

# Presentation to the Select Committee on Appropriations COMMUNITY LIBRARY SERVICES GRANT

25 May 2011



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# Community Library Services Grant – 31 December 2010

Table: Community Library Services Grant expenditure as at 31 December 2010 (Section 32)

R thousand	Adjusted budget	Projected outcome	Actual payments as at 31 December 2010	Actual payments as % of adjusted budget	(Over)	Under	%(Over) / under of adjusted budget	% share of grant to total grant expenditure	2009/10: Audited Outcome as at 31 December 2009	Year-on-year growth
Eastern Cape	82 163	42 792	28 410	34.6%	–	39 371	47.9%	9.5%	30 124	-5.7%
Free State	45 251	45 251	28 378	62.7%	–	–	0.0%	9.4%	20 667	37.3%
Gauteng	51 619	51 619	49 186	95.3%	–	–	0.0%	16.4%	46 582	5.6%
KwaZulu-Natal	43 274	43 274	19 145	44.2%	–	–	0.0%	6.4%	17 251	11.0%
Limpopo	68 150	74 534	34 418	50.5%	-6 384	–	-9.4%	11.5%	36 777	-6.4%
Mpumalanga	70 944	62 733	32 771	46.2%	–	8 211	11.6%	10.9%	37 482	-12.6%
Northern Cape	77 314	65 273	35 298	45.7%	–	12 041	15.6%	11.8%	45 561	-22.5%
North West	72 708	72 708	34 534	47.5%	–	–	0.0%	11.5%	25 548	35.2%
Western Cape	49 638	49 638	38 243	77.0%	–	–	0.0%	12.7%	21 186	80.5%
<b>Total</b>	<b>561 061</b>	<b>507 822</b>	<b>300 383</b>	<b>53.5%</b>	<b>-6 384</b>	<b>59 623</b>	<b>9.5%</b>	<b>100.0%</b>	<b>281 178</b>	<b>6.8%</b>

Adjusted budget includes provincial roll overs

# Spending vs Transfers received

## COMMUNITY LIBRARY SERVICES GRANT

Province	Division of Revenue Act, 2010 (Act No. 1 of 2010)	Provincial roll-overs	Total available	Received by provinces	Spent by provinces	% Spent of funds transferred	% Actual payments of total available	Projected (over)/under
<b>R thousand</b>								
Eastern Cape	77,240	4,923	82,163	62,740	28,410	45.3%	34.6%	39,371
Free State	45,197	54	45,251	33,140	28,378	85.6%	62.7%	-
Gauteng	51,619	-	51,619	50,919	49,186	96.6%	95.3%	-
KwaZulu-Natal	38,282	4,992	43,274	32,700	19,145	58.5%	44.2%	-
Limpopo	62,733	5,417	68,150	53,048	34,418	64.9%	50.5%	(6,384)
Mpumalanga	62,733	8,211	70,944	46,610	32,771	70.3%	46.2%	8,211
Northern Cape	65,943	11,371	77,314	53,895	35,298	65.5%	45.7%	12,041
North West	59,275	13,433	72,708	50,875	34,534	67.9%	47.5%	-
Western Cape	49,638	-	49,638	39,454	38,243	96.9%	77.0%	-
<b>Total</b>	<b>512,660</b>	<b>48,401</b>	<b>561,061</b>	<b>423,381</b>	<b>300,383</b>	<b>70.9%</b>	<b>53.5%</b>	<b>53,239</b>

# Community Library Services Grant – 31 March 2011 (Preliminary outcome)

Table: Community Library Services Grant expenditure as at 31 March 2010 (Section 32)

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	(Over)	Under	%(Over) / under of adjusted budget	% share of grant to total grant expenditure	2009/10: Audited Outcome as at 31 March 2009	Year-on-year growth
Eastern Cape	82 163	79 599	96.9%	–	2 564	3.1%	16.1%	49 828	59.7%
Free State	45 251	45 248	100.0%	–	3	0.0%	9.2%	40 191	12.6%
Gauteng	51 619	51 038	98.9%	–	581	1.1%	10.3%	47 338	7.8%
Kw aZulu-Natal	43 274	41 262	95.4%	–	2 012	4.6%	8.4%	30 597	34.9%
Limpopo	68 150	52 082	76.4%	–	16 068	23.6%	10.6%	53 445	-2.6%
Mpumalanga	70 944	70 944	100.0%	–	–	0.0%	14.4%	56 535	25.5%
Northern Cape	77 314	55 448	71.7%	–	21 866	28.3%	11.2%	57 576	-3.7%
North West	72 708	48 015	66.0%	–	24 693	34.0%	9.7%	41 411	15.9%
Western Cape	49 638	49 638	100.0%	–	–	0.0%	10.1%	41 072	20.9%
<b>Total</b>	<b>561 061</b>	<b>493 274</b>	<b>87.9%</b>	<b>–</b>	<b>67 787</b>	<b>12.1%</b>	<b>100.0%</b>	<b>417 993</b>	<b>18.0%</b>

*Adjusted budget includes provincial roll overs*

# Issues affecting expenditure

- During the first three quarters, the following provinces were spending poorly:
  - Eastern Cape: slow progress on the Mdantsane library project has been raised. Provincial officials cited misunderstandings with the local community as leading to delays in the project. Further investigation has also revealed challenges with the contractor's delivery performance.
  - KwaZulu-Natal: although the province has improved compared to the same period last year, internal supply chain challenges led to a slow start to projects and therefore expenditure.
  - Limpopo: upgrading projects and the purchasing of library material was delayed by the slow appointment of service providers. This suggests internal supply chain management or planning issues in the provincial department.
  - Mpumalanga: this province also struggled to manage its internal supply chain processes, as well as contractor performance. Most expenditure only took place in the fourth quarter.
  - Northern Cape: there was a delay in finalising SLAs with municipalities, and therefore a significant decline over the previous year's expenditure.
  - North West: the province is clearly recovering from a "low base" i.r.o. spending performance, but execution of planned projects is still very slow (late appointment of contractors), despite funds being made available for capacity building, including staff.

# Addressing the challenges

- In order to safe-guard the use of public funds, supply chain regulations can be exacting. However, it is clear that provinces can manage these processes in a more efficient manner.
- Reports highlight delays in the procurement /SCM processes of Eastern Cape, Free State, Limpopo, Mpumalanga and North West. Much of the shortfalls involve infrastructure upgrades and new buildings.
- Various initiatives and support systems currently being implemented by the National Treasury should improve the situation, including:
  - Building technical and planning expertise through the IDIP programme can improve the performance of Public Works departments and therefore their delivery of library infrastructure projects;
  - The FMIP programme is designed to progressively roll out best practices in supply chain management, financial management and risk management within provinces;
  - Donor funding for these and other programmes is being sourced and the development aid process will be integrated into the budget process going forward.
- Ultimately, the success of these and other initiatives will be greatly improved by a more engaged provincial management, as well as stronger leadership and oversight by accounting officers over community library programmes.

# Addressing the challenges

- The disjuncture between the functional assignment of the libraries function (i.t.o. Schedule 5A) and the current municipal operation of libraries does present challenges to provincial departments.
- Therefore, while SLAs between municipalities and provinces have temporarily assisted in the management of the function, certain provinces (especially KZN and Western Cape) have embarked on the provincialisation of the function, and this is likely to simplify the management of libraries.

THANK YOU