

## 2. PROGRAMME PERFORMANCE IN SUMMARY

### 2.1 Voted Funds

**Table 1: Voted funds of R811 808 for 2005/06 (R'000)**

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
R 811 808	R 632 805	R 811 808	R 790 167	R 21 641
Responsible MEC	MEC of Local Government and Housing			
Administering Dept	Department of Local Government and Housing			
Accounting Officer	Head of Department of Local Government and Housing			

### 2.2 Aim of the Vote

Creating a home for all by empowering communities in fully integrated and sustainable human settlements, and well-governed, developmental municipalities.

### 2.3 Summary of programmes

A number of sectors have adopted uniform budget and programme structures that reflect the minimum number of programmes. These programmes and their contents are encapsulated in definitions that explain what is to be included under each programme and sub-programme. The activities of the Department of Local Government and Housing are organised in the following four programmes:

Programme	Sub-programme
<b>1. Administration</b>	1.1. Office of the MEC 1.2. Corporate Services
<b>2. Housing</b>	2.1. Housing planning and research 2.2. Housing performance/subsidy programmes 2.3. Urban renewal and Human Settlement Redevelopment 2.4. Housing asset management
<b>3. Local government</b>	3.1. Local governance
<b>4. Development and planning</b>	4.1. Integrated development and planning 4.2. Community development worker (CDW) programme 4.3. Project Consolidate

### 2.4 Overview of the service delivery environment for 2005/06

#### Programme 1: Administration

The Department was engaged in the amalgamation of its two previously separate departments and consequently faced challenges affecting service delivery. Firstly, it was necessary to do correct matching and placement of positions and personnel. Secondly, vacancies on the new establishment needed to be filled. Finally, there was a need to focus on a capacity-building programme.

Good progress was made with filling positions – of the total number of 747 positions, 576 were filled by the end of the financial year, 87 were in the process of being filled, and 84 were vacant.

259 permanent staff were trained at the end of March 2006 totalling 549 training interventions. CDW learners trained and in process of training as at 31 March 2006 totalled 633 learners.

200 Community Development Workers that received training during 2005/06 were appointed as from February 2006.

#### Programme 2: Housing

Various external factors have an impact on the quality of the service provided by the Department to its clients. The most significant of these are:

- The poverty of beneficiaries;
- The growing housing backlog;
- The high expectations of beneficiary communities in respect of housing delivery;
- Policies developed at national level;
- The lack of capacity at municipal level to deliver in terms of the housing mandate;
- The willingness of financial institutions to become involved in the low-income housing market;
- The impact of HIV/Aids;

The financial year began amidst an outbreak of protest marches throughout the country, in demonstration of communities' unhappiness with the level of services being provided by local authorities, especially in informal settlements.

The Department also had to contend with growing discontent of beneficiaries because of the slow delivery rate of the People's Housing Process. A number of projects ground to a halt as a result of fraud, corruption, and ineffective Support Organisations.

The Joe Slovo informal settlement disaster in January 2005, destroyed some 3 150 dwelling units, which resulted in approximately 7 000 people being left homeless. Immediate emergency shelter for the majority of these victims was provided using large marquee tents, erected on open ground abutting the informal settlement near the intersection of Vanguard Drive and Washington Street, Langa. Clearly, such large numbers of people could not be accommodated in tents and crowded conditions indefinitely and temporary emergency housing had to be provided urgently. People were housed in the Temporary Relocation Area (TRA) in Delft and the Spes Bona Hostels, which the housing inspectors have been monitoring.

The ground floor of the building housing the Department was redesigned to accommodate the newly-created Helpdesk component as well as custom-designed facilities for the Rental Housing Tribunal. All these interventions were specifically planned and designed to improve service delivery.

### **Programme 3: Local government**

In support of the Department of the Premier, the Department helped to analyse existing structures and develop terms of reference as parameters for the functioning of proposed intergovernmental structures. In addition, the Department was instrumental in establishing intergovernmental structures at provincial, metro and district level in line with the Intergovernmental Relations Framework Act prior to its promulgation towards the end of 2005.

Operating in a local government election year when political parties focus more sharply on actual service delivery, the Department provided pre and post-election support to municipalities, resulting in all 30 councils having been successfully constituted within prescribed timeframes.

Tremendous pressure is on municipalities to speed up their service delivery and therefore their limited financial as well as institutional capacities that are stretched to the maximum. The

ongoing challenge is to identify and provide targeted support in the municipal areas where it will add the most value.

A Capacity-Building Strategy for Local Government based on ten interventions was developed. This strategy was a result of a capacity assessment, customer survey and feedback from the local government sphere. This Department is driving 9 (nine) of the interventions while Provincial Treasury will drive the 10th intervention. The ten interventions are as follows:

- Development of competency profiles
- Development of expertise on integrated human settlements
- Development of centralised resources for municipalities
- Peer advice and external mentoring
- Central pool of expertise
- Ward committee training
- Councillor development programmes
- Sharing of best practices
- Internship programme
- Financial Management (Provincial Treasury)

The funding arrangement for the implementation of the Disaster Management Act remains a huge problem. In terms of the National Constitution, the disaster management function is a concurrent national and provincial competency. In terms of the Disaster Management Act, a definite role is envisaged for the local sphere of government. Many municipalities in the Province of the Western Cape still regard disaster management as an unfunded mandate and therefore do not provide the necessary funding for the implementation of the disaster management function, as required in the Disaster Management Act. This matter needs to be addressed urgently to ensure effective participation of municipalities in the execution of the disaster-management function.

The Provincial Municipal Infrastructure Task team has failed to operate, so it was agreed that a lower-level structure be established to focus on the issues of policy and operations and to advise their principals for higher meetings. The sector departments led by the Department of Local government and Housing will form the provincial MIG Co-ordinating Structure. A programme is being finalised to establish the structure. The first meeting of the Co-ordinating Structure was held in December 2005 and it is expected to meet on a quarterly basis.

The Department supported municipalities with the development of Municipal Action Plans that identified interventions in terms of five key performance areas to address service delivery and institutional transformation challenges at municipal level. The five key performance areas are:

- Institutional transformation and organisational development
- Basic services
- Local economic development
- Financial viability
- Good governance.

## 2.5 Overview of the organisational environment for 2005/06

### Programme 1: Administration

In terms of the organisational environment for the period 2005/2006 the following six objectives that were set for successful delivery were achieved:

1. The two departments were amalgamated successfully and the new organisational structure was approved by the Provincial Cabinet and implemented.
2. The matching and placing process was successfully concluded and grievances that were filed in this respect were successfully concluded.
3. A vigorous recruitment and selection process has followed, which resulted in 576 posts being filled, 87 in the process of being filled, and 84 posts being vacant on 31 March 2006.
4. To enhance the service delivery to the Department's clients, staff members received training, totalling 549 interventions. The internship of 300 community development workers (first intake) was successfully concluded. Two hundred of them were appointed in the service of the Department on 1 February 2006.
5. The mainstreaming of human rights issues received priority attention. Regular information sessions and social interventions were presented in the Department. Of these, HIV/Aids information intervention and testing were presented frequently. An Employee Assistance Programme (EAP) external service provider and a full support

programme are ready to be rolled out at the start of the new financial year. A strategy to enable access to government services by deaf people is a 'work in progress' and should be ready within the next three months.

6. The Directorate: Customer Relations and Communication has been established with a clear focus to improve internal and external communication and relations with other stakeholders of the Department. A Helpdesk service is in place to facilitate public access to departmental services and information; the Rental Housing Tribunal is in place to harmonise relations between Landlords and Tenants.

### Programme 2: Housing

The approved organisational structure of the new department required the establishment of two Chief Directorates, namely, Planning and Development, and Housing Delivery. Tasks and functions were shared and carried by the existing staff until all the posts could be filled.

The Western Cape Housing Development Amendment Act came into operation on 1 November 2005. The Amendment Act prescribed the disestablishment of the Western Cape Housing Development Board and the establishment of an Advisory Panel to the Provincial Minister of Local Government and Housing. In terms of the Act, the functions of the erstwhile Board become those of the Provincial Minister of Housing. Nominations were called for members to serve on the Advisory Panel and these were forwarded to the Standing Committee for recommendations.

One vacant SMS post in the Chief Directorate has been advertised and will be filled with effect from 1 April 2006. After matching and placement in September 2005, the Chief Directorate identified critical posts to be advertised and filled. The following progress was made with posts from level 1 – 12.

- All vacant posts in the Office of the Chief Director: Planning and Development have been advertised and filled.
- All vacant posts in the Directorate: Planning, Research and Policy Development have been advertised and will be filled by 1 July 2006.
- Eight of the ten vacant posts in the Directorate: Human Settlement Development have been advertised and will be filled by 1 July 2006.

Only critical posts in the Directorate: Asset Management have been advertised due to the shifting of functions between the Divisions. The posts in this Directorate were re-evaluated by Directorate: Organisational Development at the Department of the Premier and the outcome of this re-evaluation will be finalised by mid-April 2006.

The Rental Housing Act specifies that a complaint accepted by the Rental Housing Tribunal has to be resolved within 90 days. A total of 379 formal complaints were accepted in the reporting period, but only 248 were resolved within the prescribed period. This situation is largely due to a carry-over effect that should in all probability be resolved in the current and following years by inter alia:

- The creation of the Helpdesk
- The custom-designed facilities being more supportive of work processes
- The support staff posts having been redesigned and filled
- A proposed call centre being implemented
- A computerised case-management system
- The redesign of work processes
- A doubling in the number of hearings.

### **Programme 3: Local Government**

A vacancy within the Inter Governmental Relations (IGR) unit to drive the unit was filled by the appointment of an Assistant Director. Despite the vacancies in this unit, the Department managed to implement the IGR requirements.

A high level of expertise is essential for the implementation of the Disaster Management legislation and it is therefore necessary to appoint competent disaster-management practitioners in the vacant Disaster Management posts. Sufficient funding should be made available in the 2006/07 financial year for the implementation of the Disaster Management Act, as required by legislation.

Restructuring has been completed and should be finalised shortly. There are still outstanding areas relating to upward placement that directly affect the DMIE. The officials affected are not comfortable at all and need speedy attention to their concerns. Management is also working on the matter, but there is still a need for resolution.

In the Directorate: Legislation the post of Deputy Director: Legislation Development was filled in December 2005 to give impetus to rationalisation of outdated legislation and development of new legislation.

A Project Consolidate programme management unit has been set up with a Director, two Deputy Directors, an administrative assistant, and a secretary on a contractual basis, to facilitate the roll-out of the Project Consolidate Programme.

### **Programme 4: Development and Planning**

In partnership with Provincial Treasury, the Department instituted a dynamic engagement process between provincial and local government in a Local Government Medium Term Expenditure Framework that aims to align resources and priorities.

Support provided to external clients was influenced by vacancies in the Department as well as the matching and placing that has caused delays in recruiting staff. Accelerating and finalising the matching and placing will enable selection processes to proceed.

## **2.6 Strategic overview and key policy developments for the 2005/06 financial year**

### **Programme 1: Administration**

The process of departmentalising policies and prescripts will continue, based on the guidelines received from DPSA and Human Resource Management (HRM) Forum of the Province, as well as resolutions and agreements concluded in the Chambers.

HRM Policies are initiated at the National Department, the GPSSBC, the PSCBC, the Regional Co-ordinating Chambers, and the HRM Forum. These policies and guidelines are then departmentalised and applied within the Department.

### **Programme 2: Housing Upgrading of Informal Settlements Programme**

The Upgrading of Informal Settlements Programme (UISP) is designed to implement a phased approach to delivering services and housing to communities living in informal settlements. Funding for the programme was made available through the existing Conditional grants. Seventeen UISP projects were initiated during the 2005/06 financial year.

The Emergency Housing Programme (EHP) is aimed at providing temporary assistance in the form of secure access to land and/or basic municipal engineering services and/ or shelter in a wide range of emergency situations of exceptional housing needs, through the allocation of grants to municipalities instead of housing subsidies to individuals. Thirty-one projects have been identified and approved through the EHP thus far. The new financial year will encourage pro-active approaches (vs. reactive) to EHP: in an attempt to prevent disasters before they happen.

#### **Reference Group**

The Minister appointed a Reference Group whose members belong to various housing-related industries and organisations. The purpose of the Reference Group is to interrogate the Breaking New Ground strategy of the national Department of Housing and submit their interpretation of the plan as well as proposals for implementation to the Department.

#### **Policy for Sustainable Human Settlement**

A housing summit was held on 24 and 25 November 2005 to gain further insights into the concepts around sustainable development. The Reference Group also presented their document at the summit. After the summit, a number of stakeholder engagements took place to keep the role-players abreast of the development of the strategy. It is envisaged that the final draft will be served at the next Cabinet Lekgotla to be held during June 2006.

### **Programme 3: Local Government**

A ward-committee capacity-building and training initiative for municipalities outside the metropolitan area was concluded during May 2005. Subsequent to this, a Public Participation Conference was held by the Department during July 2005, which further boosted the broad approach to public participation.

The National Disaster Management Framework was published in the Government Gazette of 29 April 2005. The second draft of the Provincial Disaster Management Framework was finalised and circulated for comment.

The introduction of the Municipal Finance Management Act Regulations that deal with procurement issues at municipal level created a better way of dealing with bid processes and clarifies who qualifies for what.

The challenge, though, is still the implementation of the regulations in the political milieu.

As of 1 July 2005, the responsibility for monitoring municipal finances rests with the Provincial Treasury i.t.o. the MFMA. The Department will have to adjust its current monitoring initiatives to focus more on service delivery and the overall performance of municipalities.

In line with the capacity-building strategy, municipalities will be encouraged to take responsibility for their own capacity building and consultant-driven support from the Department will be reduced.

Project Consolidate reviewed its strategic objective from focusing largely on the implementation of infrastructural projects to the development of comprehensive capacity-building action plans in targetted municipalities.

Presidential imbizos were held in Beaufort West, represented by the Deputy President and in the City of Cape Town, Khayelitsha. Ministerial Imbizos were held in six Project Consolidate municipalities, namely, West Coast District – DMA, Matzikama, Cederberg, Witzenberg, Breede Valley, and Theewaterskloof. The Izimbizo significantly contributed to practical intergovernmental engagement across all spheres with the identification of key issues and challenges for specific sector department support.

#### Programme 4: Development and Planning

**Powers and Functions:** In partnership with Provincial Treasury, the Department developed an approach to assess the configuration of powers and functions between the Province and Local Government. This approach was summarised in a Cabinet Memorandum and was communicated to municipalities.

**Farm worker services:** Municipalities must ensure that all residents in their area have access to a minimum standard of basic services. Many municipalities were not doing this for rural residents. Consequently the Department commissioned a study to determine how many municipalities monitor service delivery in rural areas. This study was finalised in May, and the Department initiated the process of developing a strategy to address the issues in the report.

### 2.7 Departmental Receipts

The Department's main source of revenue is from the letting of Western Cape Housing Development Board (WCHDB) rental units and the collection of payments iro old housing loans from beneficiaries. Despite the culture of non-payment by debtors and the issue of market-related rentals, the Department managed to collect double the projected revenue collection. This was mainly due to the closing of the ISLP (R15,630m) and the Masikane (R311 000) funds, returned housing subsidies expensed in previous financial years, and the correct allocation of old business subsidies against the housing subsidy grant and not against ledgers in the WCHDF.

The Department engaged the services of Servcon to update and rehabilitate the debtors on the books of the WCHDB. A pilot of 1 016 debtors was finalised at the end of October 2005. Servcon's contract was extended to include the rest of the Department's debtors.

The Department applied to the Provincial Treasury for the retention of excess revenue to be re-appropriated for housing and related purposes.

**Table 2: Departmental revenue**

Departmental Revenue	Actual collections 2004/05 R'000	Budgeted collection 2005/06 R'000	Actual Collection 2005/06 R'000	Deviation from target	
				R'000	%
<b>Tax receipts</b>					
Casino taxes	-	-	-	-	-
Horse-racing taxes	-	-	-	-	-
<b>Non-tax revenue</b>					
Sales of goods and services	33	90	25	(40)	(44.44)
Interest, dividends, etc	1 014	3 000	1 619	(1 381)	(46.03)
Other receipts	-	-	-	-	-
<b>Financial transactions (recovery of loans and advances)</b>	38 216	22 000	49 081	27 081	123.10
<b>Departmental receipts</b>	39 263	25 090	50 725	25 635	102.17

## Part 2

### Programme Performance

Departmental own revenue	Actual collections 2004/05 R'000	Budgeted collection 2005/06 R'000	Actual Collection 2005/06 R'000	Deviation from target	
				R'000	%
Commission on insurance	26	65	23	(42)	(64.62)
Parking	7	5	2	(3)	(60.00)
Other	-	20	-	(20)	(100.0)
Rental on land	1 014	3 000	1 619	(1 381)	(46.03)
Recovery of loans/sale of WCHDB properties	38 216	22 000	49 081	27 081	123.10
<b>TOTAL</b>	<b>39 263</b>	<b>25 090</b>	<b>50 725</b>	<b>25 635</b>	<b>102.17</b>

### Specific challenges and responses

#### Challenge: Implementing market-related rentals

The implementation of market-related rentals was initiated and will be phased in over five years. The income derived from the WCHDB properties is to be utilised for the maintenance of the properties and for the payment of rates and taxes.

#### Response to Challenge 1

The Department contracted Servcon to assist in researching our clients/debtors and the way forward as indicated above. The restructured Department allocated more posts to the function, and the benefits of home ownership are being communicated to the debtors.

#### Issues requiring ongoing attention

The identification of our immovable assets (properties) and strategic use of them are a high priority for the Department. In this regard, a joint venture with African Data Collective Co. was initiated to update and clean up the asset register on the Debtor system. The cleaning up of the debtor accounts and the writing off of irrecoverable debt (to be funded from increased revenue) are also very high priority. The debtors indicated that they are willing to pay, but then their accounts must be correct and they must also be informed (by way of statements) of any movements on their accounts.

## 2.8 Departmental Payments

As indicated in the table below, the expenditure for the various programmes is recorded with the projected expenditure. The full integrated housing and redevelopment grant, including the roll-overs from 2004/05, was spent, whereas an underspending occurred for the human settlement redevelopment grant and the disaster relief grant because of projects not being completed by 31 March 2006. The Department also planned to appoint the community development workers by 1 January 2006, but their internship conditions meant that 128 were appointed on 1 February and 72 on 1 March 2006. This also led to IT and office equipment not being purchased before 31 March 2006, resulting on an underspending on the capital budget.

Application was made to the National Treasury via the Provincial Treasury for the roll-over of unspent conditional grants, and to the Provincial Treasury for contractually committed capital expenditure.

**Table 3: Departmental payments**

Programmes	Actual 2004/05 R'000	Budgeted Payments 2005/06 R'000	Budgeted Payments end Quarter 4 R'000	Actual Payments end Quarter 4 R'000	Deviation from target	
					R'000	%
1. Administration	37 081	46 905	51 361	51 203	158	0.31
2. Housing	580 707	667 672	665 961	654 320	11 641	1.75
3. Local government	40 509	77 491	75 478	68 258	7 220	9.57
4. Development and planning	7 575	19 739	19 008	16 386	2 622	13.79
<b>TOTAL</b>	<b>665 872</b>	<b>811 808</b>	<b>811 808</b>	<b>790 167</b>	<b>21 641</b>	<b>2.67</b>

### Specific challenges and responses

#### Programme 1: Administration

##### Challenge

Successful amalgamated department, fully staffed, to deliver on its mandate.

##### Response to Challenge

A vigorous recruitment and selection process resulted in 576 posts being filled, 87 in the process of being filled, and 84 vacant posts on 31 March 2006.

##### Office accommodation:

The major changes on five floors were completed during 2005/06. The balance of the minor work on these floors plus alterations on the remaining three floors are to be completed during 2006/2007 financial year.

Training was given to 259 staff members, excluding the 633 learners. Total training interventions: 81 external and 468 internal interventions for the year.



**Programme 2: Housing**

**Challenge**

Achieving expenditure and outcomes as planned.

**Response to Challenge**

The Department interacts with and monitors all active housing projects to ensure progress. Developers are required to submit regular updates on cash-flow projections and processing of payments is given high priority.

**Programme 3: Local government**

**Challenges**

Due to delays because of the late publication (29 April 2005) of the National Disaster Management Framework and the finalisation of the finance chapter, the drafting of the Provincial Disaster Management Framework could not be completed.

To monitor the overall wellness of municipalities and provide management and specialised support, as well as to enhance local government sustainability through monitoring and support initiatives

To provide meaningful support to the election process in the year preceding the 2006 local government elections, and to ensure fully functional municipal councils immediately thereafter

To act swiftly and decisively where allegations of irregularities, corruption and fraud at municipalities have come to the attention of the Department in order to demonstrate intolerance towards corrupt and fraudulent activities

To ensure legislative clarity by providing guidance and support

To manage, facilitate, co-ordinate, and secure the community development programme effectively and efficiently in the Western Cape Province

Project Consolidate has been successfully implemented and key project deliverables have been identified in terms of the municipal action plans. The pressure to deliver will heighten over the next reporting period.

**Response to Challenges**

The drafting and consultation of the financial chapter of the Provincial Disaster Management Framework will be expedited to ensure timeous publication.

The Department participated fully and rendered support to the Local Government Election Co-ordinating Committee of the Independent Electoral Commission. In this regard, an elections co-ordinator was appointed to assist with the pre-election process.

Furthermore, assistance was provided to the Department of Home Affairs with their ID Campaign, ensuring maximum election participation focussing on areas of greater need outside the metropolitan area.

A pre-election Provincial Advisory Forum meeting was held where guidelines for the first meeting of councils were provided and discussed. To further support municipalities in this regard a helpdesk was set up for the month of March 2006, which greatly assisted municipal managers to deal with immediate post-election challenges.

Formal investigations were conducted at five municipalities as well as into three People's Housing Process projects (PHP). Outcomes of these investigations are in various stages of being actioned.

The strategic interventions need to be co-ordinated and supported across line and sector departments to ensure sustainability. Line and sector department interventions were aligned with Municipal Action Plans and dedicated officials were identified to support with the implementation of interventions.

## Issues requiring ongoing attention

### Programme 1: Administration

The following ongoing issues have been identified within the HRM environment:

- To staff the organisation adequately with properly skilled personnel who are fully representative of the economically active population of the Western Cape
- To develop a transformed corporate culture in the Department to successfully address the identified service-delivery challenges
- To develop and implement a human rights plan for the Department
- To enhance effective and efficient record keeping
- To equip and accommodate personnel well
- To promote and maintain a safe working environment

The following ongoing issues have been identified within the financial management environment:

- To allocate expenditure correctly after the restructuring processes
- To give training in financial matters to the line functionaries and internal staff
- To ensure reporting on non-financial information
- To reprioritise the budget to make provision for the changing environment of service delivery

### Programme 2: Housing

- To allocate and spend the conditional grant in line with SIP, PSDF, and other priorities.
- To secure funding for the N2 Gateway project
- To provide the necessary support to beneficiaries in PHP projects, including eradicating fraud/misappropriation of subsidies

### Programme 3: Local government

- To secure funding for disaster management and fire brigade services in the Province
- To provide support to municipalities through the MIG programme
- To ensure sustainable capacity building at municipalities
- To rationalise outdated legislation and develop standard bylaws to provide guidance to municipalities
- To deal with the outcome of investigations undertaken into irregularities, corruption, and fraud, and to combat any fraudulent activity that may arise

## 2.9 Programme Performance

### Programme 1: Administration

Purpose: To provide strategic leadership and management, and effective support services in the Department in accordance with all applicable acts and policies.

Analysis per sub-programme:

Sub-programme 1.1: Office of the MEC

- to provide for the effective functioning of the Office of the MEC.

Sub-programme 1.2: Corporate Services

- to provide effective and efficient corporate support for the Department
- to provide for payments owing to redundancy of ex Development Board members (pensions and medical).

Programme 1: Administration Sub-programme 1.2: Corporate Services					
Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
A fully-staffed organisational structure.	Number of posts filled (%).	75%	Posts filled: 85% Posts vacant: 15%	Post filled: 77% Vacant: 23%	Matching and placing process finalised in August 2006.
A Department representative of the provincial demography (economically active population of WC).	Filled posts as a percentage of various population groups and genders.	Coloured 56% White 28% African 15% Indian 1%	Coloured 58% White 24% African 17% Indian 1% Female 45% Male 55%	55% 16% 28% 1% 51% 49%	There will always be fluctuations on the baseline targets, although the Department aims for the representative targets of the Province. (C - 52%; W - 18%; A - 29%; I - 1%).
Skills profile per individual	Number of profiles completed (%).	98%	98%	81%	Deviation due to new appointments.
Keep the public and the staff informed on the policies, services, and performance of the Department.	Number of information sessions and visits to the web page.		1 Road show for the public 1 Strategic plan information session to the staff	1 1	
Develop and implement a Human Rights Plan.	Yearly reports (interventions) on gender, youth, and disability to the Directorate Human Rights Programme.	4	Gender: 2 Youth: 1 Disability: 2	1 2 1	The Department also implemented a diversity programme and an HIV/Aids (VCT, education and awareness) programme.
Effective and efficient record keeping.	% files tracked (all files requested by external auditors were provided).		90%	90%	
	% of files immediately available.		85%	90%	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
Well-equipped and accommodated personnel.	% computers, printers, cellphones (where necessary), etc.		95%	95%	
	% clean, uncluttered, attractive offices (Upgrading of accommodation to accommodate full structure).		92%	75% staff accommodated (floors 10, 9, 8, 3, and ground)	
Spend budget appropriately.	No over/under expenditure within 2%.	85%	98%	97.3%	Underspending due to conditional grant iro disaster relief and human settlement redevelopment programme to be spent over more than 1 financial year.
	Attainment of all prescribed due dates (budget management).	100%	100%	100%	
Ensure proper financial accounting and risk management.	Auditor-General Report and Audit Committee Report.	Unqualified	Unqualified	Unqualified	
	Number of fraud cases, losses.	Nil	Nil	Nil	
	% norms and standards met.	98%	100%	100%	
	Submission of financial statements and other reports on prescribed dates.	100%	100%	100%	

**Specific challenges and responses**

Programme	Sub-programme	Challenge	Response
1. Administration	Office of the MEC Corporate Services	The amalgamation of the departments presents a challenge within the HRM environment to adequately staff the new establishment, which entails the following processes: Proper job descriptions, job evaluation of each post, matching of existing staff, effective recruitment, determining specific training needs, and accommodating all staff in the building.	<p>All the objectives have been met</p> <ul style="list-style-type: none"> <li>All job descriptions (JD) have been completed, except for recently-changed positions.</li> <li>All completed JDs were evaluated and implemented.</li> <li>The matching and placing process was successfully concluded.</li> <li>The establishment has been extended by 200 community development worker positions and they have all been appointed.</li> </ul> <p>Of the 747 positions, only 84 are not filled and are in the process of being filled. Changes to accommodate all the staff are progressing well. Five floors are nearing completion. The other three floors will be done in the next financial year, depending on the availability of funds. The CDWs are not to be accommodated at Head Office but in the regions where they are placed.</p>

**Programme 2: Housing**

**Sub-Programme 2.1: Housing Planning and Research**

**Strategic Objectives:**

- To provide a regulatory framework for housing delivery.
- To develop provincial multi-year housing delivery plans.
- To conduct housing research.
- To provide capacity and support to municipalities with regard to housing delivery in line with the Housing Act.

**Sub-Programme 2.2: Housing Performance/Subsidy Programmes**

**Strategic Goal:**

To promote the effective and efficient delivery of National and Provincial Housing Programmes.

**Strategic Objectives:** To provide subsidies to qualifying beneficiaries in accordance with housing policy.

**Sub-Programme 2.3: Urban Renewal and Human Settlement Redevelopment**

**Strategic Goal 1:** To rehabilitate dysfunctional areas with the aim of economic and social development.

**Strategic Objectives:**

- To rehabilitate dysfunctional urban areas to promote economic and social development
- To create integrated and functional settlements.

**Sub-Programme 2.4: Housing Asset Management**

**Strategic Goal:** To provide for the effective and efficient management of housing assets.

**Strategic Objectives:** To provide for the efficient and effective management of:

- asset maintenance
- the transfer of housing assets
- the sale of housing assets
- debt management processes
- devolution of housing assets to municipalities
- regulating rental housing within the Province
- housing asset management
- land use promoting ownership of state-financed rental housing.

Programme 2: Housing					
Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>Sub-programme 2.1: Housing Pplanning and research</b>					
To revise the provincial multi year settlement plan.	Aligned with the Provincial Spatial Development Framework (PSDF) and the Strategic Infrastructure Plan (SIP), and reflecting municipal Integrated Development Plans (IDPs).	70%	80%	80%	
To advocate integrated and sustainable planning methodology in the Housing chapters of municipal IDPs.	Quality of Housing chapters of IDPs.	Unacceptable	Fair	Fair	
To promote integrated and sustainable development approaches to settlement planning within municipal IDPs.	Extent to which economic viability, social equity, and ecological integrity are addressed ("triple bottom line" approach).	Unacceptable	Fair	Fair	
To facilitate strategic use of housing or public (and private) assets for integrating settlements.	Number of hectares identified.		250	In process	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
To undertake settlement research including innovative design of housing typologies and to develop policies for integrated and sustainable human settlements.	Alignment with iKapa Eihlumayo and "breaking new ground".		100%	100%	
	Clear agenda and quality database.				
	Diversity and range of typologies.				
To promote social and higher density housing.	Number of households per hectare.	40	50	50	
<b>Sub-programme 2.2: Performance/subsidy programmes</b>					
To provide subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	17 556	10 000	18 412	
To provide economic opportunity through housing projects.	Number of jobs created, including through Expanded Public Works Programme (EPWP).	35	1 036	10 800	
	% value of project value undertaken by emerging contractors.		10	10	
<b>2.2.1 Subsidy administration</b>					
To provide support to the core function.	A fully-staffed, appropriately skilled and equipped unit.	70%	90%	90%	
	Compliance with applicable policies, legislation, norms and standards, and plans.	92%	95%	95%	
<b>2.2.2 Individual</b>					
To provide individual subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	1 123	3 500	709	The approval of subsidies is reliant on the number of applications received and the number of individuals who qualify for the subsidies.
	Number of people housed.	1 123	14 000	2 836	
	Value of subsidies paid.	42 830	R99m	R21m	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>2.2.3 Project linked</b>					
To provide Project-linked subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	1 217	9 000	10 582	
	Number of houses completed/under construction.	8 967 houses completed. 16 965 sites serviced.	9 000 18	10 582 25	
	Number of projects approved within the defined urban edge.				
<b>2.2.4 People's Housing Process</b>					
To provide PHP subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	12 913	2 000	3 042	
	Number of housing units completed/under construction.	3 551	2 000	3 042	
	Number of housing support centres funded.	29	10	8	
	Number of projects approved within the defined urban edge.		10	8	
<b>2.2.5 Consolidation</b>					
To provide Consolidation subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	281	1 000	0	
	Number of subsidies emanating from informal settlement upgrades.		1 000	0	
<b>2.2.6 Institutional</b>					
To provide Institutional subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of Housing institutions registered.	1	1	0	
	Number of approved subsidies.	168	500	0	
	Number of rental agreements signed.	168	500	0	
<b>2.2.7 Hostels</b>					
To provide subsidies for the redevelopment of hostels in accordance with the housing policy.	Number of hostels upgraded.	4	7	3	
	Number of units upgraded.	1 100	1 300	176	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>2.2.8 Relocation (In Situ)</b>					
To provide Relocation subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of relocation subsidies approved.	1 800	35	35	
<b>2.2.9 Disaster Management/Emergency Programme</b>					
To support disaster relief in accordance with the housing policy and to build integrated and sustainable human settlements.	Number of families assisted.	3 239	1 200	12 536	Increase in the number of emergency situations (especially fires and floods in informal settlements) occurred.
	Number of projects approved.	12	20	11	
<b>2.2.10 Rural housing</b>					
To provide Rural housing subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of rural housing subsidies approved.	54	35	46	
<b>2.2.11 Savings linked</b>					
To provide Savings-linked subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	-	100	0	
<b>2.2.12 Upgrading of Informal Settlements Programme (UISP)</b>					
To upgrade informal settlements.	Number of settlements upgraded.		10	13	
<b>Sub-programme 2.3: Urban renewal and human settlement development</b>					
Co-ordinate/facilitate/ promote the upgrading of informal settlements.	Number of job created and skills developed via Expanded Public Works Programme (EPWP) on housing projects.		1 036	1 100	
Provision of social/community facilities to communities in informal settlements	Number of social/community facilities to communities.	3	5	4	
To facilitate the provision of social and higher-density housing to promote sustainable and integrated human settlements.	Number of units.		1 000	705	Only 705 social housing units provided in the N2 Gateway as a special lead project. National Social Housing Act was not implemented during financial year and no additional funding was available.



Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>Sub-programme 2.4: Housing asset management</b>					
Strategic use of public assets.	Number of poor people accommodated in well-located housing (rental units).		7 896	7 896	
	Number of occupants by race: Black White		3 737 3 158	3 737 3 158	
<b>2.4.2 Maintenance</b>					
To ensure that housing units are maintained in line with the maintenance plan.	Number of housing units.	2 350	2 353	2 353	
<b>2.4.3 Transfer of housing assets</b>					
To provide strategically for the transfer of housing assets.	Number of properties transferred:	124	350	420	
	Residential Non-residential		300 50	420 0	
<b>2.4.4 Management of housing assets</b>					
To ensure effective and efficient rental collection/debt management processes.	Potential income received (%).	20%	40%	35%	Debtors not paying in anticipation of the implementation of the enhanced discount benefit scheme and the writing off of debt iro municipal services.
	Debt collection rate (%).	25%	30%	27%	Debtors not paying in anticipation of the implementation of the enhanced discount benefit scheme and the writing off of debt iro municipal services, and humane reasons.
	Reduction of debtor days (days outstanding).	120+	90+	120+	See above.
	Reduction of bad debts (% not recoverable).	75	70	45	The Induplum rule was applied for the first time, resulting in a 30% decrease in outstanding debt.
<b>2.4.5 Devolution of rental stock</b>					
Strategic devolution of housing assets.	Number of houses and properties devolved to municipalities.	84	197	330	\Delft devolutions not provided for in initial projections are now resolved.

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>2.4.6 Rental Tribunal</b>					
To promote, facilitate, and regulate rental housing within the Province.	% of registered cases resolved.		100%	50%	The Rental Housing Act stipulates that all cases be resolved within a 90-day period. 50% of cases were resolved outside of this due to capacity and other constraints.
<b>2.4.9 Discount benefit</b>					
To promote strategic ownership of state-financed rental housing.	Number of residential properties transferred to households.	124	300	215	Demand driven. Output dependent on applications from beneficiaries.
	Number of discounts provided.	128	200	225	Focussed attention on Lentegeur debtors.
<b>2.4.10 Subsidy (4 of 1987)</b>					
To provide subsidies to qualifying debtors in respect of repayment of loans on previous-dispensation housing.	Value of subsidy (R'000).	-	8 000	12 125	Allocation of previous subsidies erroneously allocated in the WCHDF.

### Specific challenges and responses

Programme	Sub-programme	Challenge	Response
2. Housing	Housing Planning and Research. Housing Performance/Subsidy Programmes. Urban Renewal and Human Settlement Redevelopment. Housing Asset Management.	N2 Gateway pilot project: <ul style="list-style-type: none"> <li>Tight timeframes</li> <li>Lack of dedicated funding</li> <li>Inadequate Institutional capacity</li> </ul>	The project has been rescheduled in line with available financial resources over the MTEF period, and according to more achievable deliverables.  A dedicated provincial co-ordinator has been appointed to manage the administrative provincial responsibilities. In addition, a development agent has been appointed to undertake the implementation of the project.
	Financial Irregularities within PHP projects.	Addressing allegations of irregularities within PHP projects.	Addressing allegations of irregularities within PHP projects.

### Issues requiring ongoing attention

#### Sustainable human settlements

This entails promoting socially, economically, and spatially integrated human settlements that are economically, socially and environmentally sustainable, including the identification of well-located land for housing the poor and the provision of social and medium density housing connected to economic opportunities and community facilities.

**Programme 3: Local Government**

**Strategic Goal 1:**

Accountable and sustainable local governance

**Strategic Objectives:**

- To provide management and support services to local government within a regulatory framework

- To monitor and support municipalities to ensure financially viable and sustainable municipalities
- To facilitate and monitor infrastructure development within municipalities to ensure sustainable municipal infrastructure development
- To manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms.

<b>Programme 3: Local Government</b> <b>Sub-programme : Local governance</b> <b>Strategic goal:</b> Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner					
Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>3.1 Municipal Administration</b>					
To maintain the institutional integrity of municipalities.	Implement, monitor, and evaluate the ward committees in 23 municipalities.		23	23	0% The term of ward committees lapsed with the March 2006 elections and new committees have to be elected.
To provide legislative support to municipalities.	To provide standard by-laws as needed.		1 standard by-law	2 draft bylaws developed	50% Limited staff capacity to drive process. Newly appointed DD assisted full-time with pre- and post election matters.
To develop new provincial local government legislation.	A Green and White Paper on a proposed provincial local government act.		1 Act	1 draft	50% Limited staff capacity to drive process.
To rationalise redundant national and provincial legislation.	Legislation to rationalise redundant provincial legislation.		1 Act I	First draft not finalised	40% Limited staff capacity to drive process
To co-ordinate certain land transactional matters.	Land transactional matters executed.		On application	None	Function still performed by Dept of Environmental Affairs and Development Planning.
To co-ordinate and ensure legal compliance of provincial interventions at municipalities.	Interventions when needed in terms of Section 106 of the Municipal Systems Act; Section 139 of the National Constitution and Sections 137, and 139 of the MFMA co-ordinated and legally complied with.		As necessary	No section 106, (MSA), 139 (Constitution) or 137 & 139 (MFMA) interventions done. Departmental investigations into alleged fraud and corruption.	0%  0 %
Revision of Congo Caves Ordinance.	Establish proper constitutional basis for review.		Ordinance reviewed	Discussion document review	80% Limited staff capacity to drive process.
To administer councillor matters, i.e. remuneration and the Code of Conduct.	Number of inputs on remuneration and number of municipalities complying with prescripts.		1 input - all municipalities complying	1 input	Input made.

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
	Number of Code of Conduct cases dealt with.		As required	25 municipalities complied 3	5 municipalities who have not complied followed up on continuous basis. 0%
To establish and promote the Department as principal provincial liaison structure regarding intergovernmental relations with local government, in terms of the Intergovernmental Relations (IGR) legislation.	Implementation of the IGR structures in terms of the IGR Act.	100%	Structures implemented and maintained.	Provincial, Metropolitan, and District Intergovernmental Forums established.	
<b>3.2 Municipal Monitoring and support</b>					
To monitor <ul style="list-style-type: none"> <li>Statutory compliance</li> <li>Municipal governance</li> <li>Special projects and policies</li> </ul>	% progress made in respect of the development of a monitoring tool	50%	80%	50%	With the implementation of the new MFMA, the monitoring of municipal finances shifted to the Provincial Treasury. A new Directorate for M+E systems has been established that will, inter alia, deal with the monitoring of non-financial matters in municipalities and the Department.
	Maintained database	1	1	1	See above.
	No of reports to HOD, Minister, and other directorates.	4	4	0	See above.
To conclude the implementation of approved management support programmes.	Number of management support programmes concluded.	8	8	11	Eight programmes commenced during the 2004/05 financial year, as well as three programmes commenced before 2004/05, were concluded.
To provide targetted interventive supporting initiatives to identified municipalities.	Targetted supporting initiatives that are identified and solved.	2	0	2	The financial positions of the Cederberg and Kannaland municipalities needed more specialised interventions and support.
To provide pro-active general support to municipalities to enhance functioning and adherence to statutory requirements.	Number of initiatives initiated.	2	2	2	
	Number of guideline documents issued.	1	1	1	
	Number of workshops facilitated.	2	2	2	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
To support municipalities with the implementation of free basic services.	Number of supporting initiatives initiated with regard to: <ul style="list-style-type: none"> <li>Free basic water</li> <li>Free basic electricity</li> <li>Free basic sanitation</li> <li>Free basic refuse removal</li> </ul>	2	2  1	0  0	All municipalities in the Western Cape provide, in addition to free basic water and electricity, free basic sanitation and refuse removal to indigents. As the free sanitation and refuse removal are not included in the equitable share, these free services are placing an unnecessary burden on their ratepayers and consumers.  National policies for free basic sanitation and refuse removal are yet to be finalised, hence these planned workshops did not take place. However, the Department had to make provision for support initiatives in case policies did materialise.
<b>3.2 Disaster management</b>					
To facilitate effective and efficient disaster management mechanisms at provincial and local level.	The development of a provincial disaster management framework and institutional structures.	Framework partly completed.	100%	90%	10% - Delay with publication as a result of uncertainty regarding funding of the function by the three spheres of government.
To ensure compliance with the provisions of the Disaster Management Act.	Initiate the establishment of the Inter-governmental Disaster Management Committee (IGDMC).		Established IGDMC	10%	Delayed as a result of the non-publication of the Provincial Disaster Management Framework.
	Initiate the establishment of the Provincial Advisory Forum.		Established Advisory Forum	90%	10% - Temporary structure in anticipation of the publication of the Provincial Disaster Management Framework.
	Progress towards the implementation of the disaster management framework.		Finalise framework	90%	10% - Could not establish IGDMC as a result of the non-publication of the Provincial Disaster Management Framework.
	Initiate the establishment of an Emergency Management Centre as an inter-departmental project.		Identify site and commence construction work	100%	+75% - Completed 1 year ahead of schedule.
To ensure compliance with the Fire Brigade Act.	Initiate the establishment of a provincial Fire Brigade Forum.		Operational provincial Fire Brigade Forum.	100%	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>3.4 Municipal infrastructure enhancement</b>					
To facilitate the management of the MIG programme in the Province.	% of provincial MIG allocation spent by municipalities.	90%	100%	R340,710,000m 94%	The expenditure was expected to be higher because of the roll-over from 2004/5 to counter the three-month backlog (April – July 2005). The expenditure increased in December 2005 and continued until March 2006.
	Monthly progress reports to national department.	12	12	4	
To influence the creation of economic opportunities associated with the MIG Programme.	Number of joint initiatives between the MIG, EPWP, and other municipal infrastructure projects.	25 projects on EPWP	All are EPWP not applied classically	10%	The challenge is that the projects are not EPWP except the intensive labour that lacks training and contractor model adoption.
	Number of initiatives undertaken to influence municipal project prioritisation.	12	3 Meetings	Monthly meetings (Jan – March) 4 Meetings	
To monitor the condition and maintenance of municipal infrastructure.	Number of studies undertaken with regard to municipal services.	1 Asset management	100%	100%	Studies are subject to budget constraints, which makes undertaking them a challenge. However, technical support has been provided for the municipalities that need it.
To monitor the competencies of the municipal personnel to tackle their infrastructure challenges.	% Progress made in respect of the development and maintenance of a flexible monitoring tool.	100% People are being trained.	100%	100%	Note: The capacity-building fund was stopped by DPLG, which led to the collapse of the training and development programme in future years.
To monitor municipal backlog and expenditure on infrastructure development.	Make sure that a database with information on the backlog and expenditure is maintained regularly.	2 reports on pilot projects	1	1	Municipalities don't have the funds or the budget to maintain their infrastructures.
To monitor municipal expenditure on the maintenance of existing infrastructure.	Report to the HOD and Minister on the expenditure and maintenance of infrastructure.	4 Quarterly reports	1	1	The challenge is that municipalities resist filling in the forms (questionnaires).

## Specific challenges and responses

Programme	Sub-programme	Challenge	Response
3. Local Government	3.1 Local governance <ul style="list-style-type: none"> <li>• Municipal Administration</li> <li>• Municipal Finance</li> <li>• Municipal Infrastructure</li> <li>• Disaster Management</li> </ul>	Building sustainable capacity on local government level. This is because small municipalities are unable to attract sufficiently skilled personnel. The outcome of the local government elections resulted in skilled persons in administrative leadership posts leaving the service of the municipalities due to political changes in councils.	Shared services centres at district level will be explored and established.
		Addressing allegations of irregularities at municipalities.	Requested relevant information from municipalities and appointed SIU investigation where necessary.
		Building sustainable capacity on municipal level.	Strategy focuses more on the following: <ul style="list-style-type: none"> <li>• Mentoring, coaching initiatives</li> <li>• Fewer consultants</li> <li>• Encouraging internships – municipalities to take responsibility for their own capacity.</li> </ul>
		<u>Drafting of the Provincial Disaster Management Framework</u> : The delays caused by the late publication (29 April 2005) of the National Disaster Management Framework (no clarity on the national funding framework) resulted in the Provincial Government still being in the process of drafting the Provincial Framework.	Provincial and National Treasury and the DPLG were engaged to discuss the content of the financial chapter of the Framework.
		<u>Funding of the operational costs for the newly developed Provincial Disaster Management Centre</u> : The lack of sustainable funding for the operational costs for the Provincial Disaster Management Centre is to be addressed.	Sustainable funding must be secured for the next MTEF cycle, a fact that was highlighted during the MTEC engagements.
		<u>Lack of funding for municipalities to execute disaster management function</u> : Many municipalities still regard disaster management as an unfunded mandate and therefore do not provide the necessary funding for the implementation of the disaster management function, as required in the Disaster Management Act.	This matter was addressed with National Treasury and DPLG to ensure the effective participation of municipalities in the execution of the disaster management function.
		<u>PMITT</u> : The various sector departments need to participate in the MIG processes both at policy level and during implementation of the projects that are funded through the specific department. The departments leave the municipalities to implement projects from design, implementation, transfer and maintenance without the necessary guidance from the sector department. This becomes a problem when a municipality makes a mistake, which is made worse by the sector department blaming the municipality rather than using their expertise to assist local government. A Provincial Co-ordinating Committee was established to replace the PMITT in December 2005. It is expected to give sector departments a forum from which to assist municipalities and engage with them on policy matters.	The PMITT option was changed into a Provincial MIG Co-ordinating Structure that engages the lower levels of management to lead and participate. It will allow Senior Management to receive information and give briefs on pertinent agenda items in the meetings. The programme is being set up to roll out the establishment of the structure. The Co-ordinating Committee was established in 2005 December, which means that its operations are in the process of being initiated.
<u>Management Information System (MIS)</u> : The problem with the MIS is its implementation	A training programme was arranged for September 2005 for all the municipalities and the Department of Local Government and Housing. The training was successful and all municipalities except ten were able to attend. There are plans to present another training programme for these municipalities before the end of the year or early in 2006.		

## Part 2

### Programme Performance

## Issues requiring ongoing attention

### Provincial/ Departmental assistance

Assistance to the Regional Land Claims Commission (RLCC) regarding restitution.

### Establishment of Disaster Management Centres (Provincial and Metro/District):

Operational and capital costs to run the Provincial Disaster Management Centre as well as to facilitate a process regarding the necessary funding for municipal disaster management structures to effectively execute their responsibility as assigned in the Disaster Management Act and Frameworks.

### Specialised support to Kannaland and Cederberg Municipalities

Although good progress has been made with the interventions, there is still a long way to go towards sustainable capacity at these municipalities. Recovery plans focusing on financial and institutional matters have been developed and implemented at both municipalities. The Department has partnered with other role-players, such as the DBSA, District Municipalities, DPLG (Project Consolidate) and Provincial Treasury, all of whom are contributing positively to the recovery plan strategies. Project Managers have also been appointed to co-ordinate the recovery plan actions. This is not a quick-fix solution, the Department will be providing ongoing support and involvement over the medium to long terms.

## Programme 4: Development and Planning

Purpose: To promote integrated development and planning through the development of policy and informing departmental implementation, through the provision of research findings, data, and information.

### **Analysis per sub-programme:**

#### **Sub-programme 4.1: Integrated Development and Planning (IDP)**

- to support the draft, review, and implementation of municipal IDPs
- to improve provincial-municipal planning and budgeting engagement in IDPs

#### **Policy and strategy**

- to facilitate the re-alignment of functions between province and municipalities
- to consolidate information on housing and local government together with other stakeholders

#### **Research**

- to identify key indicators to measure the development impact of departmental programmes
- to conduct research into sustainable human settlements
- Governance and institutional development
- to facilitate urban and rural development in the development nodes (through URP and ISRDP)
- to implement public participation mechanisms
- to provide management training to municipal officials
- to undertake international benchmark visits to investigate local government practices
- to facilitate the incorporation of communities on state land in municipalities

#### **Sub-programme 4.2: Community Development Worker (CDW) programme**

- to liaise, co-ordinate, mobilise, and assist communities with access to services provided by government

#### **Sub-programme 4.3: Project Consolidate**

- to liaise, co-ordinate, mobilise, and assist municipalities with the implementation of Project Consolidate



## Part 2

### Programme Performance

35

<b>Programme 4: Development and planning</b> <b>Sub-programme 4.1: Integrated development and planning</b> <b>Strategic Goal: Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner</b>					
Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
To support the drafting, review, and implementation of municipal IDPs.	Number of IDPs reviewed and assessed.		30	5 IDP hearing reports 1 Metro hearing report 28 Assessment reports	Kannaland and Cederberg not compliant to legislation. Corrective measures are in place per the recovery plan and Project Consolidate.
	Annual Provincial IDP Conference.		1	1	Conference moved to the second quarter of 2006/07.
	Number of Planning and Implementation Support (PIMS) centres support per district.		5	5	
To improve provincial-municipal planning and budgeting engagement in IDPs.	% establishment of an approved annual provincial-municipal engagement process.		100%	100%	
	Number of provincial departments with service delivery boundaries aligned to municipal boundaries.		10	0	The Department has no mandate for alignment of provincial /municipal boundaries.
To promote effective and efficient integrated development planning.	Number of municipal performance management system facilitated.		30	0	The Department is in the process of establishing a monitoring and evaluation unit to facilitate development of performance management.
	Annual Report on municipal performance (S47 of the Municipal Systems Act) submitted by the MEC timeously.			0	
<b>4.1.1: Policy and Strategy</b>					
To facilitate the re-alignment of functions between province and municipalities.	Intergovernmental task team to advise on function shifts and funding arrangements.		Operational task team	PIF Technical Task team established Oct 2005  PIF approval of process in Oct 2005	Development of framework delayed by 6 months owing to delays in establishing Premier's Intergovernmental Forum.
To consolidate information on housing and local government together with other stakeholders	Operational knowledge management system.		50% completion of system	Audit completed Oct 2005-11-09	

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
<b>4.1.2: Research</b>					
To identify key indicators to measure the impact of departmental programmes.	Progress toward a generic measurement tool in co-operation with other departments.		50%		
To conduct research into sustainable human settlements.	Research and policy reports.		5		
To assess service delivery levels to former rural settlements (Act 9 of 1987) and farm workers.	An assessment of service delivery levels to rural settlements and farm workers.		Assessment	Workshop with municipalities and agreement in principle	Detailed assessment of only two of 30 municipalities being done, as data gathering must be done on a farm-by-farm basis.
<b>4.1.3 Governance and Institutional Support</b>					
To facilitate urban and rural development in the development nodes.	Number of integrated projects identified by all three spheres of government in the nodes.		5	5	
	A dedicated provincial multi-disciplinary implementation team.		1	0	Multi disciplinary teams established as required.
	Establish a web-based monitoring and evaluation framework.		1	0	DPLG co-ordinates a national M & E system.
To implement public participation mechanisms.	Number of municipalities supported in implementing public participation programmes.		30 Municipalities	30 Municipalities	
To provide management training to municipal officials.	Number of training programmes.	0	0	0	
	Number of officials trained.	0	0	0	
	Number of bursaries awarded (minimum).	4	4	4	
To undertake an international benchmarking visit in local government practice.	Number of municipal participants involved in international visit.	0	0	0	
To facilitate the incorporation of communities on state land into municipalities.	Number of processes facilitated.	0	1	1	

**Part 2**  
Programme Performance

37

Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target
To create a cadre of Community Development Workers to address gaps in governmental service delivery, through a learnership programme.	Establishment of a provincial support unit.		1	1	
	Number of metropolitan and district support units.		6	6	
	Number of learners in CDW learnership programme.		400	362	Due to learner drop-out.
To deploy community development workers in priority areas.	Number of posts established on staff structure.		150	200	Appointed according to availability of funds.
<b>Sub-programme 4.3: Project Consolidate</b>					
To ensure successful implementation of capacity support initiatives to target municipalities in terms of Project Consolidate (PC).	Number of support initiatives at municipalities.	Develop Municipal Action Plans for Project.	11	11	All Project consolidate municipalities have MAPs that are aligned to the IDP.
		Consolidate municipalities.	45		
To identify projects for implementation to improve service delivery.	Number of projects identified for implementation.	Early deliverable – Infrastructure, Basic Services, LED, financial viability projects identified as key elements in the implementation of Project Consolidate.		45	All projects were completed by June 2006 and sustainability is an important component of the projects.

**Specific challenges and responses**

Programme	Sub-programme	Challenge	Response
4. Development and planning	4.1 Integrated development and planning	Integrated governance through improved inter-governmental co-operation.	Promote a close working relationship between the Department of Local Government and Housing, the Provincial Treasury and the Premier's Office to promote intergovernmental co-operation.

## 2.10 Transfer Payments

**Table 4: Transfers**

Name Of Institution/Beneficiaries	Purpose	Amount Transferred	Need To Comply With Section 38(1) J
Municipalities	Local government project preparation grant	R1 437 500	Yes
Municipalities	Provincial management support programme	R4 000 000	Yes
Households	Human settlement and redevelopment grant	R18 601 000	No, in terms of DORA, 2005
Households	Integrated housing and human settlement development grant	R533 248 000	No, in terms of DORA, 2005
Lifesavers SA	Lifesaving at beaches and at sea	R200 000	Yes
National Sea Rescue Institute (NSRI)	Lifesaving at sea	R200 000	Yes
City of Cape Town	Aerial fire-fighting support	R3 750 000	Yes
City of Cape Town	Surveillance camera	R300 000	Yes
Overberg District Municipality	Fire-fighting assistance	R500 000	Yes
Eden District Municipality	Fire-fighting assistance	R500 000	Yes
West Coast District Municipality	Provincial housing capacity-building grant	R200 000	Yes
Cape Winelands District Municipality	Provincial housing capacity-building grant	R200 000	Yes
Overberg District Municipality	Provincial housing capacity-building grant	R200 000	Yes
Eden District Municipality	Provincial housing capacity-building grant	R200 000	Yes
Central Karoo District Municipality	Provincial housing capacity-building grant	R200 000	Yes
Eden District Municipality	Provincial Management Support Grant	R3 500 000	Yes
Various municipalities	Local government capacity-building grant	R10 553 000	No, in terms of DORA, 2005
Various municipalities	Disaster relief grant	R17 911 000	No, in terms of DORA, 2005
City of Cape Town	ICLEI World Conference	R500 000	Yes
City of Cape Town	Settlement assistance	R197 000	Yes
Drakenstein municipality	Settlement assistance	R30 000	Yes
Eden District Municipality	Aerial fire-fighting support	R500 000	Yes
Cape Winelands District Municipality	Aerial fire-fighting support	R750 000	Yes

The Department complies with section 38(1)(j) of the PFMA, which requires the Accounting Officer of the transferring department to ensure that “before transferring any funds to an entity within or outside government, must obtain written assurance from the entity that the entity implements effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.”

### 2.11 Conditional grants

The Division of Revenue Act, 2005, requires that annual reports and financial statements of the transferring and receiving departments must also include information on conditional grants, as set out in Schedules 3, 4, 5, and 6 of the Act.

Section 19(1) outlines information that should be included in the annual reports of the transferring national officers. Section 19(2) outlines information that should be included in the annual reports and financial statements of the receiving department or municipalities.

(a) An overview of conditional grants, types of grants, total allocations and transfer trends. A summary of all grants is provided in the following tables:

**Table 5: Summary of Conditional Grants for 2005/06**

Name of Conditional Grant	Budget Receipts 2005/06 R'000	Actual Receipts 2005/06 R'000	Actual Expenditure 2005/06 R'000	Deviation from (budgeted to Receipts and actual spending)	
				R'000	%
Integrated housing and human settlement development grant	533 249	533 249	533 248	1	0
Human settlement redevelopment grant	29 738	29 738	18 601	11 137	37.45
Disaster relief grant	24 500	24 500	17 911	6 589	26.89
Local government capacity-building fund	10 783	10 783	10 724	59	0.55
<b>TOTAL</b>	<b>598 270</b>	<b>598 270</b>	<b>580 484</b>	<b>17 786</b>	<b>2.97</b>

(b) All transfers were made by the national Department of Housing, as scheduled, into the accredited account of the Provincial Treasury.

(c) Spending on the Integrated Housing and Human Settlement Development grant has been on track with 100% of the grant spent by the end of the fourth quarter. Delivery targets were also met and 16 053 houses (16 000 projected) have been built and 18 412 sites (18 000 projected) were serviced. Spending on the Human Settlement Redevelopment grant has been slow and R18,6m of the R29.738m, which includes R20.365m rolled over from previous years, has been spent. Unfortunately the nature of the projects in this programme has led to slow progress, but the Department is endeavouring to speed up progress wherever possible.

(d) There was an under performance on housing delivery due to many factors over the past few years. Corrective steps were implemented in 2004/05 where the full allocation was spent plus a further R70m of the 2003/04 financial year roll-overs. Although spending was slow in the first quarter of this year, the Department has managed to spend an additional amount of R76m rolled over from the 2004/05 financial year.

(e) The conditions as stipulated in DORA, 2005 are fully adhered to by the Department.

## 2.12 Capital Investment (Construction and Rehabilitation)

Not applicable to the Department, but the following need to be noted:

### Disaster Management:

**Disaster Management Centre:** The Department allocated approximately R2.6 million to the Department of Transport and Public Works for the Disaster Management office accommodation at the Tygerberg Emergency Management Centre. The development of this Centre is still under construction and the final phase will be completed by the end of April 2006. There will definitely be an increase in expenditure due to an increase in operational costs and the future capital needs of the Centre.

**Satellite communication:** The Department allocated R4.9 million for the establishment of an emergency communication and IT system based on satellite communication. This system will provide backup and ensure continuity for the disaster management emergency communication and information management systems through the provision of 34 satellite communication connections at municipalities, emergency services, and security forces (SANDF and SAPS). The target date for completion of the project was set for December 2005 and was attained.

### Asset Management:

(Not applicable to the Department.)

It should however be noted that all immovable assets of the Western Cape Housing Development Board will be transferred to the Department on disestablishment of the Board.

In conjunction with the Provincial Treasury, the Department has also embarked on a project, to rectify all the shortcomings identified by the Office of the Auditor-General regarding the asset register for the movable assets of the Department.

### Maintenance

The expenditure on maintenance comprises day-to-day maintenance of rental units, general upgrading thereof, and cleaning of vacant land owned by the Western Cape Housing Development Board (WCHDB).

Although the Department works according to a Maintenance Plan with regard to the general upgrading of rental units, the initial performance as far as the Plan is concerned was below standard, due to lack of technical capacity to prepare the necessary specifications. This problem has now been overcome by the appointment of technical staff on a contract basis

and the process is well on track now, hence the commitment of R6,5 million. Day-to-day maintenance however, is demand driven.

### Source for Infrastructure Data

Not applicable

### Specific challenges and responses

#### Challenge 1:

Correcting and updating the Asset Register of the Western Cape Housing Development Board properties.

#### Response to Challenge 1

The Asset Register of the WCHDB is not yet 100% correct and updated. The Department started implementing a plan to address this problem in 2003. Although good progress has been made, a great deal remains to be done. Acknowledging that this task cannot be done quickly, the Department has set itself a target of 5 years (until the end of 2007) within which time the Asset Register will fully corrected and updated. The Department has appointed African Data Collection Co. JV to do some of the work on an urgent basis.

#### Challenge 2:

Updating and rehabilitating the debtors of the WCHDB

#### Response to Challenge 2

The plan mentioned under the Asset Register also included updating the debtors of the WCHDB. Good progress has been made with the clearing of credits on the rental and sales debtors of the Board. Of these credits, 1 500 remained, all of which were cleared before the end of May 2006.

The Department engaged the services of Servcon to update and rehabilitate the debtors on the books of the WCHDB. A pilot project of 1 016 debtors was finalised by the end of October 2005. The Servcon contract was extended to the rest of the Department's debtors.

### Capital Acquisitions and Disposals

Not applicable

### Major Contract Update

Not applicable