



health

Department:
Health
REPUBLIC OF SOUTH AFRICA



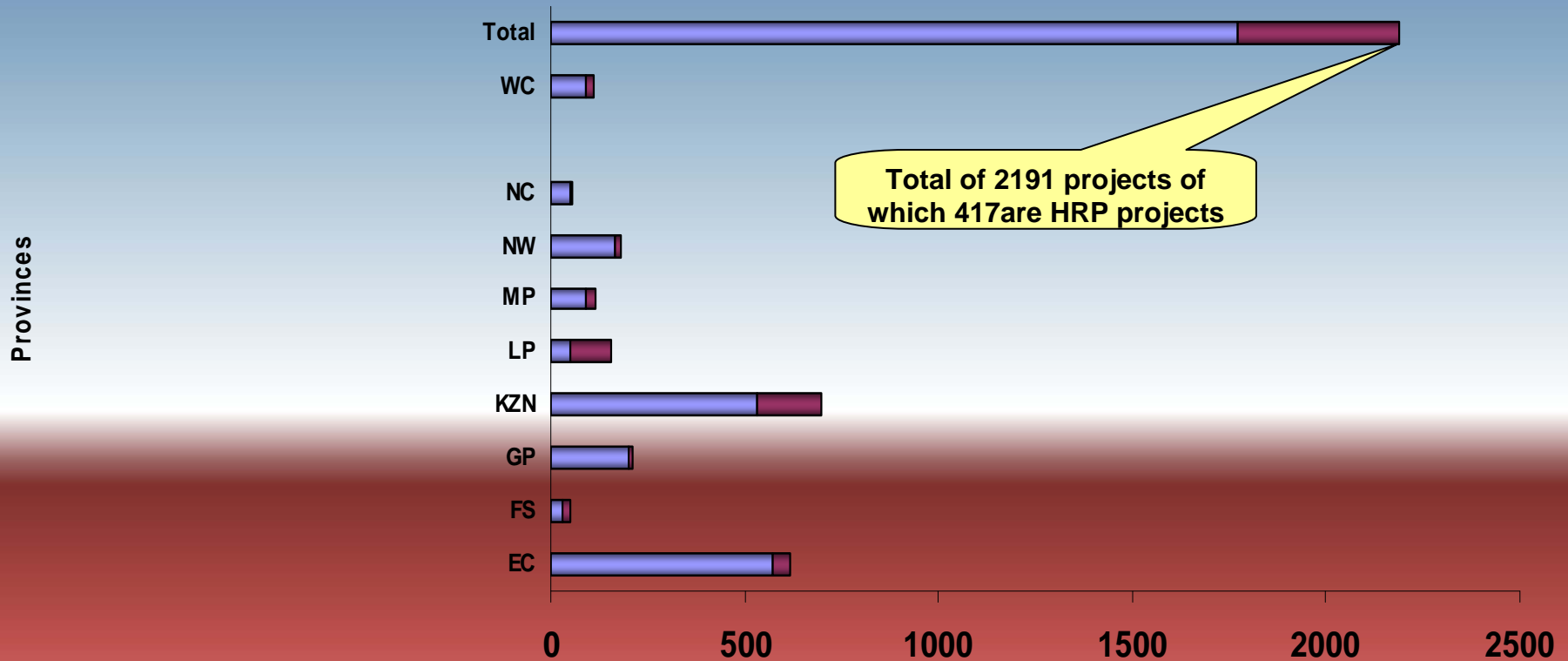
Report to Select Committee on Appropriations

Accelerated Health Infrastructure Delivery Plan

Hospital Revitalization Program Performance Review

Parliament- 19-10-2010

HRP projects in relation with other Infrastructure Projects in all Provinces-2010/11



	EC	FS	GP	KZN	LP	MP	NW	NC		WC	Total
■ HRP projects in various stages of development -Each hospital have several projects	47	20	13	166	106	25	15	6		19	417
■ Number of infrastructure projects in different stages of progress other than HRP	571	28	199	531	49	88	166	51	0	91	1774

Number

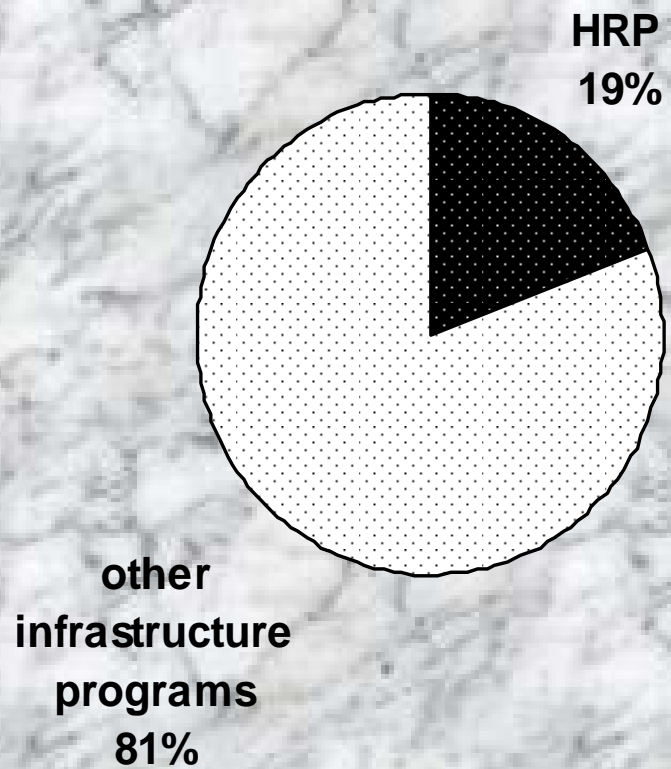
HRP Projects in the context of total infrastructure projects in all provinces in 2010-11 F/Y

Provinces	Number of infrastructure projects in different stages of progress funded by (HRP, IGP, ES, Others including donor funding)	HRP projects in various stages of development - Each hospital have several projects	Sources of information
EC	618	47	IRM first quarter 2010/11
FS	48	20	IRM first quarter 2010/11
GP	212	13	IRM first quarter 2010/11
KZN	697	166	<i>IPMP-2010-11</i>
LP	155	106	IRM first quarter 2010/11
MP	113	25	IRM first quarter 2010/11
NW	181	15	IRM first quarter 2010/11
NC	57	6	IRM first quarter 2010/11
WC	110	19	IRM first quarter 2010/11
Total	2191	417	3

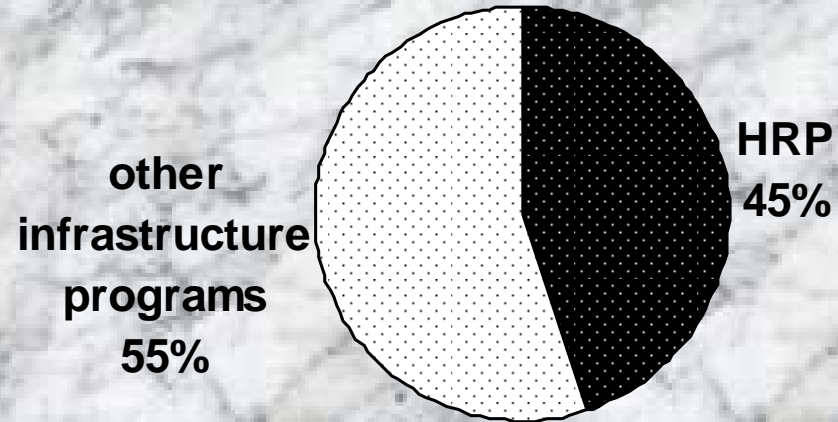
**Source of financing the infrastructure program in province-
Number of projects and budget 2010-11- IRM First quarter 2010/11**

Number of project affected	Amount of allocation for the financial Year 2010/11 0,000	Amount of allocation for the financial Year 2010/11
417	R4 020 667 (3 466 711)	HRP Conditional Grant
1774	R 4 924 665	Provincial Infrastructure Grant
		Equitable share
		Others including donor funding
2191	R 8 945 332	Total

Percentage of projects in each Infrastructure programs

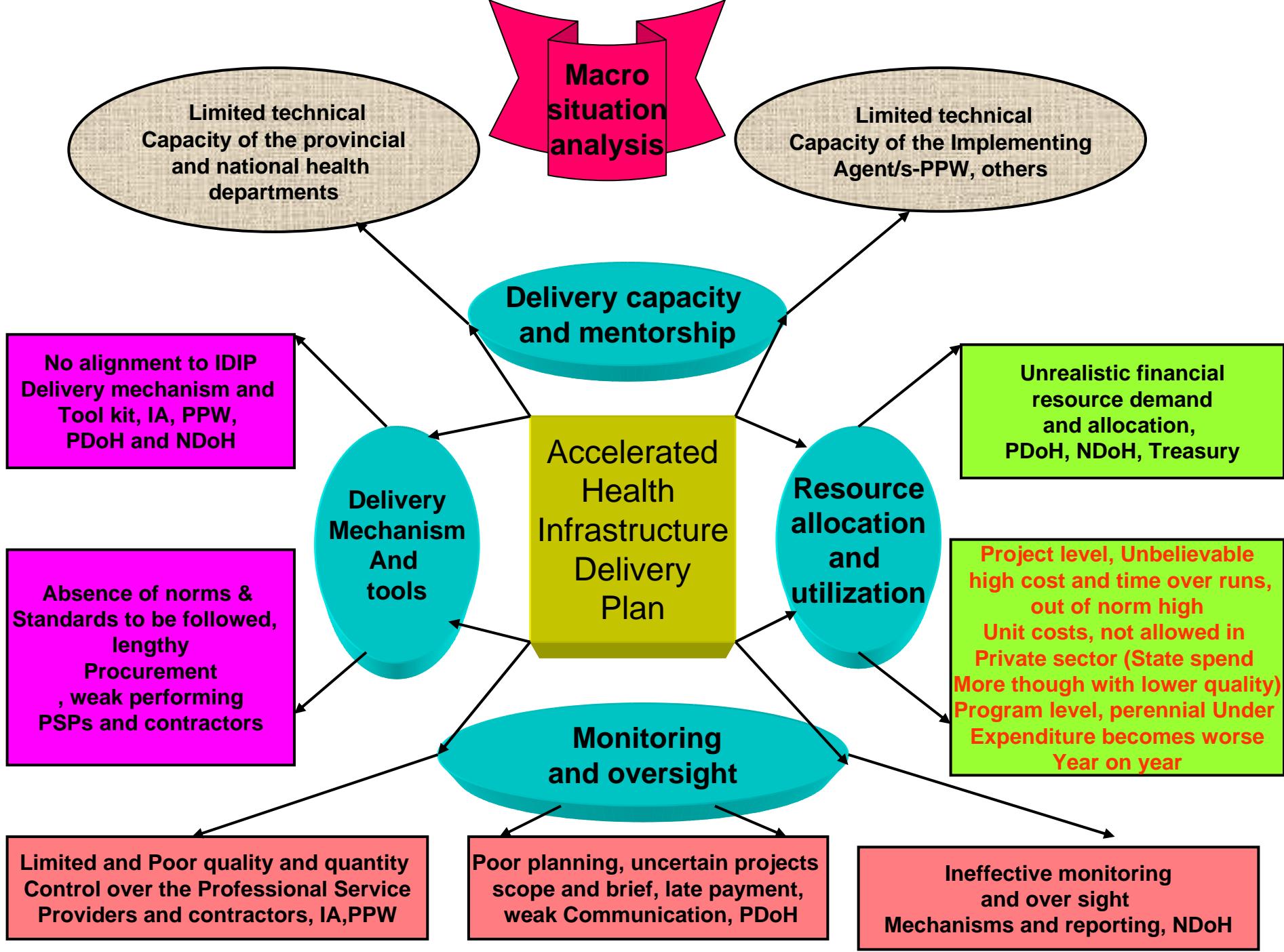


Allocated budget 2010/11 for HRP and other infrastructure project



Type of infrastructure per project status

	Number of Projects	Identified	Feasibility	Design	Tender	Construction	Retention	Handed-Over	Cancelled	status not captured
Accommodation	97	12	5	6	6	28	30	3	7	0
Ambulance base	81	7	4	15	9	14	18	0	14	0
Civil work	34	1	0	7	1	9	13	0	3	0
Clinic	767	90	34	79	25	167	268	37	67	0
Community Health Centre	122	21	1	18	3	25	29	3	22	0
Hospital - Central	166	23	13	19	5	51	39	4	12	0
Hospital - District	500	52	20	68	22	157	134	16	31	0
Hospital - Regional	198	24	13	24	17	46	32	11	31	0
Hospital - Specialised	82	8	5	19	3	18	21	5	3	0
Laboratory	2	0	0	0	0	2	0	0	0	0
Medical equipment	31	6	1	5	0	7	5	0	7	0
Mobile clinic	1	1	0	0	0	0	0	0	0	0
Mortuary	42	4	0	5	1	19	8	0	5	0
Pharmaceutical depots	16	0	1	4	0	3	6	1	1	0
Sanitation	65	28	24	1	2	0	7	2	1	0
Training College	24	10	1	4	0	2	3	2	2	0
Type of Infra. not captured	44	5	0	5	0	12	7	5	1	9
Funding Class. Not captured	27	0	0	0	0	0	0	0	3	24
Total	2,299	292	122	279	94	560	620	89	210	33



Synopses of the deficiencies of health departments and their IA Public Works departments

Health Departments

Works departments

- Poor management of the Professional Service Providers in many cases
- Poor management of the Implementing Agent
- Inadequate Norms and standards
- Poor input into quality planning, design, specification- **Voluminous but very inadequate project brief (poor planning), Inadequate and wrong design, wrong HT and other equipment, frequent and costly modifications (poor planning)**
- Frequent and costly changes on the scope of works
- Poor quality and quantity of project spending-Contribution to late payments
- Lack or Poor involvement of the management of the facility under revitalisation and to some extent other stake holders
- Poor oversight, communication, coordination and reporting
- Poor performance of the roles and responsibilities of the client body (Departments of health) in the project development and management cycle⁹

Synopses of the deficiencies of health departments and their IA Public Works departments

Public Works Departments

- Poor input into quality planning, design, specification, and contract documentation
- Inadequate project Management system in place
- **State is always the loser in fee negotiations (if any) with Professional Service Providers**
- Ignoring the potential savings on repetitive designs and documentations in many instances
- Poor and lengthy procurement process-some times 8 to 9 months before the contract is awarded
- Poor contract management , administration and communications- high cost and time over run, many Variation Orders, – Abandoned projects- Never ending projects,, Poor quality workmanship of the contractors, late payment
- Non closure of many projects- Files are still open and retention moneys not paid, as built plans and manuals not produced or not delivered to the client- **some projects are outstanding for the past 7 years**



- Photograph below depicts example of sub-standard work, e.g. support beams that have structurally been weakened, and poor brickwork.



- **Photograph : No progress in 12 months**



- **Photograph: Admin block - completed in 2006 but not handed over due to absence of electricity**



- **Photograph: broken windows in patient ward**

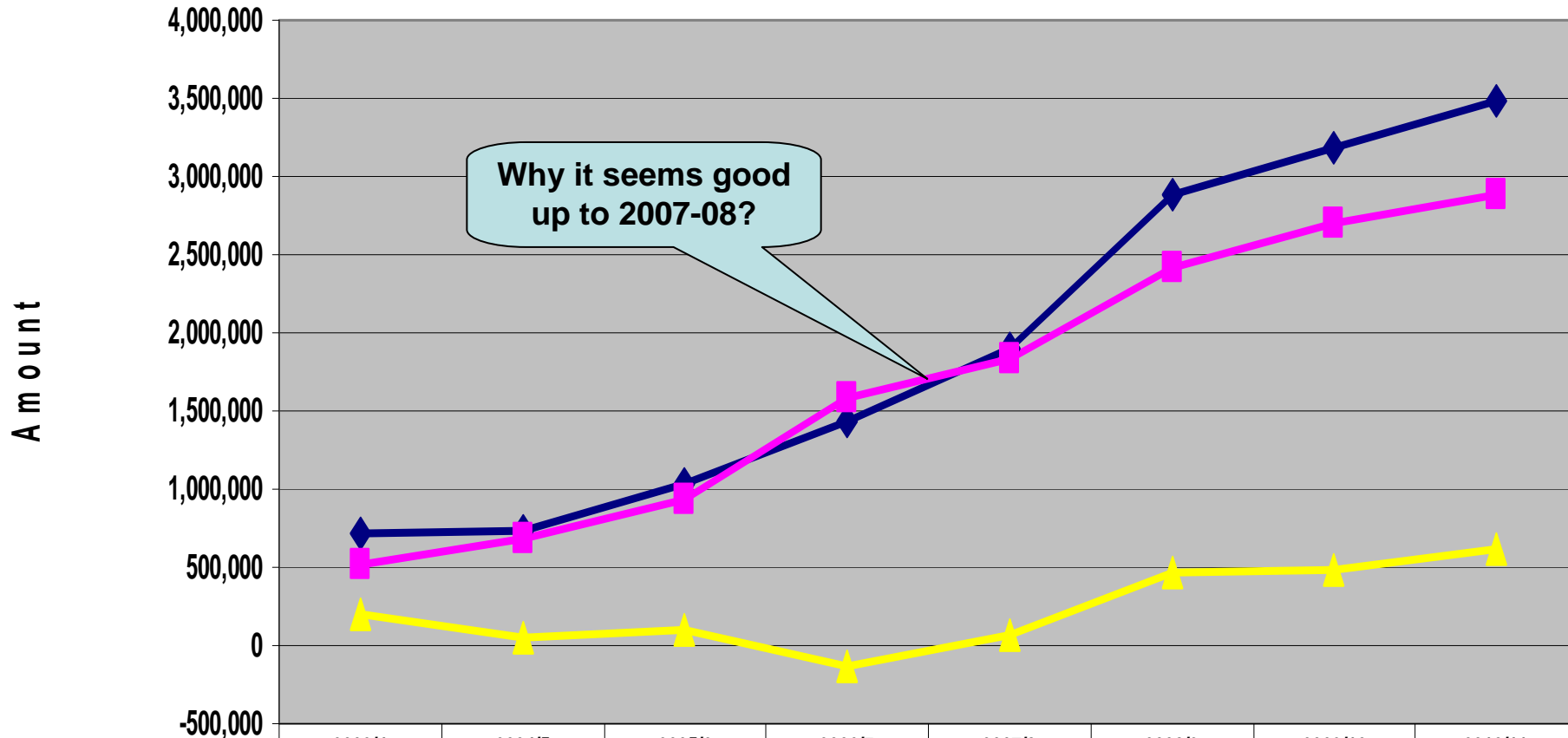


- **Fully equipped but unutilised theatre**

Problems of Infrastructure

- Revitalization of health infrastructure, a disaster for the past 16 years
- Persistent under-spending in hospital revitalization grant which doubles from year to year
- Year 1 2006/-7 R 199 158 million
- Year2 2007/08 R 273 226 million
- Year3 2008/09 R 472 564 million
- Year4 2009/10 R 813 614 million
- Year5 2010/11 R 1.6 billion ?????

HRP Budget, expenditure and under expenditure 2003/04 till 2010/11



	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
◆ Budget allocation	717,628	733802	1027427	1439646.417	1906629	2882663	3186303	3486063
■ Expenditure	523763	679630	930643	1580783	1835568	2423087.811	2706799	2876339
▲ Under expenditure	193,865	54,172	96,784	-141,137	71,061	459,575	479,504	609,724

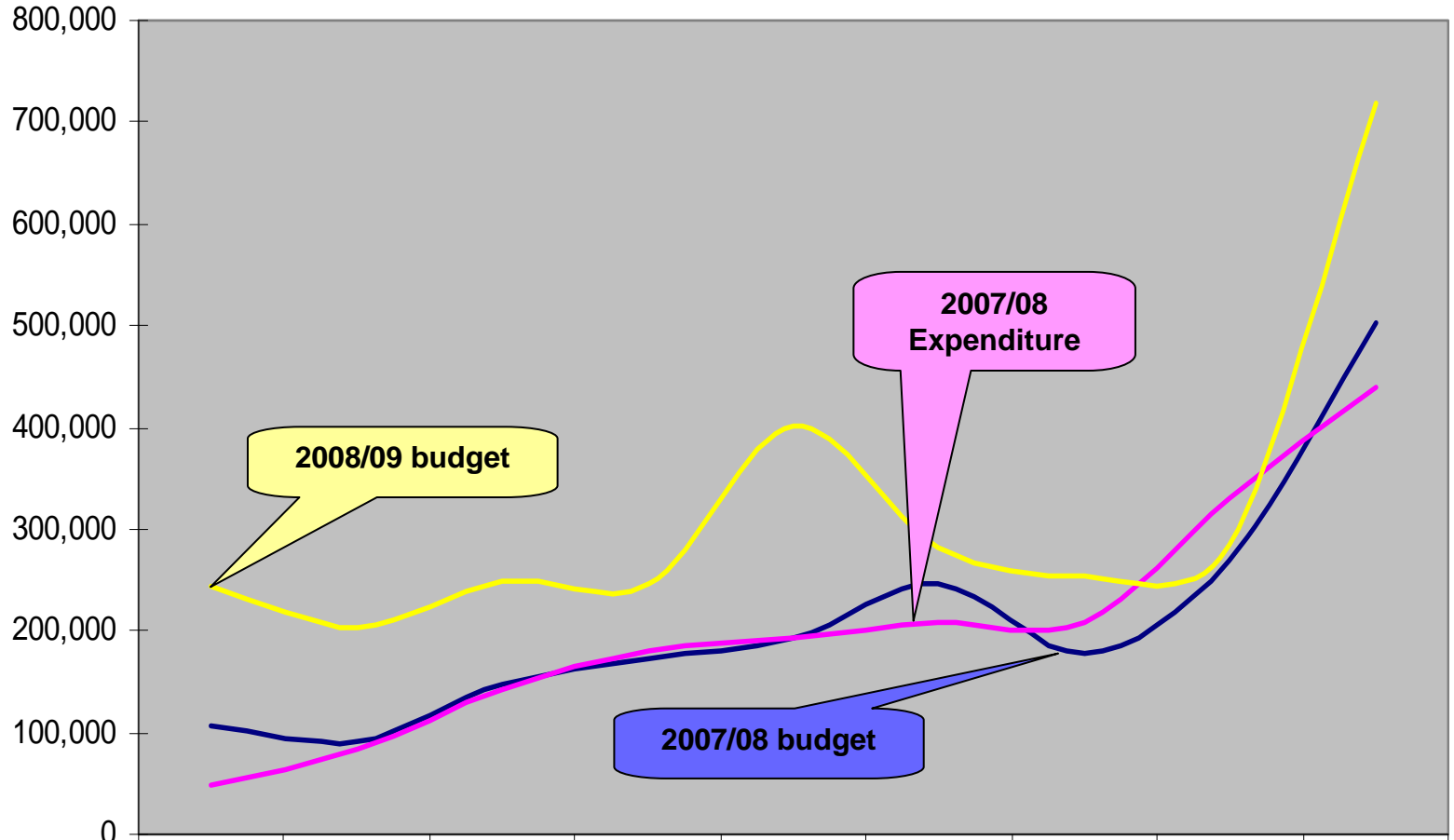
- Roll overs are not included
- 2010-11 budget adjusted based projected revised cash flows

Financial years

Ascending expenditure trend in 2007/08 against its budget and budget of 2008/09

**Inappropriate
Budgetary
request
and allocation**

Amount

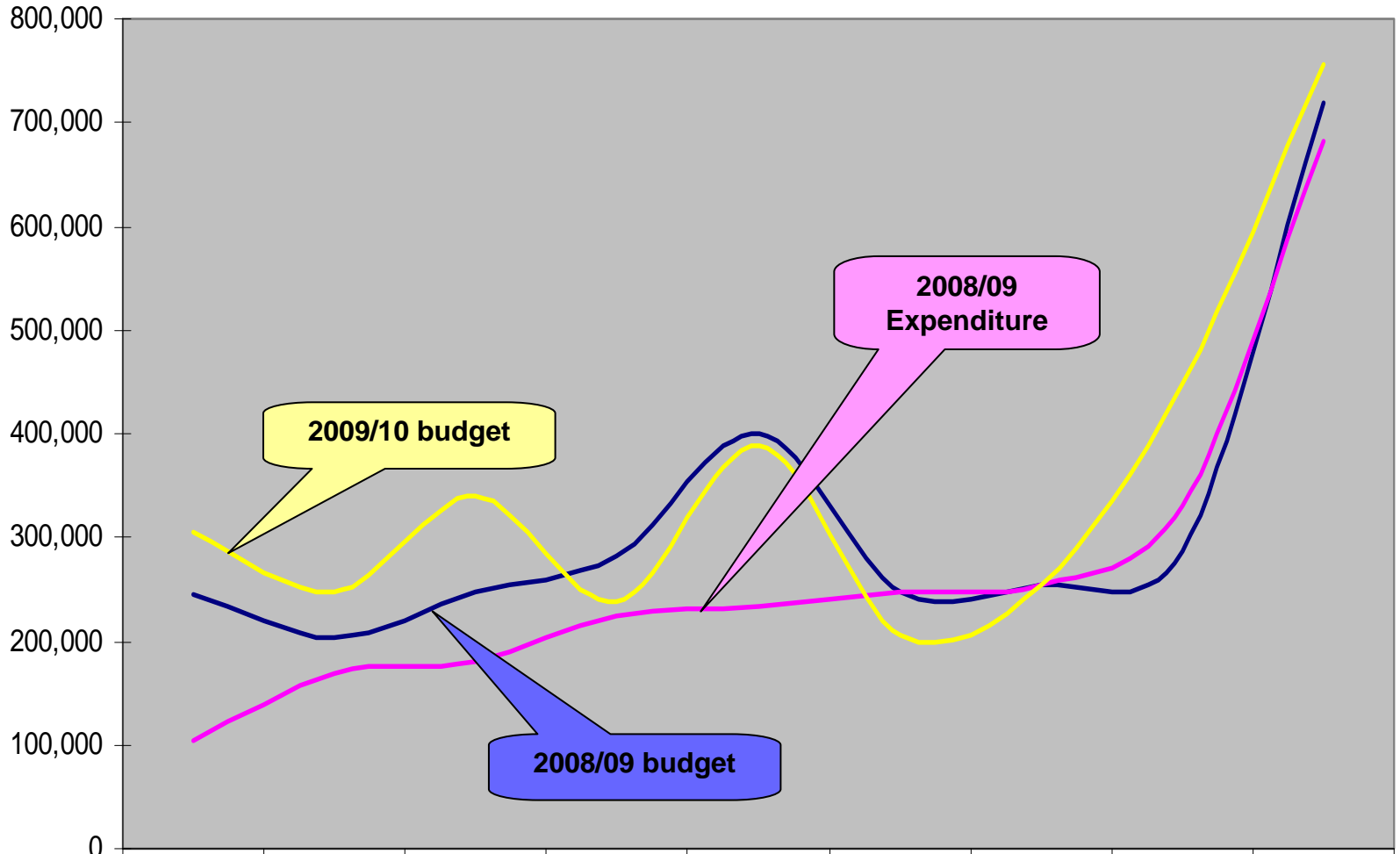


	MP	FS	LP	NC	WC	EC	NW	KZN	GP
— Budget 2007/8	107,843	90,419	148,172	172,966	191,796	246,750	176,966	268,433	503,284
— Expenditure 2007/08	48,122	84,834	143,441	180,331	192,685	207,701	208,874	331,270	438,310
— Budget 2008/09	244,322	202,753	248,540	246,364	400,388	282,288	254,030	285,666	718,312

Provinces

Ascending expenditure trend in 2008/09 against its budget and the budget of 2009/10

**Inappropriate
Budgetary
request
and allocation**



	MP	FS	NC	EC	WC	LP	NW	KZN	GP
— Budget 2008/09	244,322	202,753	246,364	282,288	400,388	248,540	254,030	285,666	718,312
— Expenditure 2008/09	104,156	168,615	180,423	223,959	232,806	246,500	254,317	329,728	682,584
— Budget 2009/10	304,441	247,886	340,197	238,611	388,845	206,931	254,644	449,558	755,190

National Department of Health- HRP

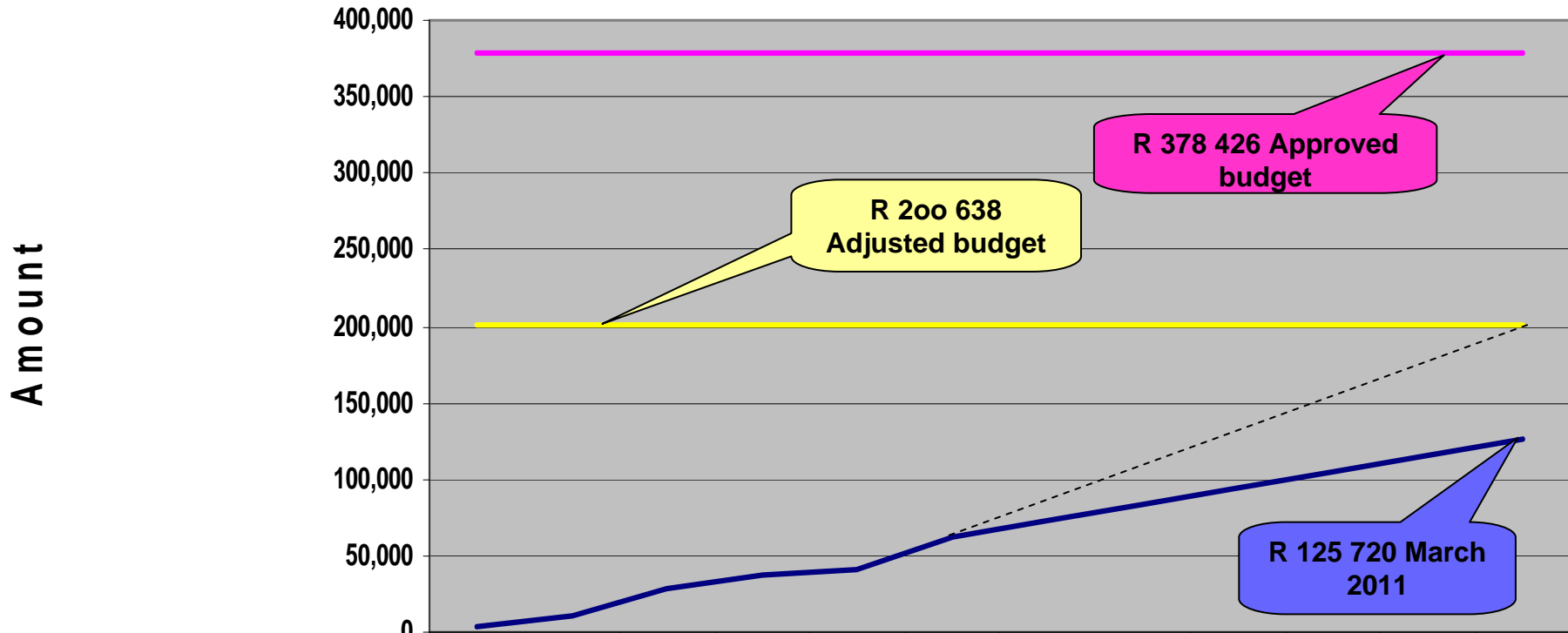
Expenditure report 2nd Quarter

Q2: Hospital Revitalisation Grant-2010- 2011

PROV.	DORA ALL: 2010/11	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	YTD EXP (IYM) (Sep'10)	YTD TRANS (Sep'10)	YTD EXP VS BUDGET	YTD EXP VS YTD TRANS	YTD TRANS VS BUDGET
	000'	000'	000'	000'	000'	000'	000'	000'	000'	%	%	%
EC	360,660	12,601	28,631	9,686	18,890	13,632	5,303	88,743	195,115	25%	45%	54%
FS	378,426	3,722	7,266	17,899	7,570	4,042	22,361	62,860	200,558	17%	31%	53%
GP	798,609	1,252	123,103	132,023	11,765	88,420	34,832	391,395	435,606	49%	90%	55%
KZN	500,815	19,682	7,312	25,541	16,343	15,866		84,744	179,834	17%	47%	36%
LP	323,425	197	8,895	28,254	940	15,578	11,692	65,556	159,093	20%	41%	49%
MP	331,657	6,256	31,961	34,580	-7,657	6,048	95,380	166,568	190,095	50%	88%	57%
NC	420,218	16,379	18,787	25,503	20,813	24,229	16,436	122,147	176,741	29%	69%	42%
NW	326,303	386	682	153,390	13,793	13,736	7,972	189,959	216,182	58%	88%	66%
WC	580,554	40,612	38,821	42,439	55,407	43,198	51,478	271,955	320,053	47%	85%	55%
TOTAL	4,020,667	101,087	265,458	469,315	137,864	224,749	245,454	1,443,927	2,073,277	36%	70%	52%
											Under spend by:	16%

KZN Sept expenditure not available as yet

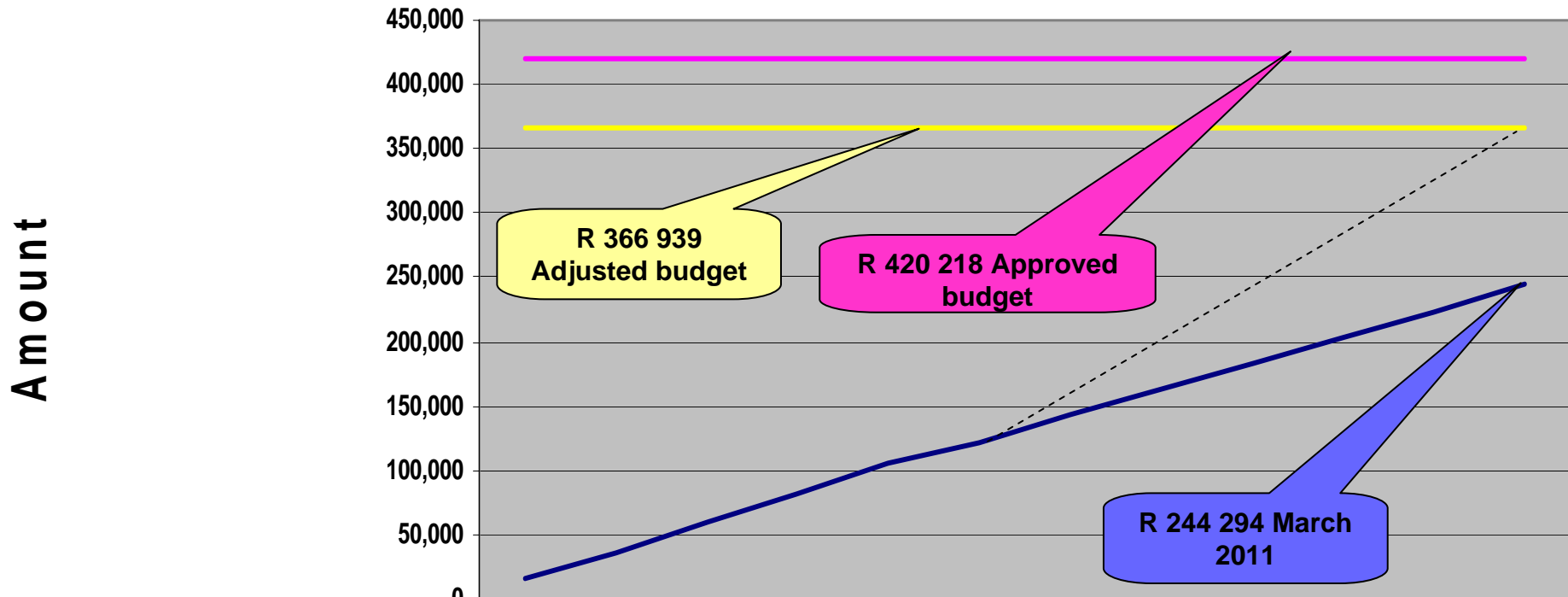
FS- HRP 2010/11 budget/Recommended adgusted budget 2010/11/Expenditure(Actual up to Q 2)



	April	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March
Cumulative expenditure	3,722	10,988	28,887	36,457	40,499	62,860	73,337	83,813	94,290	104,767	115,243	125,720
Budget 2010/11	378426	378426	378426	378426	378426	378426	378426	378426	378426	378426	378426	378426
Recommended adjusted budget	200638	200638	200638	200638	200638	200638	200638	200638	200638	200638	200638	200638

Months

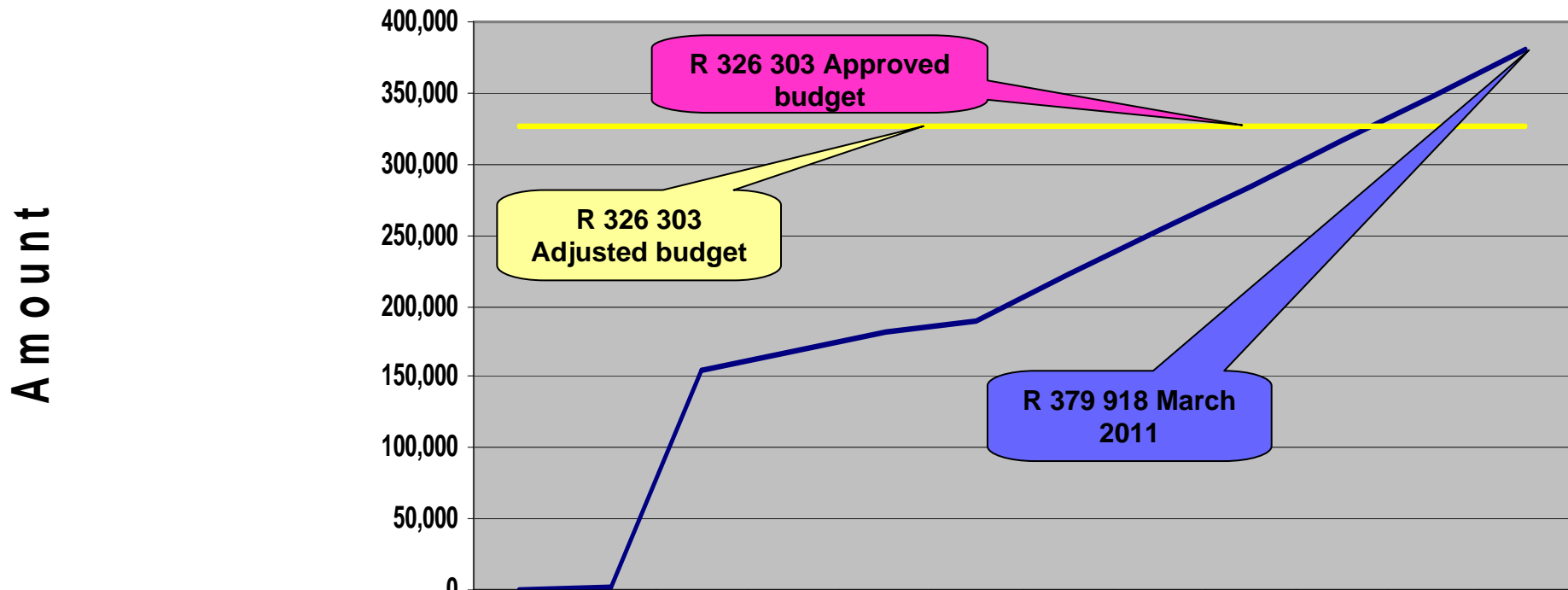
NC-HRP 2010/11 budget/Recommended adgusted budget 2010/11/Expenditure(Actual up to Q 2)



	April	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March
— Cumulative expenditure	16,379	35,166	60,669	81,482	105,711	122,147	142,505	162,863	183,221	203,578	223,936	244,294
— Budget 2010/11	420218	420218	420218	420218	420218	420218	420218	420218	420218	420218	420218	420218
— Recommended adjusted budget	366939	366939	366939	366939	366939	366939	366939	366939	366939	366939	366939	366939

Months

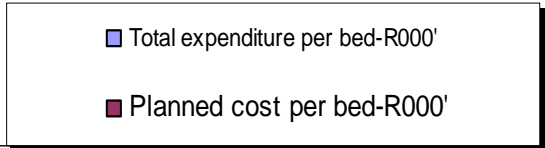
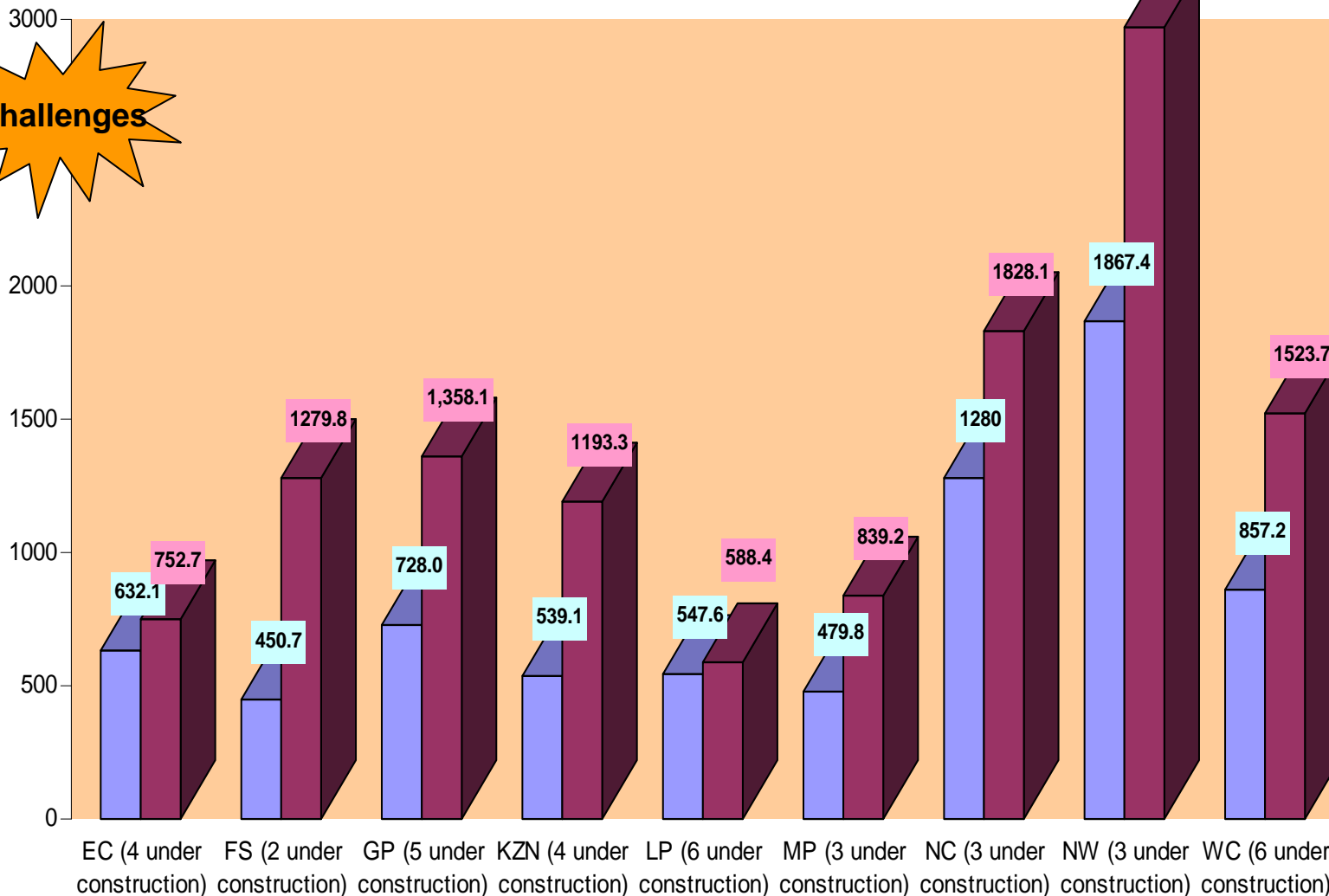
NW-HRP 2010/11 budget/Recommended adgusted budget 2010/11/Expenditure(Actual up to Q 2)



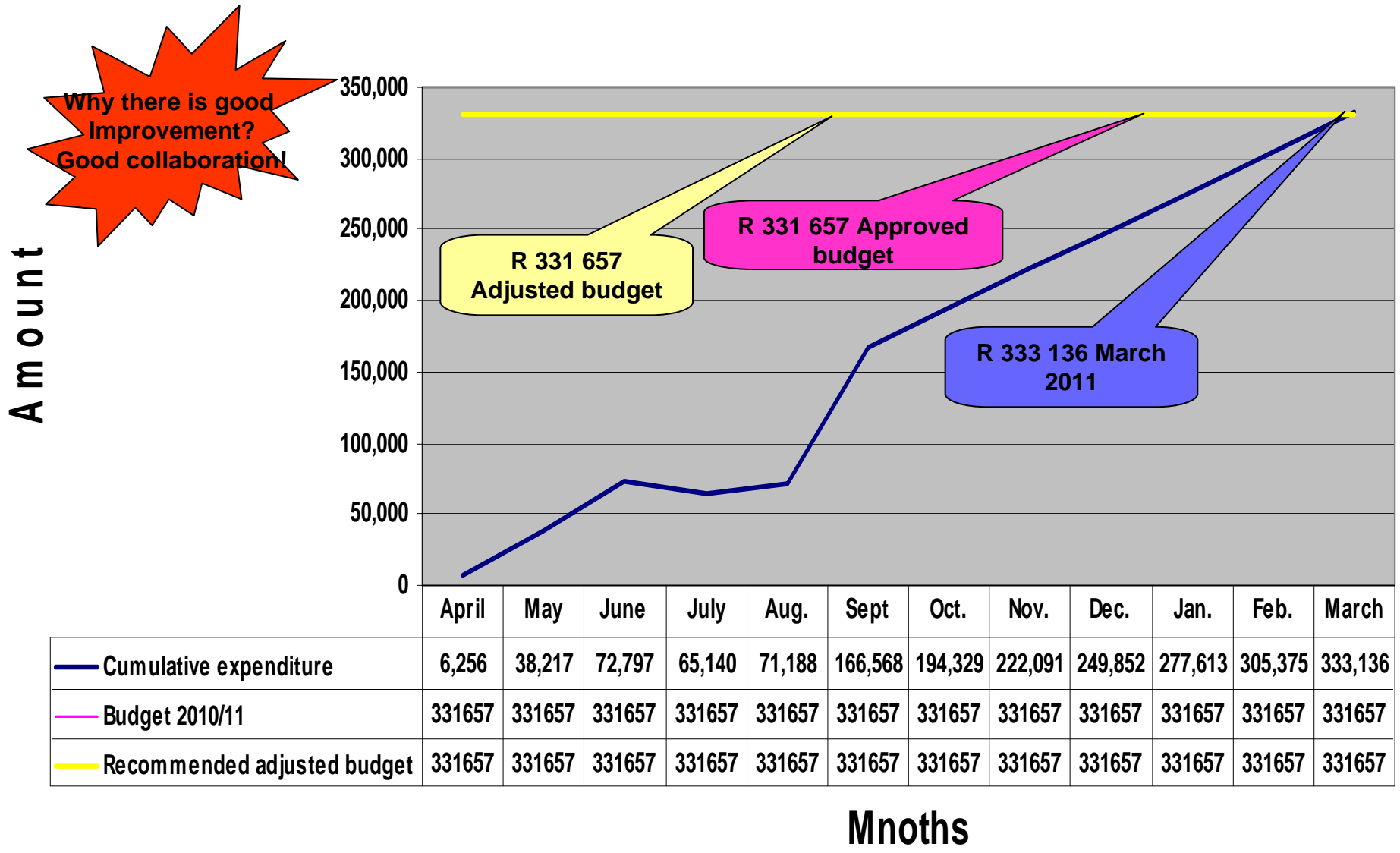
	April	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March
— Cumulative expenditure	386	1,068	154,458	168,251	181,987	189,959	221,619	253,279	284,939	316,598	348,258	379,918
— Budget 2010/11	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303
— Recommended adjusted budget	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303	326303

Months

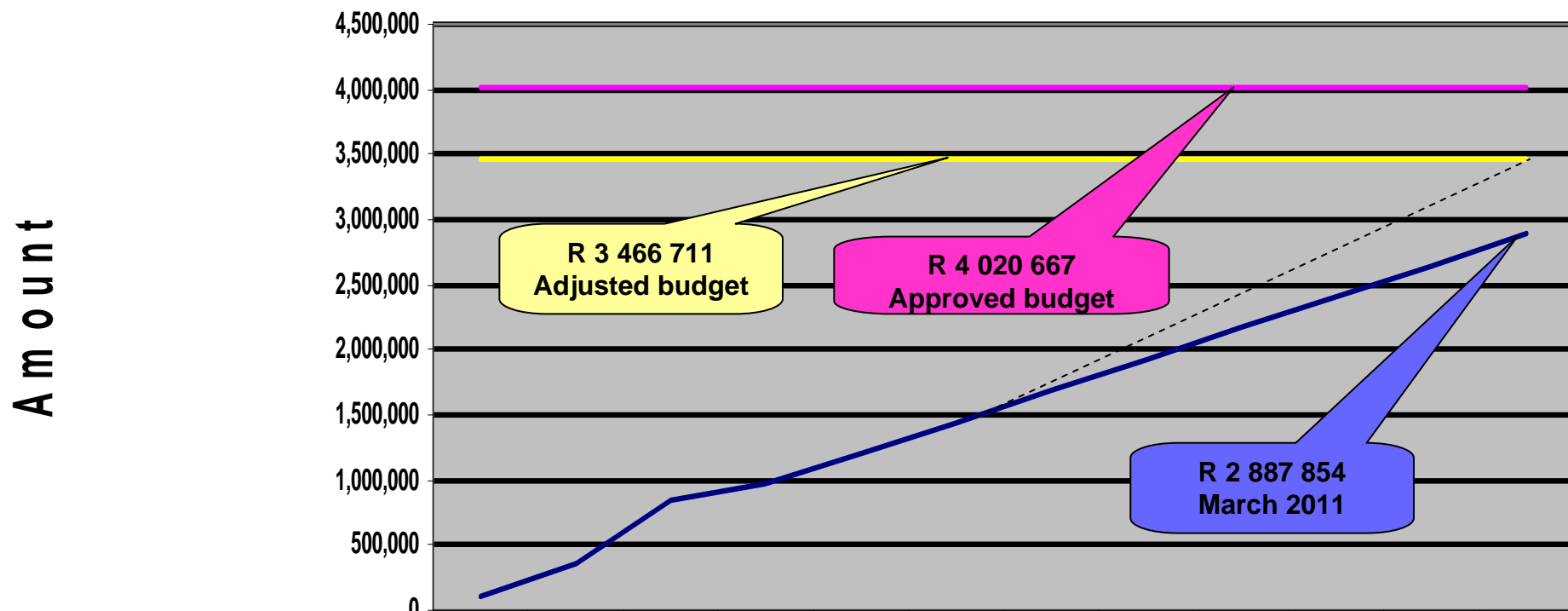
National Department of Health-HRP-Cost and expenditure per bed, planned and spent from 2003 till end 2009-10 F/Y-Some projects at construction stage



MP-HRP 2010/11 budget/Recommended adgusted budget 2010/11/Expenditure(Actual up to Q 2)



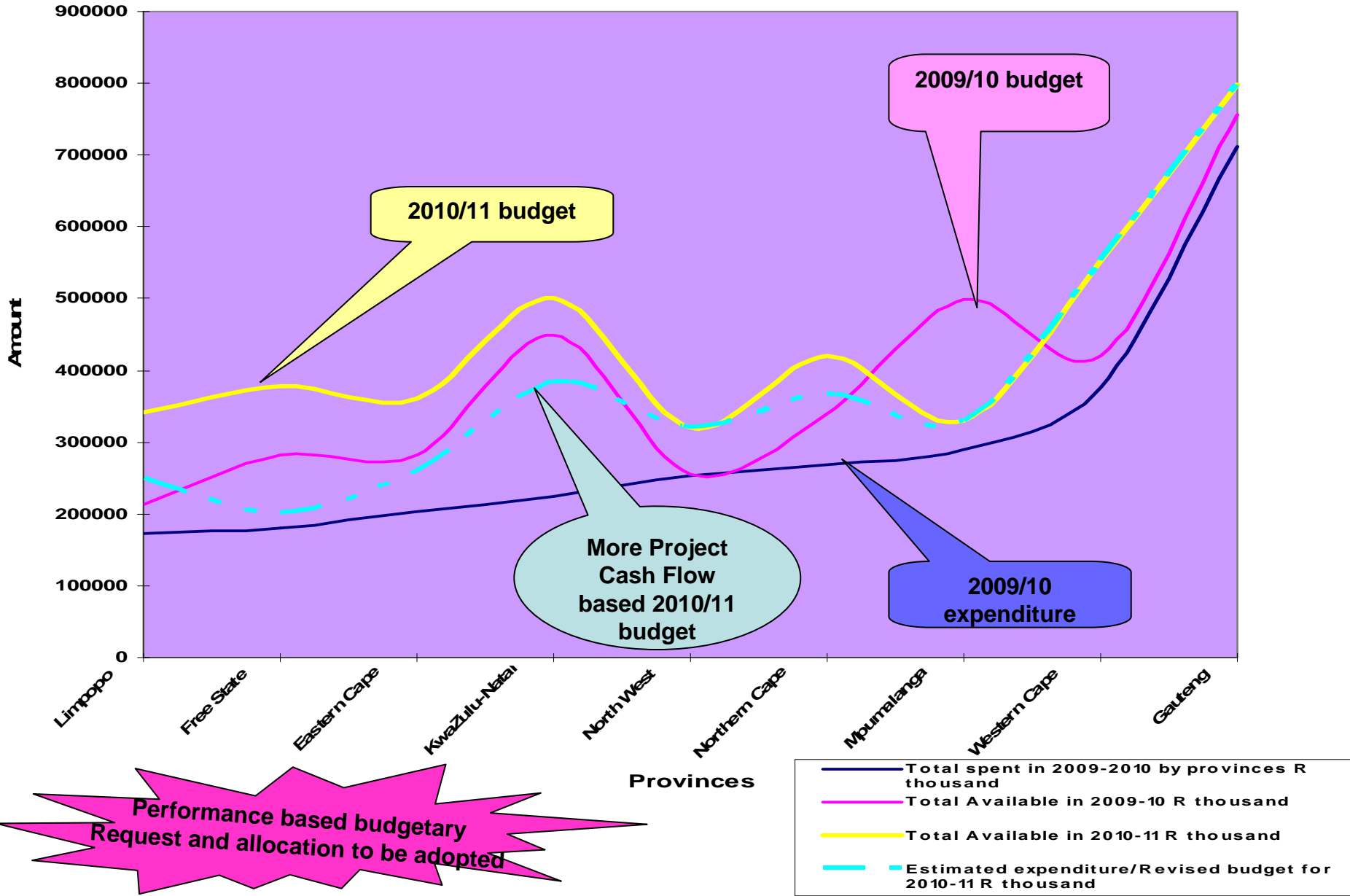
All Provinces-HRP 2010/11 budget/Recommended adgusted budget 2010/11/Expenditure(Actual up to Q 2)



	April	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	March
— Cumulative expenditure	101,087	366,545	835,860	973,724	1,198,473	1,443,927	1,684,582	1,925,236	2,165,891	2,406,545	2,647,200	2,887,854
— Budget 2010/11	4020667	4020667	4020667	4020667	4020667	4020667	4020667	4020667	4020667	4020667	4020667	4020667
— Recommended adjusted budget	3466711	3466711	3466711	3466711	3466711	3466711	3466711	3466711	3466711	3466711	3466711	3466711

Months

Corrolation between financial allocation in 2009-10 and 2010-11 with expenditure in 2009-10 and Revised budget 2010-11



Project Cash flow analysis –Extent to which HRP provincial budgets will be spent in 2010/2011

PROVINCE	BUDGET 2010/2011	EXPENDITURE AT END Aug. 2010	% OF TOTAL BUDGET SPENT AFTER 5 MONTHS	ESTIMATED TOTAL EXPENDITURE AT END MARCH 2011	% OF TOTAL BUDGET SPENT AFTER 12 MONTHS	R VALUE OF UNDEREXPENDITURE ENVISAGED
EC	360 660 000	94 948 407	26.3	261 909 000	72.6	93 996 190
FS	378 426000	35 006 038	9,2	200 637 998	53.0	177 790 002
GP	798 609 000	268 131 578	33,8	798 609 000	100.0	0
KZN	500 815 416	67 154 768	13,3	384 276 416	37.0	116 539 000
LP	323 425 000	38 385 858	11,2	249 425 000	72.8	93 000 000
MP	331667000	103 956 327	31.4	331 667 000	100.0	0
NC	420 218 000	81 279 344	19,3	366 939 000	87.3	53 279 000
NW	326 303 000	182 705 818	56,9	326 303 000	100.0	0
WC	580 554 000	156 229 114	28,2	580 4554000	100.0	0
	4 020 667 416	1 027 797 252	25.66	3 466 711 414	86.5	534 604 192

Infrastructure Delivery Cycle

Alignment to be Implemented by all

3 Year MTEF Period

Year 0

Year 1

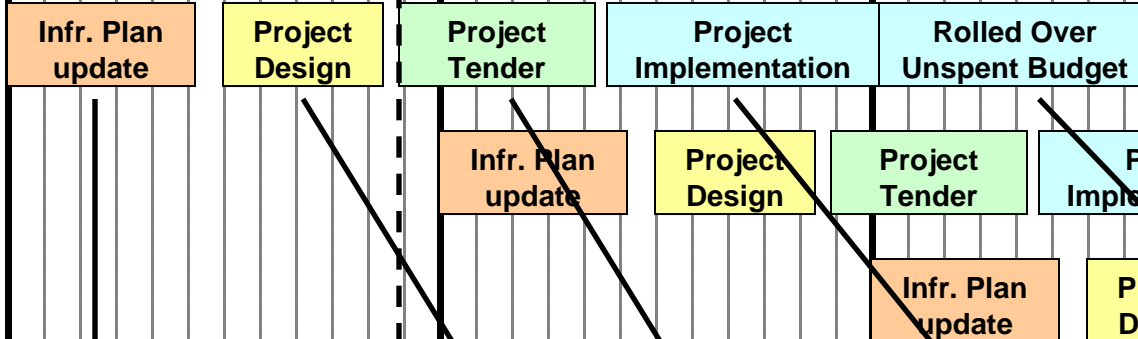
Year 2

Year 3

Year 4

A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J

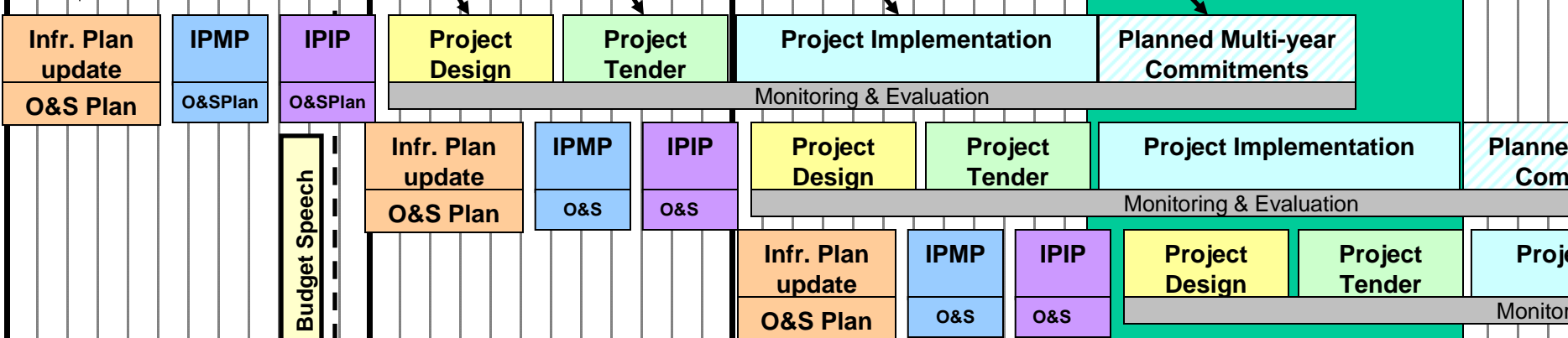
Current Infrastructure Delivery Cycle



These are all the concurrent infrastructure delivery activities that need to be undertaken in any 1 year

Departments therefore need to have the capacity to undertake all these concurrent activities.

Improved Infrastructure Delivery Cycle



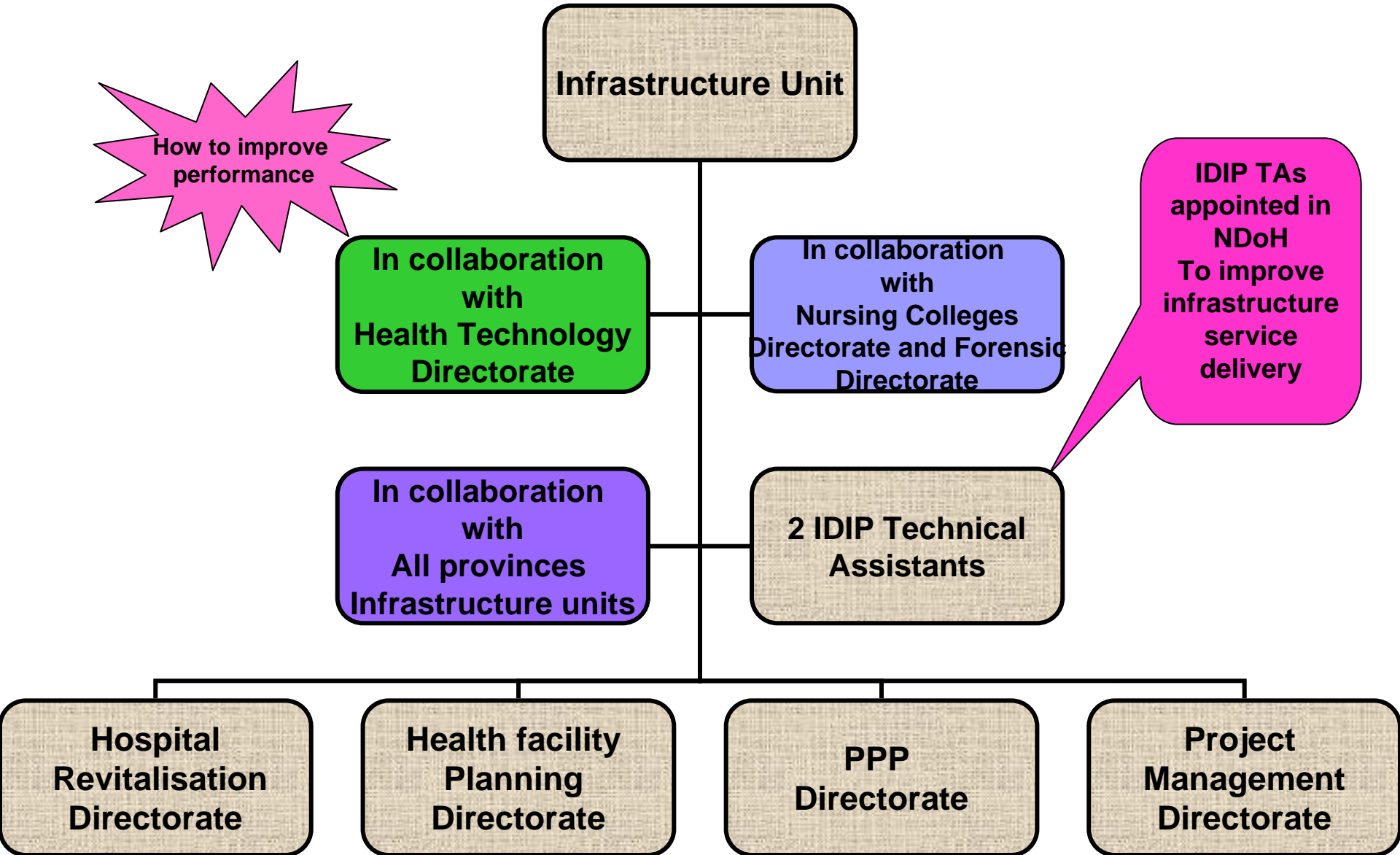
LEGEND: O&S Plan – Organisation & Support Plan
 IPMP – Infrastructure Programme Management Plan
 IPIP – Infrastructure Programme Implementation Plan

Various components, directorates or sections dealing with various types of infrastructure related tasks

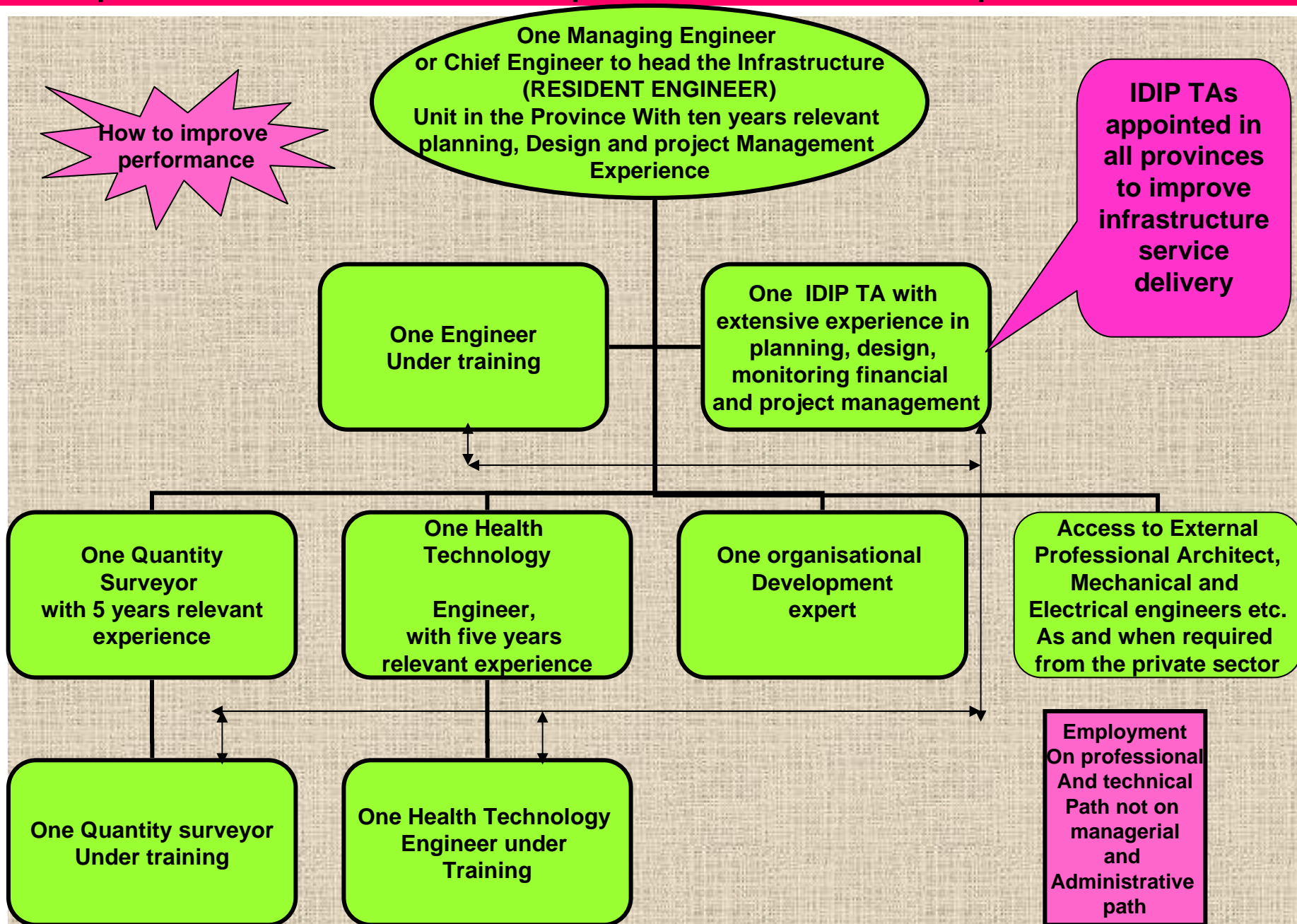
Provinces	HRP Directorate/ Section	PPP Directorate/ Section	HT Directorate/ Section	Infrastructure Directorate/ Section
EC	yes	no	yes	yes
FS	yes		yes	no
GP	yes	no	yes	yes
KZN	yes	no	yes	yes
LP	yes	yes	yes	yes
MP	yes		yes	yes
NC	yes	no	no	no
NW	yes		yes	yes
WC	yes		yes	yes
NDoH	yes	yes	yes	Nursing colleges and Forensic

Action: silo approach is avoided all relevant directorates and sections in PDoH Are being brought under one umbrella as adopted in National Department of Health

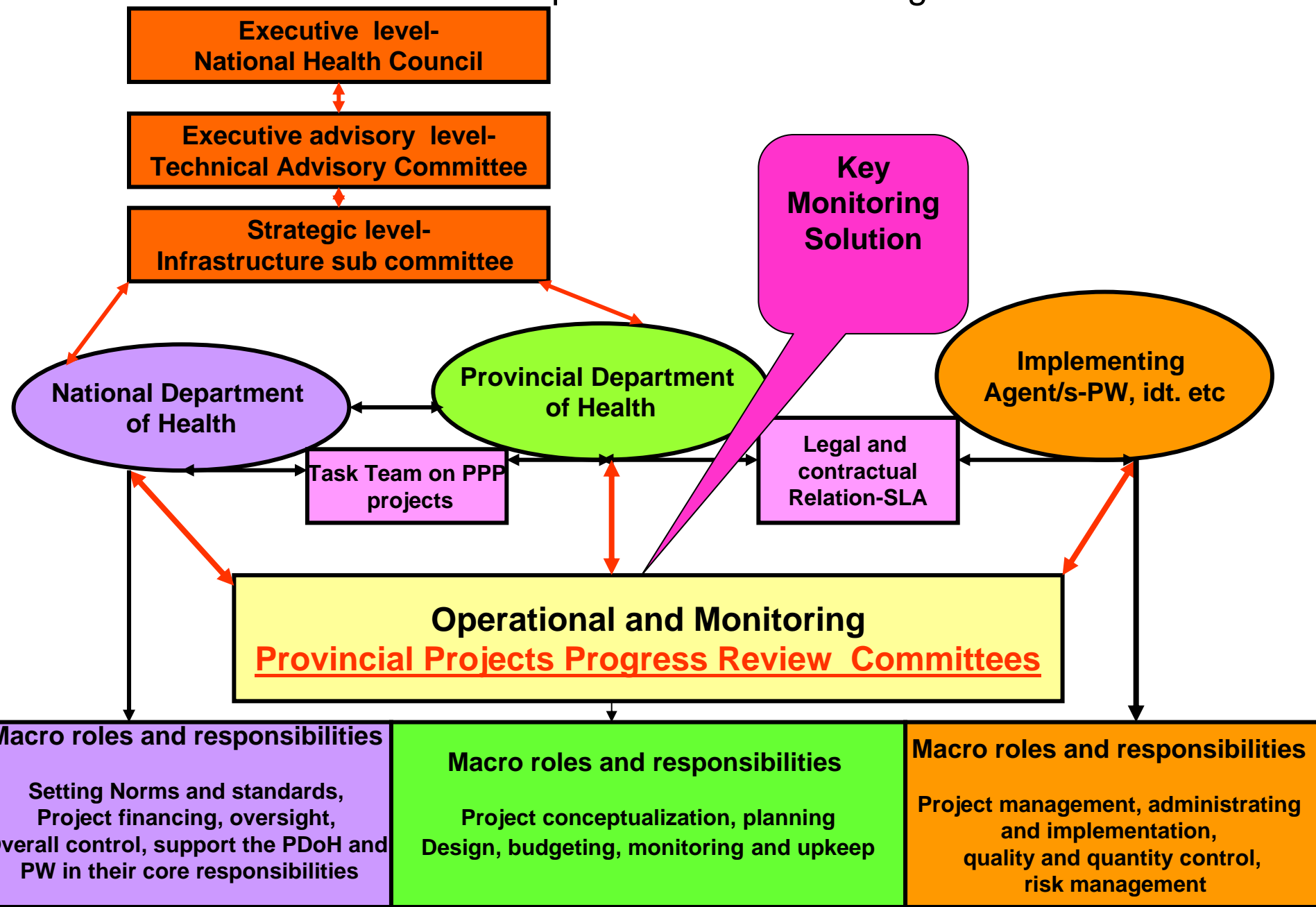
National Department of Health-Infrastructure Unit composite directorates and collaborative directorates



Adopted core Infrastructure unit composition in the Provincial Departments of Health



Operational, legal and institutional relation between NDoH, PDoH and IA (PW), Macro roles and responsibilities-Monitoring structure



Operational and Monitoring **Provincial Projects Progress Review Committees**

- Represented by National Department of Health, Provincial Department of Health, relevant facility manager, Implementing Agent Department of Public Works and their Professional Service Providers/Principal Agents
- Physical and financial Project progress review and trouble shooting- cash flow and expenditure analysis and projection in relation with contract value and budgetary allocation, linked to physical progress
- Comprehensive reporting submitted by the IA covering quality and quantity performance of the Principal Agent/s in various stages of project development cycle, quality and quantity reporting on the performance of the contractors and suppliers
- Making sure that all Compliance related issues in terms of all agreements and regulations are adhered to.
- Communication with stake holders and other role players

STRENGTHENING OF THE NDOH REVITALISATION SYSTEM AND HEALTH TECHNOLOGY STRATEGY

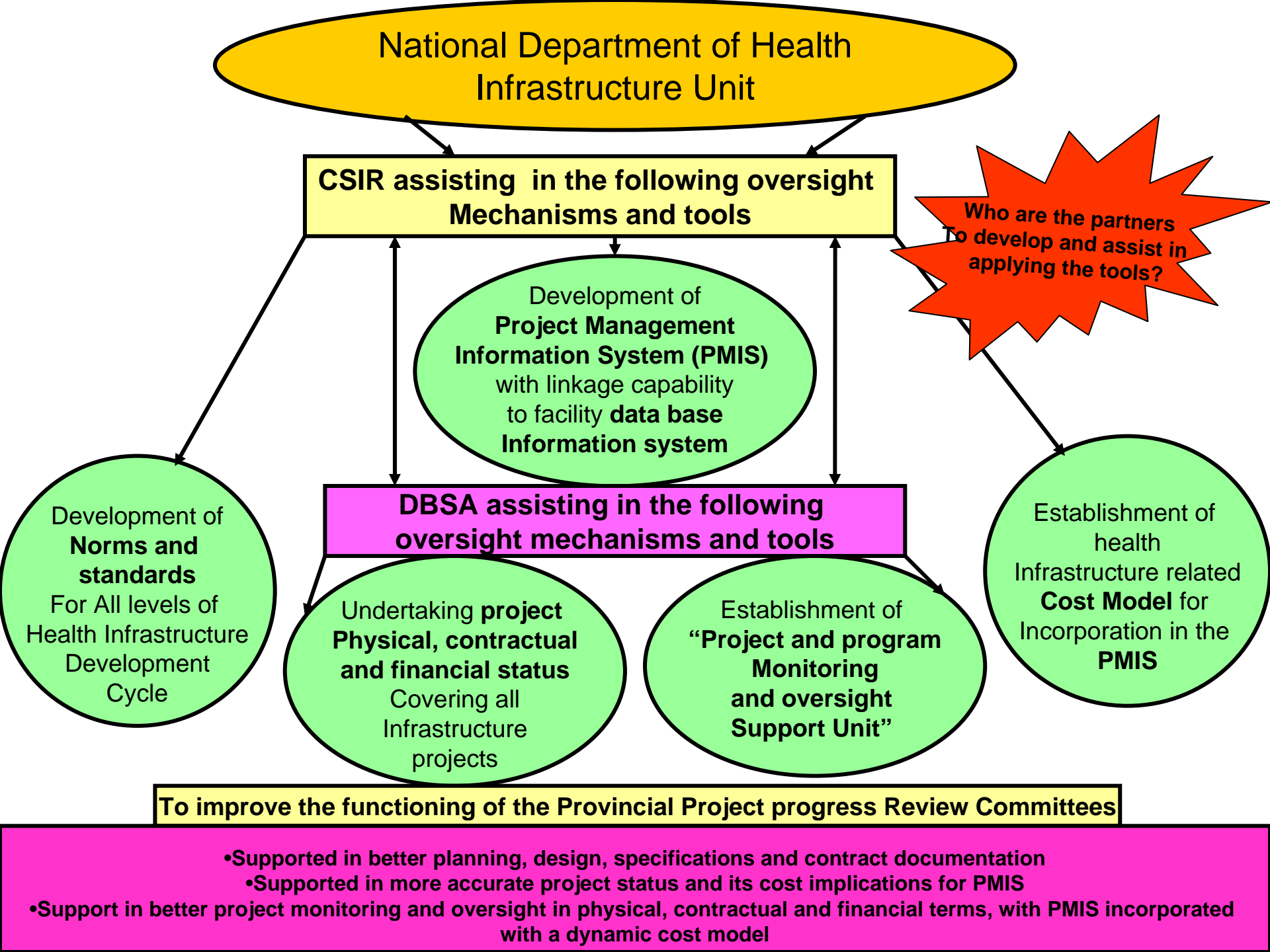
Financial support for
Better mechanisms and tools
For infrastructure delivery

Ref	Description	Amount
(a)	Procurement, customisation and roll-out of programme management system	R 3 million
(b)	Establish status quo of all infrastructure projects	R 2 million
(c)	Compilation, development and roll-out of planning and design norms and standards for all categories of health facilities	R 2 million
(d)	NDoH contribution to funding of feasibility studies for Flagship projects	R 5 million
(e)	Health Technology audit	R 5 million
TOTAL		R 17 million

Support to Infrastructure Unit

Financial support for
Better mechanisms and tools
For infrastructure delivery

Area of financial support needed	Amount needed (R millions)		
	2011/12	2012/13	2013/14
Project 1: Data and Information Management System, linked to a dynamic Cost Model, linked to a Program and Project Management Information System and their activation in all provinces	R 5 million	R 5 million	R 5 million
Project 2: Development of a “Sector Procurement Strategy” with the help of SPAID and Its implementation in all provinces.	R 2 million	R 2 million	R 2 million
Project 3: Assistance for development of Planning, design and Construction Norms and Standards for all health facilities as well as for HT equipment	R 2 million	R 2 million	R 2 million
Project 4: Project Status Confirmation	R 5 million	R 1 million	
TOTAL	R 14 million	R 10 million	R 9 million



Thanks for your attention