amounts to 78%

Capital Expenditure	05/06	06/07	07/08
Final Appropriation	454,507	579,287	838,528
% increase/(decrease)	MARKET LICAL	27.5%	60.5%





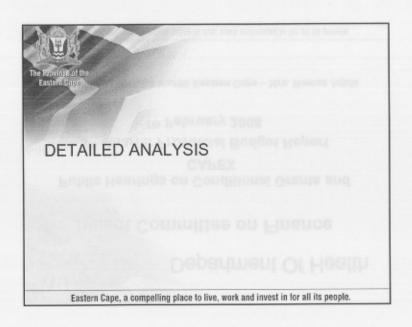
Challenges - Infrastructure funding insufficient for Projects such as Cecilia Makiwane and trauma units for 2010.

- Funding for maintenance, both buildings

and machinery inadequate

- Expenditure Conditional Grants Total expenditure to Dec 07 is R 861,599 Million which is 69% of the Conditional Grant adjusted budget. The main reason for the under-spending being a month delay in a large payment to COEGA for forensic pathology. The Department projects to under-spend by R 12,255 Million due to certain delays in procuring equipment from overseas for Oncology. A Roll over has been requested.
- Expenditure Capital Total expenditure to Dec 07 is R 629,109
 Million which is 75% of the adjusted budget. The Department
 projects to over-spend on CAPEX by 7.6% due to commitments that
 were entered into prior to the budget cuts which need to be honored.

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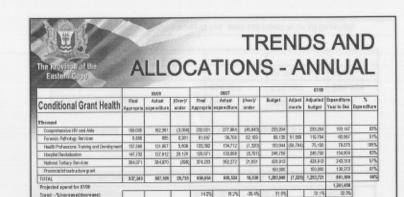


Executive summary

XDR/MDR TB – An additional amount of R 119,328 Million had been received in the adjusted budget in November 07.

- · This amount has been committed for:
- Agency services, nursing services, drugs, and minor equipment to the value of R 63 Million.
- Capital including the SANTA hospitals, prefabricated structures for MDR/XDR centre's, medical equipment and extractor fans to the value of R 52 Million.

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Note: The neduction in the HFTDgrant is not rails sted as such in the NM figures from Tressury

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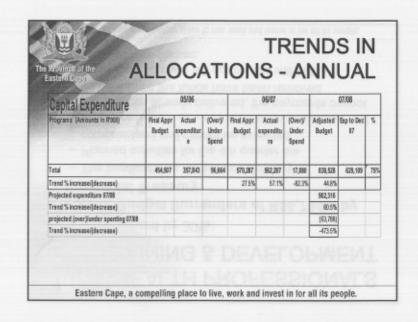
The 105% spending on the Health Professional Training and Development Grant is due to payments made before the budget cuts. Treasury is aware of the error and a refund will be made in the next financial year.

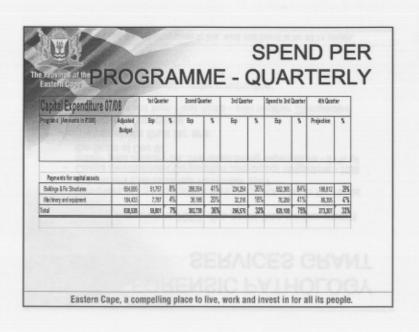
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he Provings of the Eastern Capa						(Q	U/	AF	RTI	El	RL	Υ
	6708 Badget	1st Qu	arter	2cond Q	uarter	3rd Qua	arter	Total Sp 3rd Ox		4th Quar	rter	07/08 Expe Projet	
Conditional Grant Health 2007/08	Adjusted budget	Бņ	5	Bp	5	Вир	1	Бир	5	Projection	*	Tetal	(Over)/ under Spend
Messed													
Comprehensive HN and Aids	230,264	54,190	20%	42,168	18%	99,760	42%	193,147	83%	41,871	18%	255,018	(1814)
Forencic Pathelogy Services	119,754	7,080	8%	41,830	275	12,077	195	60.967	51%	58,717	49%	119,714	0
Health Pholessions Training and Gevelopment	75,190	3,120	45	48,192	81%	29,763	475	79,075	105%	41.021	60%	124,086	(48,946)
Hospital Revitalization	245,790	21,141	9%	71,026	265	62,631	25%	154,500	63%	45,029	11%	199,529	46,921
Netional Testary Services	438,913	72147	17%	69,982	225	78,880	10%	245,318	. 51%	140,440	35%	205187	35,146
Provincial Infrastructure grant	150,000		0%	75,100	50%	95,112	37%	130,272	87%	39,780	27%	170,052	(20,052)
FOTAL		157,001		369,460	212	334,498	¥16:	881.500	49%	379.867	Asido	1,241,695	12255

Province of the astern Cappa	FL	JNDI	NG	AN	ALY	/SI
Department of Health	n: Capita	and so	urce o	f fund	ina 07/	08
rograms (Amounts in R'000)		Adjustments	Virements	Adjusted Budget	Spend Dec IYM	% Spent
Capital assets			I LANS	CH.SS.	6	
Buildings & Fix Structures	632,247	(51,329)	73,177	854,095	552,365	84%
	274,617	(43,421)	(46,763)	184,433	75,744	42%
Machinery and equipment			25,414	838 528	629,109	75%
Machinery and equipment Total Payments for capital assets	906,864	(94,750)	23,614	836,948	929,109	(77%)
Total Payments for capital assets	906,864	(94,750)	22,614	0.30,348	9,29,109	1376
Total Payments for capital assets	906,864 450,841	(94,750)	33,200	520,610	290,950	58%
Total Payments for capital assets Sources of funding						







COMPREHENSIVE HIV & AIDS GRANT

The 83% spending to Dec 07 is due to more than originally estimated ARV sites being provided in 07/08. Other than the above the grant Expenditure is in line with the approved Business Plan.

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Construction in Progress

Place	Contractual Value	Start Date
Alted Note:	4,990,902	Sept
MFree:	4,855,179	Sept.
Kozara	3,550,000	Sept
Liskiski	4,835,176	Sept
NLFebber	3,600,000	Sept
Queestown	4,403,949	Sept
Rollero	3,681,000	Sept
Certani	3,461,000	Sept
Uterrage	3,491,000	Sept
Dulyva	4,300,000	Sept
Bisho	1,130,000	Set
Butevorti	5,500,000	Sov
GRand	5,445,780	Toy
Untata	17,600,000	lov
Total	68,971,816	

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FORENSIC PATHOLOGY SERVICES GRANT

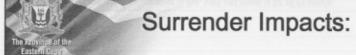
- As at end December 2007, the grant has under-spent by 24%:
 - Roll-overs of R51,853 million from 06/07 reflected in Provincial Adjustment Estimates late November 2007
 - Coega Development Corporation contractual obligations R36 million paid January 08. The effect being expenditure - 81% of the Grant at Dec 07.
- · Achievements thus far are:
 - All personnel appointed
 - Vehicles leased from Fleet Africa with another 22 expected January 2008
 - 14 mortuaries presently under construction:

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HEALTH PROFESSIONALS TRAINING & DEVELOPMENT

Grant over-spent by 30%:

- Forced Budget Surrenders of R58,794m by Provincial Treasury
 - The implications for service delivery:
 - Planned activities for the 4th quarter are compromised and cannot be executed
 - Where orders for services have been processed and the services already delivered, the payments cannot be paid since the funds have been removed
 - Strategic objectives will not be met within the required time-frames.



- TRANSFER PROJECTS:

contractual obligations = R24,495,000:

- CAPITAL PROJECTS:

(including Teletrauma of R6,052,117) = R8,933,577

- COE: R9,567,110

Funding is for the appointment of health professionals that have been recruited centrally by the province during August, September and October and have commenced on the 1 January 2008, and for the retention of critical health professionals.

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REVITALISATION
GRANT

HOSPITAL
Frontier

Madzikane Ka Zulu
Memorial Hospital
Madwaleni Hospital

St Elizabeth's
Hospital

St Lucy's

St Patrick's

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Reasons for under expenditure

St Patrick's Gateway Clinic - delayed by the Mbizana Municipality to allocate land for this clinic to be built, the land was only allocated in Nov 2007; the project advertised and bids closed in December, currently awaiting award thereof.

- Changes in priorities and scope of work at St Elizabeth's led to the OPD that was scheduled to be built in this financial year to be rescheduled for the next financial year.
- Roll- Over requested: 47Million

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Monitoring

- All the posts for the Program have been filled, therefore full monitoring of all components is in effect; Monitoring as follows:
- On all the projects there is a Project Manager that is resident on site to ensure that the deliverables of the grant are carried out in accordance with the PIP of that particular financial year.
- A Monthly Monitoring Meeting for O.D. Q.A. and HT is held once a month, where the project Managers report on each of the sites.



Monitoring (Cont)

- A monitoring tool was developed by Department of Public Works, Provincial Treasury and ECDoH. Once a month all the Principal Agents report in one Forum.
- 2 Site meetings every month that are attended by Site Project Managers, one is a technical meeting and the other a progress meeting.

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NATIONAL TERTIARY SERVICES GRANT

Remainder 10% of the under-spend due to expenditure to be adjusted from Equitable Share.

 There is a systems problem with MEDSAS that requires periodic manual intervention.

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NATIONAL TERTIARY SERVICES GRANT

Grant under-spent by 18% from benchmark of 75%.

- 8% (R36mil) Delayed Turnkey Capital Expenditure for Oncology Services -Linear Accelerators.
- Turnkey procurement of Infrastructure and Equipment will be finalised in February 08 with delivery of the equipment and infrastructure commencing in the new financial year.
- Rollover requested of full amount to 08/09 financial year.

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NATIONAL TERTIARY SERVICES GRANT

Achievements:

- Launch of a Drug down-referral programme in East London to strengthen access to drugs
- Launch of a Clinicians' Forum to strengthen involvement of Clinicians in Tertiary Services Planning, and to improve quality of care
- Port Elizabeth Hospital Complex has received Theatre and Radiotherapy equipment.
- East London Hospital Complex has received the Cobalt Source necessary for the treatment of cancer patients



Achievements (Cont):

 Tertiary cases managed exceeded the set targets for OPD headcounts, Inpatient days and Inpatient separations

Tertiary Cases Managed	01	Q2	Q8
Total Outpatients			
· I'ist	20656	22039	17521
Follow up	49811	51215	42538
Total Inpatient Days	84137	86668	72077
Total Inpatient Separations	9606	9681	8051

 An identified need is to secure funding in order to extend Oncology Services to Nelson Mandela Academic Hospital

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Achievements: Hospital Building Programme (Cont)

- Planning for the upgrading of Mthatha General and Bedford Orthopedic underway and on schedule
- Construction of accommodation units underway at Victoria, Zithulele and Glen Grey Hospitals.
- Additional accommodation at Madzikane kaZulu Hospital at Adjudication phase; actual construction work to start at the beginning of the next financial year.
- 7. Planning for the upgrading of Frere Hospital underway.

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PROVINCIAL The Regularie of the INFRASTRUCTURE GRANT

Achievements: Hospital Building Programme

- Face lifting of 33 hospitals completed in the last financial year. Out of 3 additional projects carried out this financial year 2 namely; Butterworth and Grey Hospital had been completed. Replacement of roof at Cofimvaba Hospital underway.
- Construction of 7 district hospitals underway and progressing well.
- 3. Planning of other hospitals underway

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Achievements: Clinic Building Programme

- 1. Construction of 10 new clinics completed
- 15 clinics upgraded, 40 is being upgraded and progressing well
- Construction of 3 Community Health Centres underway as per schedule
- 60 clinics provided with essential equipment

Achievements: Maintenance

- Servicing of medical equipment carried out in 40 hospitals.
- 2. Generator sets serviced in 76 hospitals
- Auditing of Primary Health Facilities (Clinics) underway, due for completion mid February 2008

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Capacity

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- The appointment of Intersite has brought more project management support services to the unit.
- Filling of critical posts is underway to ensure smooth delivery of infrastructure to the needy communities
- SLA's have been concluded with other service delivery partners like PWD, Coega etc to speed up service delivery.

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Challenges

- 1. Inadequate funding for capital projects
- Inadequate funding for maintenance of health estate including medical equipment, boilers, kitchen, laundry equipment as well as servicing of generator sets in all health institutions.

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CONCLUSION

- The department remains confident that allocated funding will be spent by the end of the financial year except for the instances highlighted within the body of this presentation
- Close monitoring of expenditure continues to be a priority:

CONCLUSION

A formal Monitoring & Evaluation (M & E) system is functional and being improved upon where deemed necessary

- M & E practitioners have been recruited to populate the M & E structures at Head Office. A roll out plan for the Districts and Complexes is currently being carried out
- Monthly reporting on service delivery and programme implementation as well as site visits are done.
- Budget & expenditure review meetings take place fortnightly

CONCLUSION

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