



WESTERN CAPE EDUCATION DEPARTMENT

**REPORT TO THE SELECT  
COMMITTEE ON FINANCE**

FOURTH QUARTER 2006/7

23 May 2007

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**REPORT ON THE PROVINCIAL INFRASTRUCTURE GRANT (PIG)  
2006/07**

**1. DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND EXPENDITURE OF THE PIG**

FINANCIAL YEAR	ACTUAL AMOUNT RECEIVED  R'000	ACTUAL AMOUNT SPENT (incl. Commitments)  R'000	COMMITMENTS  R'000	% SPENT  %
2005/06	R82,565	R83,140	Overspent by R575 000,00	100%
2006/07	R126,829	R 123,286	R3,543 million	97,2%

Comments:

The rate of expenditure was good because sites for most of the school building projects were handed over timeously to the contractors.

**2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY**

The WCED and the DTPW are presently being restructured but no new staff establishments have yet been approved.

National and Provincial Treasury monitoring of infrastructure projects and conditional grants is functioning well. However, pressure is being placed on the provincial line departments without addressing their staff capacity problems. Producing regular financial reports takes up a lot of a physical resource planner's time. Planning new projects and site visits then becomes secondary in importance.

**3. SERVICE LEVEL AGREEMENTS**

A Service Delivery Agreement (SDA) has been concluded between the WCED and the Department of Transport and Public Works.

#### 4. CONCLUDING REMARKS

PIG allocations are diminishing in the MTEF's outer years. For example, during 2006/07 it was R126,829 million and in the current financial year (07/08) it is R80 263m and R85,881m for 2008/09. Juxtaposed to this trend is the fact that the cost of new school buildings is increasing, thus fewer schools can be built with the available budgets.

The Western Cape Province is presently experiencing a worldwide migration phenomenon. Families, in large numbers, are moving to the seaside towns along our coastline and to the large urban areas – particularly to the Cape Metropole.

The National Government's focus on infrastructure spending, leading up to the 2010 Soccer World Cup, will also attract job-seekers to the construction industry. Additional schools will be required to accommodate hundreds more children.

In addition, the annual throughput rate of secondary school learners is also increasing, the dropout rate is thus <sup>de</sup>creasing, resulting in a need for more classrooms.

The Western Cape Education Department has proved, over time, that its Directorate: Physical Resource Planning, has the capacity to manage and spend large annual budgets. A much larger PIG is, therefore, requested.

## PUBLIC HEARINGS ON CONDITIONAL GRANTS AND CAPITAL EXPENDITURE

**SELECT COMMITTEE ON FINANCE:  
 ENGAGEMENT WITH PROVINCIAL MECs,  
 FOURTH QUARTER PROVINCIAL BUDGET REPORT**

**INPUT ON THE NATIONAL SCHOOL NUTRITION PROGRAMME (NSNP)  
 CONDITIONAL GRANT FOR EDUCATION  
 WESTERN CAPE EDUCATION DEPARTMENT (WCED),  
 2006/07**

**1. DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND EXPENDITURE OF NSNP CONDITIONAL GRANT**

<b>FINANCIAL YEAR</b>	<b>ACTUAL AMOUNT RECEIVED [including additional funds – 2005/6] '000</b>	<b>ACTUAL AMOUNT SPENT (incl. Commitments) '000</b>	<b>OVER/ UNDER EXPENDITURE '000</b>	<b>% SPENT</b>
<b>2005/6</b>	<b>R49 321</b>	<b>R49 340</b>	<b>0</b>	<b>100,04</b>
<b>2006/7</b>	<b>R48 313</b>	<b>R48 178</b>	<b>135</b>	<b>99,72</b>

**2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY**

The WCED possesses the capacity to monitor expenditure.

**3. SERVICE LEVEL AGREEMENTS**

Service level agreements, as per Procurement Plan, have been signed with 3 Service Providers

#### **4. CONCLUDING REMARKS**

- 4.1 203 535 learners were fed at 991 targeted schools.
- 4.2 A total of 219 school gardens are currently established at targeted schools.
- 4.3 95 pre-fabricated mobile units were provided at targeted schools. These structures will serve as food preparation areas and are fully equipped and secured.
- 4.4 Cooked meals are served at all targeted schools where infra-structural readiness prevails.

## PUBLIC HEARINGS ON CONDITIONAL GRANTS AND CAPITAL EXPENDITURE

**SELECT COMMITTEE ON FINANCE:  
ENGAGEMENT WITH PROVINCIAL MECs,  
FOURTH QUARTER PROVINCIAL BUDGET REPORT**

**INPUT ON THE FET COLLEGE RECAPITALISATION CONDITIONAL  
GRANT FOR EDUCATION  
WESTERN CAPE EDUCATION DEPARTMENT (WCED),  
2006/07**

**1. DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND EXPENDITURE**

<b>FINANCIAL YEAR</b>	<b>ACTUAL AMOUNT RECEIVED</b>	<b>ACTUAL AMOUNT SPENT (incl. Commitments)</b>	<b>UNDER/OVER EXPENDITURE</b>	<b>% SPENT</b>
	'000	'000	'000	
2006/7	R70 000 000	R70 000 000	R Nil	100%

**2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY**

The WCED has sufficient capacity to monitor the activities and expenditure.

**3. SERVICE LEVEL AGREEMENTS**

The FET college re-capitalisation funds are located at the colleges. The colleges follow PFMA procurement procedures and have service level agreements with suppliers in place.

**4. CONCLUDING REMARKS**

4.1 403 Educators were capacitated to deliver 11 NCV programmes

- 4.2 93 Management staff members were orientated in NCV curriculum management
- 4.3 5 Staff members attended industry training
- 4.4 Successful advocacy campaigns were launched and 3 222 NCV students were enrolled by February 2007
- 4.5 4 Workshops were built, 39 refurbished and 47 classrooms were prepared for NCV delivery
- 4.6 32 Campus sites were upgraded
- 4.7 Equipment and learning and teaching materials for 11 NCV programmes were procured and are in use



**WESTERN CAPE EDUCATION DEPARTMENT  
REPORT TO SELECT COMMITTEE ON FINANCE, 23 MAY 2007:  
HIV/AIDS CONDITIONAL GRANT**

**1. HIV/AIDS BUDGET (AS PER DoRA): TRENDS IN ALLOCATIONS, TRANSFERS AND EXPENDITURE**

Financial year	Allocation + Rollover R'000	Actual ammnt spent R'000	Under / over expenditure R'000	% Spent %
2005/06	11 205 + 0	11 205	0	100,0
2006/07	11 870 + 0	11 872	2	100,01

**2. SERVICE LEVEL AGREEMENTS**

Service level agreements, as per Procurement Plan and Risk Management Plan (refer to approved Business Plan), have been signed with service providers and are tightly monitored against performance (deliverables) and expenditure (budget allocation).

**3. PROGRAM PERFORMANCE (FROM WCED ANNUAL PERFORMANCE PLAN FOURTH QUARTER REPORT FOR 2006/07)**

<b>ST801</b>	<b>Auxiliary and Associated Services - Key trends</b>			
	<i>2004/05 Actual</i>	<i>2005/06 Actual</i>	<i>2006/07 Target</i>	<i>2006/07 Actual</i>
<b>► PERFORMANCE MEASURES</b>				
► PPM801: Number of primary and secondary school educators trained in the HIV and AIDS Life Skills Programme (accumulated)	15 910	17 124	18 000	21 347
► PPM802: Number of HIV and AIDS Life Skills peer educators trained (accumulated)	4 500	8 910	12 000	14 126
► PPM803: Number of schools (SMTs and SGBs) trained in the management of HIV and AIDS in their school community	17	537	1 400	607

#### 4. CONCLUDING REMARKS

The HIV/AIDS allocation to Education has remained small in comparison with broader HIV/AIDS spending. This, despite Prevention being way more cost-effective than Treatment, Care & Support strategies. If this country is to reduce infection levels through Education, then a substantially greater financial commitment has to be made. This has recently been made abundantly clear by the Deputy President in the National Strategic Plan for HIV/AIDS, 2007-2011, to be officially released on 5<sup>th</sup> June at the national HIV/AIDS conference in Durban, wherein the five-year target is the reduction of prevalence levels by 50%, and wherein a primary focus is on prevention for youth 15-14 yrs. A Provincial Inter-Departmental HIV/AIDS Strategic Plan for the Western Cape, 2006-2011, was endorsed by the Provincial AIDS Council on 1 December 2006 and is currently being finalised. This plan is to be managed via MECs from the Premier's Office.

Two primary constraints to effective programme implementation have been repeatedly identified by project staff, the National Department of Education (through their evaluation of the province's performance) and the Auditor General's office (through the value added audits): A shortfall in both personnel and funding. Whilst both requirements have to be factored into the "bigger picture", a comprehensive WCED HIV/AIDS response has been developed that will enable the WCED to deliver on its national and provincial brief with a minimal additional input of funds. The programme will now have to seek additional external (donor) funding.

Despite these constraints, the HIV/AIDS program has begun to make a significant difference in this province. Two indicators warrant mention:

- (i) The annual ante-natal survey for 2003, 2004 and 2005 show a **reduction in teenage HIV infection rates - from 8,7% in October 2003 down to 7,2% in October 2005** (less than half the national average for this age group). Whilst the figures for October 2006 have not yet been officially released, there has been a further decline in prevalence levels for this age group, as well as a now two-year decline in the 20-24 yr age group.

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
% HIV prevalence 15-19 yrs	2.3	3.1	2.6	4.7	4.9	6.3	7.3	8.7	8.1	7.9	7.2

*Assuming 420 000 15-19 yr olds in the Western Cape, a 1,5% reduction in HIV prevalence levels is hugely significant (Roughly 6 300 fewer teenagers infected in 2006 than in 2004, assuming the sample is representative of the age group). In economic terms alone this represents a **return-on-investment** of several thousand percent on the conditional grant investment (assuming Education is significantly responsible for the reduction, and the reduction is sustained).*

- (ii) In the prestigious SA Medical Journal, Sept 2006, Prof Alan Flischer et al, in a study comparing selected risk behaviours of Gr 8s in 15-39 secondary schools in Cape Town (*N = 1 437 and 6 266 in 1997 and 2004 respectively*) reported "a significant delay in first intercourse in 2004 compared with 1997" with **average age of delay of sexual debut being extended from approximately 16,5 to 17,5 years of age** (*i.e. a one-year delay in the onset of sexual debut, or stated differently, young people in Cape Town are abstaining from sex for one year longer than was the case in 1997*).