

***Provincial Preliminary Outcome of
Conditional Grants and CAPEX
As at 31st March 2008***



National Council of Provinces
Select Committee on Finance
Presentation by
Northern Cape Provincial Treasury

Objectives

- To brief the Select Committee on Finance on the CAPEX and Conditional Grants Preliminary outcomes as at 31st March 2008:
 - Summary of total CAPEX
 - Summary of Infrastructure - Infrastructure Reporting Model (IRM)]
 - Conditional Grants - reasons for under/ over expenditure per Department

Broad Overview

- Total expenditure on Payments for Capital Assets amount to **R 629, 518 million** or 84% of the adjusted budget as at 31th March 2008.
- The Province projects to under-spend its CAPEX by **R121,337 million** or **16,%** of the adjusted budget.
- Total expenditure on infrastructure amount to **R785, 236 million** or 87% of the total infrastructure budget
- Total expenditure on conditional grants amount to **R 1,102 million** or **87,4%** of the adjusted budget as at 31 March 2008

Summary of Capital Expenditure per Department as at 31st March 2008

R'000	2007/08						2006/07		
	Adjusted Budget	Actual as at 31-March 2008	Projections until 31 March 2008	Projected Outcomes	(Over)/Under	Actual as % of Budget	Adjusted Budget	31-Mar-07	Actual as % of Budget
Social Sector	385,937	265,470	-	265,470	120,467	69%	321,090	334,363	104%
Education	44,638	53,863	-	53,863	(9,225)	121%	21,912	22,488	103%
Health	310,428	185,729	-	185,729	124,699	60%	281,861	298,315	106%
Social Services and Population Development	30,871	25,878	-	25,878	4,993	84%	17,317	13,560	78%
Other	364,918	364,048	-	364,048	870	100%	245,444	238,604	97%
Office of the Premier	4,803	4,132	-	4,132	671	86%	5,548	5,502	99%
Legislature	1,760	591	-	591	1,169	34%	3,055	3,080	101%
Provincial Safety and Liaison	773	3,443	-	3,443	(2,670)	445%	1,638	1,425	87%
Transport, Roads and Works	301,480	295,111	-	295,111	6,369	98%	160,532	158,918	99%
Economic Affairs	1,088	930	-	930	158	85%	1,284	1,284	100%
Sport, Arts and Culture	3,770	7,242	-	7,242	(3,472)	192%	23,787	21,150	89%
Provincial Treasury	5,787	3,194	-	3,194	2,593	55%	6,733	4,339	64%
Housing and Local Government	3,233	2,869	-	2,869	364	89%	3,365	3,269	97%
Agriculture and Land Reform	41,095	45,203	-	45,203	(4,108)	110%	38,028	38,028	100%
Tourism, Environment and Conservation	1,129	1,333	-	1,333	(204)	118%	1,474	1,609	109%
Total	750,855	629,518	-	629,518	121,337	84%	566,534	572,967	101%

Payments for Capital Assets (Capital Expenditure)

- Total Capital Expenditure as at 31th March 2008 amount to **R629,518 million** or **84%** of the total CAPEX budget.
 - A considerable decline compared to 101% in 2006/07.
- Social Sector Capital Expenditure amount to **R265,470 million** as at 31th March 2008 or **69%** of sector capital budget.
 - A considerable decline compared to **104%** in 2006/07
- Education capital expenditure amount to **R53,863 million** or **121%** of its capital budget.
 - The department over spent its CAPEX budget by **R9,225 million** or by 21%.

Payments for Capital Assets (Capital Expenditure)

- Health capital expenditure total to **R185,729 million** or **60%** of adjusted capital budget.
 - A considerable decline compared to **106%** in 2006/07.
- Social Services & Population Development capital expenditure amount to **R25,878 million** or **84%** of adjusted capital budget.
 - An improvement compared to **78%** in 2006/07.
- Non Social Sector Capital Expenditure amount to **R364,048 million** as at 31st March 2008 or **100%** of sector 's capital budget
 - A improvement compared to **97%** in 2006/07

Total Infrastructure (Maintenance & Capital)

Department	Budget	4th quarter actual expenditure	(Over) / Under expenditure	% of expenditure to budget
Education	78,284	72,824	5,460	93%
Current	29,828	54,765	(24,937)	184%
Capital	48,456	18,059	30,397	37%
Transport, Roads and Public Works	466,005	454,507	11,498	98%
Current	167,239	161,745	5,494	97%
Capital	298,766	292,762	6,004	98%
Sport, Arts and Culture	1,942	1,891	51	
Current			-	
Capital	1,942	1,891	51	
Health	287,664	196,183	91,481	68%
Current	-	-	-	
Capital	287,664	196,183	91,481	68%
Social Services and Population Development	27,291	23,588	3,703	86%
Current	500	764	(264)	
Capital	26,791	22,824	3,967	85%
Agriculture and Land Reform	44,312	36,243	8,069	82%
Current	-	-	-	
Capital	44,312	36,243	8,069	82%
TOTAL	905,498	785,236	120,262	87%

Summary spending on Infrastructure

- Adjusted Budget: **R905,498 million**
- Total Infrastructure Spending as at 31 March 2008 is **R785,236 million** or 87% of the total infrastructure budget – spending levels are similar compared to the previous year.
- The Province under spend its total infrastructure budget by a net amount of **R120,262 million** at the end of the financial year.

Spending on Infrastructure per Department

- **Education**

- Adjusted Infrastructure Budget: **R78,284 million** – of which **R48, 456 million** represents IGP
- Spending as at 31 March 2008 amount to **R72,824 million** or **93%** of the department's total infrastructure budget – an improvement compared to **83%** in March 2007.
- The improvement is mainly attributed to better management of projects between Education and Public Works

Spending on Infrastructure per Department cont....

- **Transport, Roads and Public Works,**
 - Adjusted Budget : **R466,005 million**, of which **R298,766 million** represents IGP.
 - Spending as at 31March 2008 amount to **R454,507 million** or **98%** of the total infrastructure budget – the department's spending level is consistent compared to March 2007.

Spending on Infrastructure per Department cont...

● Health

- Adjusted Budget: **R287,664 million**, of which **R36,698 million** represents IGP.
- Actual spending as at 31 March 2008 amount to **R196,183 million** or 68% of the total infrastructure budget – a considerable decline compared to 75% in March 2007.
- The department is projecting to under-spend its infrastructure budget by **R91,481 million**.
- The department experienced challenges in the implementation of the business plans, which were subsequently revised.

Spending on Infrastructure per Department cont....

- **Agriculture and Land Reform**
 - Adjusted Budget : **R44,312 million**, of which **R8,806 million** represents IGP.
 - Spending as at 31 March 2008 is **R36,243 million** or **85%** of the total infrastructure budget - a considerable decline compared to **100%** in March 2007.
 - Non- compliance of suppliers to tender specifications
 - Slow delivery by service providers

Spending on Infrastructure per Department cont....

- **Social Services & Population Development**

- Adjusted Budget : **R27,291million**
- Spending as at 31 March 2008 is **R23,588 million** or 86% of the budget.
- Major reasons for the slow expenditure relate to the implementing agent (Public Works).