



Province of the
EASTERN CAPE
PROVINCIAL TREASURY

Conditional Grants and Capital Expenditure

as at 30 June 2008
NCOP

28 August 2008

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Presentation Outline

- Purpose
- Budget Summary
- Conditional Grants
- Infrastructure
- Expenditure trends on Conditional Grants.
- Discussion

Purpose

- The purpose of this report is to update the Select Committee on Finance on the first quarter performance of conditional grants and Infrastructure for 2008/09 financial year.

Budget Summary

- For 200809 financial year Eastern Cape has a budget R38 billion, of which:
 - Conditional Grant accounts for R4, 6 billion and Infrastructure R5, 1 billion.
 - Conditional Grants budget increased in nominal terms R900 million
 - Infrastructure budget has also seen a nominal increase estimated at R1.2 billion

Conditional Grants

- Q1 expenditure stood at R1.065 billion against projections of R1.043 million, recording an over spending of R21.8 million.
- Compared to last year in the same period, the above expenditure has registered an improvement estimated at R730 million
- The following grants recorded high expenditure levels:
 - Infrastructure Grant for Provinces R392.4million
 - Integrated Housing & Human Settlement R192 million
 - National Tertiary Services R117.7 million
 - National School Nutrition R116 million

Infrastructure

- Actual expenditure on a month-to-month basis varied
- In the month of April for example, actual spending stood at R334 million, increased sharply to R526 million in May and declined to R376.6 million in June
- In the period under review, the expenditure for the whole province stood at R1.2 billion against projection of R997.7 million
- Of the spent amount , the Department of Roads and Transport contributed R583.9 million followed by Health R256.6 million and Education R142.9 million.

Projected and Actual Expenditure on Conditional Grants by Type, April to June 2008
(R'000)

Grant Type	Budget 2008/09	Transferred, April to June	Actual Exp April to June	Over(-)/Under(+)
Comprehensive Agricultural Support Programme	90,018	22,505	4,140	18,365
Land Care Programme	7,345	734	297	437
Further Education and Training College				
Recapitalisation	115,506	57,753	57,748	5
HIV Aids(Education)	28,542	7,136	2,635	4,501
National School Nutrition	339,816	84,954	116,018	(31,064)
Comprehensive HIV and Aids	300,522	65,739	70,620	(4,881)
Forensic Pathology Services	58,129	26,253	9,092	17,161
Health Professions Training and Development	140,641	23,440	36,001	(12,561)
Hospital Revitalisation	282,288	70,572	59,588	10,984
National Tertiary Services	468,088	117,024	117,794	(770)
Intergrated Housing and Human Settlement	1,251,018	213,038	192,070	20,968
Provincial Infrastructure	1,317,909	329,478	392,432	(62,954)
Community Library Services grant	42,588	9,252	3,616	5,636
Mass Sport and Recreation Participation Programme	44,895	16,003	3,682	12,321
Devolution of Property Rate Funds	119,638	-	-	-
Total Conditional Grants	4,606,943	1,043,881	1,065,733	(21,852)

Projected and Actual Expenditure on Conditional Grants by Type, April to June 2008

(R'000)

Grant Type	Budget 2008/09	Actual Expenditure			
		April	May	June	Total
Comprehensive Agricultural Support Programme	90,018	1,404	2,130	606	4,140
Land Care Programme	7,345		213	84	297
Further Education and Training College Recapitalisation	115,506	57,748			57,748
HIV Aids(Education)	28,542	320	1,144	1,171	2,635
National School Nutrition	339,816	20,679	54,354	40,985	116,018
Comprehensive HIV and Aids	300,522	30,468	9,504	30,648	70,620
Forensic Pathology Services	58,129	377	762	7,953	9,092
Health Professions Training and Development	140,641	23,611	8,310	4,080	36,001
Hospital Revitalisation	282,288	30,229	6,320	23,039	59,588
National Tertiary Services	468,088	69,710	27,111	20,973	117,794
Intergrated Housing and Human Settlement	1,251,018	53,593	39,626	98,851	192,070
Provincial Infrastructure	1,317,909	94,701	169,586	128,145	392,432
Community Library Services grant	42,588	743	1,440	1,433	3,616
Mass Sport and Recreation Participation Programme	44,895	298	1,220	2,164	3,682
Devolution of Property Rate Funds	119,638				-
Total Conditional Grants	4,606,943	383,881	321,720	360,132	1,065,733

Under/Over Expenditure on Conditional Grants by Type, April to June 2008

(R'000)

Grant Type	Budget 2008/09	April	May	June	Total
Comprehensive Agricultural Support Programme	90,018	21,101	(2,130)	(606)	18,365
Land Care Programme	7,345	734	(213)	(84)	437
Further Education and Training College Recapitalisation	115,506	5	-	-	5
HIV Aids(Education)	28,542	6,816	(1,144)	(1,171)	4,501
National School Nutrition	339,816	64,275	(54,354)	(40,985)	(31,064)
Comprehensive HIV and Aids	300,522	(8,555)	12,409	(8,735)	(4,881)
Forensic Pathology Services	58,129	(377)	13,771	3,767	17,161
Health Professions Training and Development	140,641	(11,891)	3,410	(4,080)	(12,561)
Hospital Revitalisation	282,288	(6,705)	17,204	485	10,984
National Tertiary Services	468,088	(30,702)	11,897	18,035	(770)
Intergrated Housing and Human Settlement	1,251,018	149	28,472	(7,653)	20,968
Provincial Infrastructure	1,317,909	(94,701)	159,892	(128,145)	(62,954)
Community Library Services grant	42,588	8,509	(1,440)	(1,433)	5,636
Mass Sport and Recreation Participation Programme	44,895	15,705	(1,220)	(2,164)	12,321
Devolution of Property Rate Funds	119,638	-	-	-	-
Total Conditional Grants	4,606,943	(35,637)	186,554	(172,769)	(21,852)

Infrastructure Expenditure

Department	2008/09 Budget	April	May	June	Total Actual Expenditure end June.08	Difference Actual and Projections	Total % Spent compared to adj budget	S 40 projections April -June	% Projected to Budget	Remaining Budget
		Actual Expenditure	Actual Expenditure	Actual Expenditure						
	R'000	R'000	R'000	R'000						
Traditional Affairs	27,894	812	3,394	3,290	7,496	2,168	27%	9,664	35%	20,398
Housing	20,000	-	20,000	-	20,000	0	100%	20,000	100%	0
Sports	276,932	0	102,000	2,401	104,401	4,819	38%	109,220	39%	172,531
Education	1,027,931	66,524	16,649	59,754	142,927	5,947	14%	148,874	14%	885,004
Roads and Transport	2,092,669	146,702	217,902	219,315	583,919	-185,218	28%	398,701	19%	1,508,750
Agriculture Total	173,190	1,351	49,131	606	51,088	-5,982	1	45,106	26%	122,102
Health	1,129,266	101,801	90,433	64,419	256,653	-64,323	23%	192,330	17%	872,613
Public Works	305,710	14,498	24,601	24,263	63,362	6,951		70,313	23%	242,348
Social Development	28,520	2,338	2,068	2,620	7,026	-3,532	25%	3,494	12%	21,494
Total	5,082,112	334,026	526,178	376,668	1,236,872	-239,170	24%	997,702	20%	3,845,240

Conclusion

- 1st Quarter expenditure is impressive
- Notable progress in the infrastructure Grant for Provinces, SNP and Integrated housing and human settlement when compared to the previous's expenditure in the same period
- CASP and Community library services grant characterized by low expenditure
- Infrastructure expenditure by the Dept of Education is also low and remains a concern for Provincial Treasury