SUMMARY[1]

Funding the Children's Act: Assessing the adequacy of the 2012/13 budgets of the provincial departments of social development

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[1] This document is a summary of a more detailed longer paper with the same title. The longer paper includes a full set of references. For the full paper please see www.ci.org.za or e-mail one of the authors.

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Introduction

This is the sixth annual assessment of the extent to which the nine provincial departments of social development are allocating the funds necessary to implement the Children's Act (No 38 of 2005)[4]. In addition to updating the standard analysis of previous years, this year's analysis includes more detailed analysis of five issues, namely transfers to non-profit organisations (NPOs) that deliver Children's Act-related services; allocations for and services delivered through the expanded public works programme (EPWP); new plans in respect of government rollout of the Isibindi project; early childhood development (ECD); and reform schools and schools of industry.

What does the Children's Act say about services and funding?

The Children's Act obliges the provincial Members of the Executive Council (MECs) for social development to provide and fund a range of social services for children. These services include crèches, early childhood development centres and programmes, drop-in centres, prevention and early intervention and protection services for vulnerable children, foster care, adoption, and child and youth care centres. Section 4(2) of the Act obliges government to prioritise budgetary allocations and expenditure on these services in order to realise the objectives of the Act. In addition, the chapter of the Act for each service area includes a "provisioning clause" which provides more detail on the nature of the MEC's obligation to provide the service. The Children's Act thus is more specific than many other pieces of legislation about government's obligation in respect of budgets.

A costing of the Children's Bill commissioned by the national department of social development in 2005/6 revealed that the provincial social development departments are responsible for 83-84% of the total cost of implementation of the law under a minimalist approach, and 91% under a maximalist approach (Barberton, 2006: 1). Analysing the budget allocations and expenditure of these departments thus provides a good indication of government's overall progress and plans in respect of children's constitutional rights to care, protection and social services.

The focus of our analysis

The analysis looks, in particular, at the three budget sub-programmes that most closely match the services listed in the Children's Act, namely *child care and protection*, *HIV/AIDS*, and *family care and support*. Partial care, early childhood development programmes, some prevention and early intervention services, drop-in centres, protection services, foster care services, child and youth care centres, and adoption services all fall under the *child care and protection* sub-programme. Home- and community-based care (HCBC) and other support programmes for orphans and vulnerable children (OVC) have traditionally fallen under the *HIV/AIDS* sub-programme but a substantial part of provision for OVC will come under the child care and protection sub-programme when provincial departments start funding the Isibindi project. The *family care and support* sub-programme currently appears to include child and family counselling services, parenting skills programmes, and family preservation but should include more of the comprehensive range of prevention programmes listed in the Children's Act.

[4] See Budlender, Proudlock and Monson 2008; and Budlender and Proudlock 2008; 2009; 2010; 2011 for previous assessments. Available at http://www.ci.org.za/index.php?option=com_content&view=article&id=493&Itemid=185

The *crime prevention and support* sub-programme contains some funding for the Children's Act but also includes funding for adult services. Because this sub-programme has a mixture of adult and children's services, as well as Child Justice Act services, we analyse it separately from the other three-sub-programmes and do not include it in our overall calculations of total Children's Act budget allocations.

We also examine the sub-programme *professional and administrative support.* Seven provinces locate salaries for staff responsible for service delivery in this sub-programme. We therefore include 25% of the professional and administrative support sub-programme in our overall calculations on total Children's Act budget for these seven provinces.

Analysis of the 2012/13 budgets

Sub-programmes' percentage shares of the social welfare programme

Analysis of each sub-programme's share of the social welfare services programme budget, and changes in this share over the years, indicates the priority that is being given to the services that fall within that sub-programme, as well as the relative cost of the services provided.

When allocation of all provinces are combined, the *child care and protection sub-programme,* which contains the bulk of Children's Act services, accounts for the same share (35%) of the 2012/13 total social welfare budget allocation as it did in the adjusted budget for 2011/12. In the two outer years of the three-year medium-term expenditure framework (MTEF), in contrast, it is predicted to increase to 40% of the social welfare allocation. The increase in the share from 2013/14 onwards can at least partly be explained by a national decision to provide additional funding – of R650 million in 2013/14 followed by R700 million in 2014/15 – for the roll-out of the Isibindi project and for increases in the ECD subsidy and the numbers of children in ECD.

The other focus sub-programmes have substantially smaller allocations than the child care and protection sub-programme. *HIV/AIDS* was the largest of these three smaller sub-programmes in 2011/12, but loses this position to *crime prevention and support* in 2012/13. This is concerning as the funding from the US Presidential Emergency Plan for Aids Relief (PEPFAR), which has provided substantial support to civil society organisations providing HCBC and other services to OVC, is likely to decrease substantially after September 2012 as PEPFAR shifts its focus from service delivery to technical support.

The share for *crime prevention and support* increases from 7,9% in 2011/12 to 8,2% in 2012/13, but then drops back to only 7,3% in the following two years. The share for *family care and support* stays more or less constant over the period. This is of concern as this sub-programme has been consistently underfunded for the full period in which we have been examining budget allocations for the Children's Act.

Amounts allocated per sub-programme

The services that fall under the **child care and protection** sub-programme include partial care, ECD, some prevention and early intervention programmes, protection, foster care, adoption, drop-in centres and child and youth care centres. After controlling for inflation, there is a real decrease of just less than 0,5% in the combined total allocation across the nine provinces for the child care and protection sub-programme in 2012/13, followed by a substantial 21% increase in 2013/14, and a smaller increase of 2% in 2014/15. Overall, the average annual increase over the three years is 7%.

A large part of the 2013/14 increase can be explained by the extra injection of funds for the Isibindi project and ECD. This injection is meant to reach all provinces. Nevertheless, the percentage increase in 2013/14 varies markedly between provinces with Limpopo and Mpumalanga at the extremes with 4% and 75% increases respectively.

The real decrease for 2012/13, the only year for which the budget is voted by the legislatures, is particularly concerning as this sub-programme contains the bulk of the Children's Act funding. Furthermore this is the first year since 2007 that this sub-programme has shown a decrease. From 2007 to 2011 we have seen average real growth above 6% each year reflecting the need to increase funding as the new Children's Act is implemented.

Mpumalanga and North West record real decreases of -17 and -16% respectively, Northern Cape has a real decrease of -8%, KwaZulu-Natal records -3%, and Gauteng records -1%. In contrast three provinces show pleasing real growth – Limpopo at 18%, Western Cape at 8% and Eastern Cape at 6%. The increase in Limpopo must be viewed with caution given the extreme volatility across programmes and years in recent budgets of this province. The growth in Western Cape reflects the fact that the allocations previously given to the HIV/AIDS sub-programme have been moved to the child care and protection sub-programme. If amounts equal in real terms to the previous allocations (after adjusting for inflation) are subtracted from the Western Cape allocations for child care and protection, the real increase for 2012/13 drops to 5%.

Services that fall under the **HIV/AIDS** sub-programme are likely to include some prevention and early intervention services particularly home- and community-based care and other support programmes for orphans and vulnerable children. The programme also provides for services for adults, including home- and community-based care programmes for adults.

There is a substantial average real decrease – of -10% – between 2011/12 and 2012/13 in the combined allocations across the nine provinces for the HIV/AIDS sub-programme. This is followed by an even bigger decrease in 2013/14 of -11%. There is an average annual decrease of -7% over the MTEF period.

The combined allocations decrease even in nominal terms (before controlling for inflation) in 2012/13 and 2013/14 – falling from R722,2 million in 2011/12 to R642,7 million in 2013/14.

Part of the reason for the decrease is that Western Cape has no allocations for this sub-programme in the MTEF period. If Western Cape is excluded from the cross-province total a real decrease of -9% in 2012/13 remains, as does an annual average decrease of -7% over the MTEF period.

Among the other eight provinces only one – Free State – has an average annual increase in allocations for HIV/AIDS. For this province there is a substantial real increase of 14% in 2012/13, with minor real changes in subsequent years.

The worst performer apart from Western Cape is Mpumalanga, which records an average annual decrease of -61%. In absolute terms Mpumalanga's allocation drops from R68,0 million in 2011/12 to R4,9 million in 2014/15.

The **care and support to families** sub-programme includes allocations for some of the programmes listed as prevention and early intervention services in the Children's Act. There is an increase of only 1% in real terms between 2011/12 and 2012/13 in the total allocation across the nine provinces for this sub-programme. The predicted real increase is slightly bigger, at 3% in the following year, but drops back to 1% in 2014/15. Overall, the average annual increase over the MTEF period is only 2%.

In absolute terms the total allocation across the nine provinces increases from R191,9 million in 2011/12 to R206,1 million in 2012/13. By 2014/15 it is predicted to be R236,5 million.

Free State, Eastern Cape and North West all have substantial changes in the budget allocation between 2011/12 and 2012/13. While Free State increases by a massive 36%, Eastern Cape and North West have allocations that fall by 30-31% between these two years. Northern Cape, too, has a substantial decrease of -18%. What makes these massive changes puzzling is that none is part of a consistent pattern of increases or decreases for a particular province. These patterns do not augur well for consistent delivery of family services.

The average annual increase over the MTEF period for all provinces combined in respect of the **crime prevention and support services** sub-programme stands at zero. Between 2011/12 and 2012/13 there is an increase of 3%, but this is counterbalanced by a larger decrease – of -5% – in 2013/14. In absolute terms the combined provincial allocations increase from R531,7 million in 2011/12 to R711,4 million in 2012/13, rising to R754,7 million in 2014/15. Most provinces have a mix of decreases and increases over the three-year MTEF. Over the three-year period Northern Cape records an average annual decrease of -8%.

Most provinces show less variation from year to year in the **professional and administrative services** sub-programme than for other sub-programmes. However, Mpumalanga and Northern Cape both have substantial increases – of 44% and 24% respectively – in 2012/13, while Limpopo shows the volatile pattern characteristic of this province. Northern Cape explains the large increase by a change to a generic social work model for delivery rather than specialisation in different areas of social work. This suggests that in previous years some of the staff costs were in the delivery sub-programmes. This could also help to explain the consistent pattern of decreases in the Northern Cape budgets between 2011/12 and 2012/13 for the service delivery sub-programmes.

The total budget allocated for Children's Act services in 2012/13

We calculate the total budget allocated for implementing the Children's Act by:

- including the full allocations from the three sub-programmes that contain mainly Children's Act services, namely child care and protection services, HIV/AIDS and care and support to families;

- excluding the crime prevention and support sub-programme because it contains many adult services; and
- including 25% of the budget for professional and administrative support for the seven provinces that do not appear to include the majority of their service delivery staff salaries within the service delivery sub-programmes.

Using this approach, the total budget allocated for Children's Act services in 2012/13 across the nine provinces was R4 518 million, as seen in the table below.

Table 1. Summary of 2012/13 allocations for Children's Act services

Sub-programme	Total budget	Percentage included	Amount included in Children's Act budget calculation
Child care and protection	3 063m	100%	3 063m
HIV and AIDS	685m	100%	685m
Family care and support	206m	100%	206m
Sub-totals	**3 955m**		**3 955m**
Crime prevention and support	711m	0%	0
Professional and administrative support	2 254m	25% (for 7 provinces)	564m
Total			**4 518m**

Over the MTEF for all provinces combined, the allocations for Children's Act services increase by a real annual average of 4%. However, this relatively positive average results primarily from a cross-province average of 13% between 2012/13 and 2013/14. For 2012/13, the budget year that is voted on, there is a decrease of -2%.

In absolute terms, the total allocation increases from R4 333 million in 2011/12 to R4 518 million in 2012/13, but then is predicted to climb to R5 711 million by 2014/15.

At provincial level North West is set to have a negative real growth in allocations for Children's Act services over the MTEF period. Mpumalanga has the highest annual average real growth, at 8%. For 2012/13 five of the provinces – Mpumalanga, Northern Cape, North West, KwaZulu-Natal and Gauteng – have a real decrease in the total allocation for Children's Act services. Overall, the outlook for 2012/13 is not at all good.

Comparing the 2012/13 budget to the costing report estimates

To assess government's progress in implementing the Children's Act we can compare the budget allocations with the estimates of the costing of the Children's Bill, which provides estimates of what is needed to implement the Children's Act.

The costing team considered four different scenarios, namely:

- Implementation Plan (IP) low scenario
- Implementation Plan(IP) high scenario
- Full Cost (FC) low scenario
- Full Cost (FC) high scenario.

The IP and FC scenarios use different estimates of demand. For the IP scenarios, the costing team asked each department to describe current levels of delivery for each service and how they planned to increase delivery in line with the Bill. Thus these levels do not measure total demand or actual need. Instead, they mainly measure existing service delivery based on 2005 levels. In contrast, for the FC scenarios, the costing team used other evidence to estimate how many children actually need services.

The high and low scenarios reflect different levels of quality of service delivery. The high scenario costs "good practice" standards for all services, while the low scenario uses "good practice" standards for services classified by the costing team as important, but lower standards for services classified by the costing team as non-priority.

To simplify matters, for the purpose of this comparison we consider only the highest and lowest estimates, namely the IP low and FC high. We look at the estimates for Years 1-6, which we take as the basis for comparison with the financial years from 2009/10 onwards extending to 2014/5, the outermost year of the 2012/13 MTEF. This makes Year 4 the most relevant one for this year's analysis as it corresponds to the year for which budget was voted in 2012. For the IP scenario the Year 4 total across the provinces is R10 957,0 million, while for the FC scenario it is R76 011,9 million

When comparing with the IP low cost estimates. North West performs best across all years while Eastern Cape performs worst. For year 1 (2009/10) North West allocated almost the full (97%) of the cost estimate. The next best province was Mpumalanga, at 79%. However, by 2012/13 North West is allocating only 67% of the estimated IP cost while Mpumalanga is allocating less than half (46%). For all nine provinces combined, the allocations were just over half (54%) of the IP estimate in 2009/10, but have fallen to 41% in 2012/13.

For the FC high cost estimate, Northern Cape is the "best" performer", but the province never reaches more than 16% of the total cost. KwaZulu-Natal is the worst performer, at only 3-4% of the FC high cost throughout the period.

The difference between the ranking of the provinces for the two comparisons is at least partly explained by the fact that the IP low is based on the levels of service delivery existing at the time the costing was done. The provinces that had better services in the past, and were thus somewhat nearer to needed delivery levels, thus rise when the ranking is against the FC high, while the under-serviced fall even shorter of the target.

Overall, our estimates of the Children's Act allocations for 2012/13 amount to only 41% of the IP low cost estimate and 6% of the FC estimate for Year 4.

Table 2. Summary of comparison of allocations with IP and FC costing scenarios for 2012/13

	2012/13 (R million)	**Percentage of costing estimate met**
Government budget allocations (3 service delivery sub-programmes plus a portion of the professional and administrative support sub-programme)	4 518	41% of IP low 6% of FC high
Costing estimate: IP Low	10 957	
Costing estimate: FC High	76 012	

Government personnel

One of the major challenges preventing rapid budget growth and service delivery expansion in Children's Act service areas is the lack of sufficient numbers of social service practitioners. These practitioners include social workers and auxiliaries, child and youth care workers, early childhood development practitioners, community development workers and home-based carers. A large number of these workers are employed by NPOs. Their salaries and conditions of service are to a large part determined by the transfers received from government. These transfers are discussed below in a separate section of the paper. This section focuses instead on government personnel, which includes both social service practitioners (the most important from a service delivery perspective) and management and support staff.

For all nine provinces combined, total staff (in terms of number of people employed) is recorded as increasing from 9 307 in March 2009 to a planned 16 809 in March 2015. This represents an 81% increase over the full period 2009 to 2015, with an average annual increase of 5% over the 2012/13-2014/5 MTEF period.

In terms of budget allocated for staff, there is a real increase of 5% between 2011/12 and 2012/13. This can be compared with the 4% increase in the number of staff. This comparison suggests that some of the increase in staff salaries is explained by real increases in remuneration for individual staff rather than by an increase in the number of staff. The bargaining settlement of July 2012 might necessitate a further increase in the 2012/13 allocation.

While the staffing budget is substantial, it is widely acknowledged that South Africa has far too few social service practitioners to meet the need. In recognition of this shortfall, government has for several years allocated substantial funds towards bursaries for social work students.

For 2012/13 the national department of social development records an allocation of R256 million for social work bursaries. There are further allocations of R270 million and R286 million respectively in the other years of the MTEF.

The government bursaries for social workers cover the full cost of fees and require that every graduate work for government for a period after graduation. It has now emerged that while budget provision was made for the bursaries, this was not done in respect of employment by government of the new graduates after qualifying. This issue is referred to by several of the provinces.

Special foci

Non-profit organisations

In 2012/13 transfers to NPOs accounted for just under half (48,9%) of the social welfare programme budgets when all provinces are combined. The percentage varies widely, ranging from 28,3% in North West to 62,2% in Gauteng. Overall, the percentage is lower for 2012/13 than for any other year shown before or after this date. This is a noteworthy pattern given that it was during 2011 that a Free State High Court judge ruled in favour of a group of NPOs that challenged government in respect of repeated late payment of subsidies and, even more important, the small size of subsidies. 2011 was also the year in which the national Department of Social Development released its new Policy on Financial Awards to Service Providers. We would therefore have expected to see an increase in the percentage share going to NPOs.

Only two provinces – Western Cape and Gauteng – allocated a larger share of their social welfare programme to NPOs in 2012/13 than in 2011/12. Further, the increase in the share for Gauteng is only 0,2 of a percentage point, while the increase for Western Cape comes after several years of sharp decreases.

Overall, NPO transfers decrease by -3% in 2012/13, followed by an increase of 13% in 2013/14 and a further small 2% increase in 2014/15. In absolute terms the allocations increase from R4 123 million in 2011/12 to R4 244 million in 2012/13 and then are predicted to climb to R5 377 million in 2014/15.

Disaggregating by province, Mpumalanga has the largest relative real decrease between 2011/12 and 2012/13, at -20%. All other provinces except Free State also allocated less in real terms for NPO transfers in 2012/13 than in 2011/12. This finding at first seems contradictory for Gauteng, which above was seen to have an increased share of the social welfare budget going to NPOs in 2012/13. The apparent anomaly is explained by a real decrease in the total social welfare budget in the province in 2012/13. The fact that KwaZulu-Natal has a real decrease in 2012/13 is even more worrying in that the budget book notes that the 2011/12 original appropriation of R682 million for NPO transfers was reduced to R585 million in the adjusted budget due to delays in signing of "service level agreements" (i.e. contracts). The real decrease for this province between 2011/12 and 2012/13 would be even larger if calculated against the original appropriations in 2011/12.

All provinces except North West record bigger real increases in NPO transfers between 2012/13 and 2013/14 than between 2011/12 and 2012/13. This pattern is probably at least partly explained by the planned allocations for the Isibindi project and ECD, which will be channelled through NPOs.

Provinces do not have a standardised way of presenting a breakdown of their NPO transfers. However, for 2012, we can provide estimates of transfers for each of the four service delivery sub-programmes in which we are interested in respect of all provinces except Limpopo.

In 2012/13 the total allocation for NPO transfers across the eight provinces is R1 898 million for child care and protection in 2012/13, R502 million for HIV/AIDS, R202 million for crime prevention and support, and R162 million for care and support to families. Over the three-year MTEF period the combined allocation for NPO transfers within child care and protection increases by an average of 8% per annum, while NPO transfers within care and support to families increase by 1% per annum. The total NPO transfers within crime prevention and support remain more or less constant in real terms, while the NPO transfers within the HIV/AIDS sub-programme decrease in real terms at an average of -3% per annum.

The patterns within the totals across the eight provinces hide enormous variation between provinces, between sub-programmes and between years of the MTEF. The only constant pattern is that NPO transfers within child care and protection services increase for all provinces between 2012/13 and 2013/14. The additional allocations for the Isibindi project and ECD expansion are probably the main underlying factors in this pattern.

Expanded public works programme

South Africa's Expanded Public Works Programme (EPWP) is relatively unusual internationally in including social sector work alongside infrastructure and other types of work that are more common for public works programmes. The social sector component initially focused on ECD and HCBC, but range of other types of social sector work has subsequently been added.

In the first five years, government did not envisage new funding flows for EPWP. Instead, government envisaged that existing money would be used in labour-intensive ways so as to create additional jobs. As a result, for the ECD component provincial departments of social development started labelling some of the existing ECD centre subsidies as EPWP. Within the provincial departments of education, money was allocated for payments to training providers and the stipends paid to learners.

New money began to flow into ECD after it was identified as one of the APEX national priorities by the Mbeki government. Initially this was done through money added to the equitable shares of each of the provinces. Because the money was given as part of the equitable share, each province had discretion as to whether they allocated the money to ECD.

In 2010/11 there was a one-year EPWP conditional grant intended to cover stipends of HIV/AIDS caregivers. In 2011/12 a new conditional incentive grant for EPWP social sector funding was introduced.

The Budget Review describes the new social sector grant as rewarding provinces for creating jobs in HCBC and ECD. Annex W2 to the Division of Revenue Bill states that the grant must be used to fund three priority areas, namely stipends for unpaid volunteers, expansion of social sector EPWP programmes and creation of additional work opportunities. However, use of the grant to fund ECD centre subsidies would seem to flout a further requirement of the grant that 80% of the allocation must be used to pay stipends or wages.

While the Budget Review states that the grant is for HCBC and ECD, the budget book narratives give a more complex picture of the use made of EPWP conditional grant money. Eastern Cape, Gauteng and Mpumalanga record using some of the grant for HCBC. Free State, Limpopo, North West, KwaZulu-Natal all record other uses of the social sector conditional grant within the provincial social development department.

In terms of amounts, the total amount reflected in the social development votes across the provinces increases steadily from R17 million in 2010/11, to R43 million in 2011/12 and then to R54 million in 2012/13. The fact that the total for 2012/13 is so much smaller than the total of R217 million recorded at national level for the social sector conditional grant confirms that the provincial departments of social development received only a portion of the EPWP social sector conditional grant.

Overall, the analysis of EPWP information confirms the difficulty of deciphering exactly what jobs EPWP is creating and what money is being used to do this. The confusion is increased by the "relabeling" of existing allocations – such as ECD subsidies – as EPWP, even when there is no new money allocated. The analysis also confirms that the EPWP – and in particular the conditional grant – is an inappropriate form of funding for ECD so long as centre-based subsidies remain the predominant form of funding. This form of funding is inappropriate because the subsidies do not create jobs and the performance criteria which determine the allocations are thus inappropriate. This form of funding is also inappropriate because while the criteria aim to provide 100 days of work per beneficiary, ECD is a service that is required on an ongoing basis

Isibindi

The Isibindi project has as its core training and supervision of community-based child and youth care workers who provide care and support to vulnerable children in poor communities. The model was developed by the National Association of Child Care Workers (NACCW) and has to date been managed by them. By April 2011 there were 67 Isibindi projects that together employed 787 child and youth care workers.

NACCW's Isibindi project has over the years received substantial funding from PEPFAR. With PEPFAR funding due to reduce substantially, PEPFAR and NACCW engaged with government to discuss whether and how government could take over funding responsibility. In a few cases provincial governments had already provided some funding for Isibindi projects. The proposal for expansion of government funding made sense both in terms of provision of prevention and early intervention services for vulnerable children in line with the Children's Act and in terms of government's job creation objectives.

The outcome of the discussions was a decision by government that it would embark on a five-year programme in which 10 000 community-based workers would be employed so as to provide prevention, early intervention and protection services to approximately two million children across the nine provinces. This would be done through capacity building of 400 or more NPO partners who would manage the activities of the community-based workers.

The 2012 budget speech of the national Minister of Finance, the national Budget Review and the national Estimates of National Expenditure and vote of the national department of social development highlight additional allocations to the department of social development for Isibidi and ECD.. However, the way these allocations are described differs somewhat within and across the three documents. Further the provinces refer to these extra allocations in different ways. These differences may simply reflect errors in the compilation of the various documents, but they can create uncertainty. They also make it difficult to monitor whether the additional money is used as intended.

Because the additional amounts are added to the equitable share, they will be divided across the nine provinces in the same proportions as the rest of the equitable share. We can therefore compare the shares that each province will receive of the R650 million in 2012/13 to the increase, after inflation, in the child care and protection sub-programme budget.

The crude comparison suggests that overall across the nine provinces the increase in the child care and protection sub-programme in 2013/14 is very close to the additional allocations to the equitable share that are intended for Isibindi and ECD. However, the picture varies substantially across the provinces. Mpumalanga's 2013/14 allocation for the sub-programme is more than three times the size of their additional equitable share amount, and Gauteng's is more than twice the size of the addition. At the other end of the scale, Limpopo plans to allocate only 12% of the additional money it will received, and Free State (54%), Eastern Cape (61%) and North West (61%) also plan to allocate much less than they will receive for Isibindi and ECD.

Many provinces refer explicitly to the additional allocations in their budget narratives. This is reassuring. What is less reassuring is lack of specification, except for Gauteng and to some extent Free State and Northern Cape, of the amounts involved, as well as lack of clarity as to whether the funds are intended for Isibindi, ECD and/or victim empowerment and the amounts allocated to each of these. The fact that four provinces – Free State, Limpopo, North West and Western Cape – do not mention Isibindi by name is of particular concern given the important role that this project can play in prevention and early intervention for very vulnerable children.

Early childhood development

ECD falls under the child care and protection sub-programme and provinces are not currently required to record allocations for ECD as a separate line item in their budgets. This is disappointing given that ECD has been a priority for government for many years. There is a possibility that a dedicated sub-programme for ECD may be created within provincial budgets in the near future. This will allow for better tracking of allocations to and expenditure on ECD.

For Eastern Cape, Free State, Northern Cape, North West and Mpumalanga we can identify the NPO transfers that relate to ECD. For all five provinces combined, the ECD allocations increase over time in nominal terms. However, after adjusting for inflation there is a -5% real decrease in 2012/13, followed by only a 2% increase in 2013/14 and a 4% increase in 2014/15. There is no real growth in the value of ECD allocations over the MTEF period after adjusting for inflation. This is extremely worrying given that ECD is one of the two priorities targeted by the planned injection of funds into the equitable share.

ECD performance indicators, where provided, are unfortunately not standardised across provinces. Some indicators measure "ECDs" (presumably referring to centres), some measure children benefiting from registered ECD programmes, some measure children in funded programmes, and one measures jobs created through EPWP-ECD. In terms of trends, Northern Cape shows no increase in the number of children aged 0-5 years benefiting from registered ECD programmes over the MTEF. This is in line with the lack of increase in the real value of the allocation between 2011/12 and 2014/15. In contrast, Limpopo shows a substantial increase in the number of children in funded ECD programmes, with a particularly large increase between 2010/11 and 2011/12. This is matched by a large increase in the child care and protection sub-programme allocation in the same year, but the allocation for transfers within the social welfare programme is more or less constant in real terms.

The national vote's narrative on the addition to the equitable share explains that the additional R1,4 billion will be used, among others, to increase access to ECD from 500 000 to 580 000 children and to increase the subsidy "from R12 to R15 per child per day over the MTEF period." In reality, some provinces are already at the R15 level, while others currently have subsidies between R12 and R15 per day. The provincial budget narratives show that many of the provinces do plan to use at least some of the new funds in 2013/14 for ECD. It seems that, in particular, some provinces are waiting for this injection so as to be able to achieve the R15 level in their centre subsidies.

While some of the statistics seem suspect, there is clearly a lot of government-supported activity in the area of ECD. The apparent anomalies in the data are, however, worrying given that this area has been a national priority for many years and that substantial money has been provided for the area by both national and provincial departments. The anomalies are especially disappointing given that, at least in respect of subsidies to centres, "counting" the number of centres funded and the number of children subsidised should be relatively easy.

Reform schools and schools of industry

Section 196(3) of the Children's Act provides that reform schools and schools of industry, which are currently managed and budgeted for by provincial departments of education, must be transferred to the provincial departments of social development within two years of the commencement of the Act. The Act came into full effect on 1 April 2010 and the centres should therefore have been transferred by 31 March 2012. This transfer is aimed at ensuring that the children in these child and youth care centres (CYCCs) fall under the protective umbrella of the Children's Act and that the children receive developmental and therapeutic programmes from social service professionals.

Reform schools are child and youth care centres that provide a sentencing option for child offenders. There are currently six such CYCCs in four provinces in South Africa.

Schools of industry provide for children sent to them in terms of the Child Care Act, which has since been replaced by the Children's Act. They have tended to be used for children in need of care and protection due to serious behaviour, psychological or emotional challenges or who cannot be appropriately supported in a children's home. According to the 2010 audit commissioned by the national department of basic education, there are 13 such child and youth care centres in seven provinces and another two in the Western Cape that were not audited.

Western Cape is the only province that has any reference to these schools in its budget vote for the department of education. The vote notes that these schools should be transferred to social department by the end of April 2012. However, there is no further mention of this, or its budget implications, elsewhere in the vote.

Only Eastern Cape, Gauteng and Mpumalanga refer to CYCCs serving these categories of children in their social development department budget votes. None indicates budget allocations in respect of transfer of the schools.

The audit commissioned by the national department of basic education provides more information on the reform schools and schools of industry. At the time of the audit the 16 schools between them accommodated 813 male and 352 female children. None of the five reform schools that were audited provided for girls. Girls sentenced by a court of law would thus have to stay in correctional services facilities i.e. ordinary prisons.

In 2009/10 the combined budget allocations for the 16 schools was R37,9 million. This is not an especially large amount when compared with other allocations, and if it is divided between seven provinces. However, the 2009/10 budget allocations for these centres were far from covering all the requirements for CYCCs in terms of the Children's Act and regulations.

There were also substantial differences in the budgets for the different institutions. For example, there are five schools of industry with capacity for 160 children, but the allocations for the five range from R0,9 million to R3,9 million per year. If the total allocation is divided by the number of children that each CYCC could accommodate, the range was from R5 389 per child to R42 091 per child per year.

It seems likely from the "silence" in the 2012 budget votes that very few, if any, of the reform schools and schools of industry have been transferred by April 2012 as required by the Children's Act. The delay is explained in part by a legal question raised during 2011 as to which laws governed the establishment and running of the schools. While there might be some legalistic validity in the question, it is clear what was intended in the Children's Act, namely that all these schools should be regulated under the Children's Act and managed by the provincial departments of social development.

Please see the full paper for more detail and references, at www.ci.org.za under the Children's Act link.