



# Department of Local Government and Housing

The Age of Hope = Sustainable Service Delivery!

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## Foreword

I approach the coming financial year with a sense of confidence and hope. The confidence arises from the fact that my Department has achieved full expenditure of its housing grant and is gearing itself for further accelerated delivery as well as better quality delivery. There has also been improvement in the performance of municipalities, and there are signs that this will continue. One of these signs is the fact that an increasing number of municipalities is receiving unqualified audits.

There are a number of challenges going forward, and if they are not addressed they can undermine our vision of creating sustainable human settlements. There are still many people in the Western Cape who live in inhuman, primitive conditions. Some compete for their living spaces with animals, and many lack the most basic ablution facilities. There is a need to focus on the most marginalized of our communities. They face additional hardships because they are usually located far away from economic opportunities and transport links. Our goal is to improve the living conditions of the most marginalised and to do this within a coherent strategy for the upgrading and creation of liveable human settlements.

Local government is at the centre of this strategy, and proper governance and administration must be in place for it to fulfil its role. There has not been sufficient improvement in basic accounting and proper administration in many municipalities. This is illustrated by the late submission of financial statements and the lack of knowledge of GAMAP and audit procedures. In addition, the Auditor-General's reports highlight the increasing number of debtors in municipalities as a significant risk. Supporting municipalities to improve their capacity to function effectively and transform the apartheid landscape is at the centre of our vision.

I am also concerned about the environmental issues that face us. Climate change in the Western Cape presents the prospect of more extreme weather events in future, such as fires and floods. This requires investment in the capacity to prevent and respond to disasters.

There are two prerequisites to addressing these challenges. The first is a Department that embraces and lives out the principles of Batho Pele. This requires on-going transformation and an attention to the internal and external service delivery of the Department. The second is the need for partnerships to increase stakeholder participation in our work and to leverage additional resources to address the significant housing backlogs of the Western Cape.

With committed partners on the one hand and a transformed department on the other, I believe that we will achieve the ambitious goals that we have set ourselves.

**Q R Dyantyi**

**Minister of Local Government and Housing**

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## Part A

### Overview and strategic plan updates

#### 1 Overview

The Department's overriding objective is to promote the creation of integrated and sustainable human settlements within a framework of co-operative governance.

To achieve this objective, the Department is finalising a Sustainable Human Settlements Strategy for the province. The Strategy aims to take account of the realities in the Western Cape and to mainstream the imperatives of the Breaking New Ground Strategy of national government. The Human Settlements Strategy will inform the manner in which housing and basic service delivery are rolled out in the province, and three pilot projects will showcase this new approach.

One of the housing projects to be implemented is the N2 Gateway Project. The project has provided valuable experiences in implementing the Breaking New Ground policy, such as the pioneering of Temporary Relocation Areas (TRAs). TRAs assist vulnerable communities living in areas of stress, and their establishment has influenced the development of the emergency housing programme in the country. The Department will place emphasis on TRAs in the coming year, as they address the need for dignified living conditions for people living in informal settlements.

Shelter and basic services go hand in hand. National Government has recently placed renewed emphasis on the need to eradicate the "bucket system" of sanitation in South Africa. For the Department, this means the provision of basic sanitation to all residents of the Western Cape. The Department has already conducted surveys of the sanitation backlog, and has developed a plan to progressively realise the right to basic sanitation. This plan will be rolled out together with relevant stakeholders such as Department of Water Affairs and Forestry (DWAF) and the Development Bank of South Africa (DBSA).

We have seen many natural disasters affect our province in the past year. To provide an integrated response to such events, the Department in partnership with the Departments of Health and Community Safety launched the Provincial Emergency Management Centre on 15 December 2005 at the Tygerberg Hospital. The Department will work closely with existing district structures to assist with the establishment of district emergency management centres. A fast and reliable area-wide network between all the emergency management centres and municipalities will be installed. The Department will also introduce learnerships in the area of disaster management so as to build sustainability in the mitigation and management of disasters, and will also focus on the prevention of disasters through the implementation of awareness training in vulnerable communities.

All of these functions – provision of shelter and services, response to disasters – are provided primarily through local government. A key mandate of the Department is to support municipalities in carrying out these functions. The Department has completed a capacity assessment of all municipalities, which has resulted in a comprehensive municipal capacity-building strategy. Among the interventions to be implemented are councilor training and support (in partnership with the South African Local Government Association (SALGA), provision of centralised resources such as standard by-laws, guidelines, and toolkits, benchmarking and best practice as well as mentoring and coaching programmes.

As part of its commitment to building capacity and deepening community participation, the Department has rolled out a comprehensive programme of training and support to create effectively functioning ward committees. The next phase of this programme is to ensure that ward participation in municipal Integrated Development Plans (IDP) processes is strengthened so as to encourage community ownership of development plans.

Another initiative that aims to strengthen the links between government and the public is the Community Development Worker (CDW) Programme. Out of the 400 CDWs recruited for the learnership in February 2005, 371 were awarded with a National Qualification in Community Development. As of 1 April 2006, 200 CDWs will have been appointed to permanent positions in the Department and will be based in municipalities. The Department will work to achieve closer integration and utilisation of CDWs by other government departments and municipalities.

A highlight of the year was the successful engagement between province and municipalities with respect to planning and budgeting. The first "Local Government MTEC" was held in October 2005, and was followed by additional engagements in November 2005 and January 2006. For the first time, provincial and local government plans and budgets are beginning to speak to each other. These intergovernmental processes will be strengthened and deepened in the coming year.

All of these activities will be supported by a Department that is in the continuous process of review and improvement. The Department will rationalise and strengthen its current Monitoring and Evaluation (M&E) systems through the formation of a single co-ordinated system for information collection and management. The system will generate recommendations for policy and implementation reforms. With a Department that is capacitated to deliver, we will be in a strong position to deliver on the objectives outlined in this document.

**ACCOUNTING OFFICER**  
**(S MAJJET)**

## 2 Strategic plan update analysis

An annual review of our environment and mandates convinced us that we still need to focus on the following Departmental strategic goals:

### **1. Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner.**

#### *Strategy*

The strategy to enhance municipal capacity has three components namely:

- Building the analytical, interpretive and evaluative capabilities of the Province. This is needed to enable it to understand issues and trends and proactively intervene and support municipalities with appropriate programmes of action
- Developing a flexible basket of capacity building programmes aimed at enhancing local capacity
- Putting preventive measures in place in municipalities to counteract corruption and irregularities

#### *Key focus areas*

- Relations with municipalities through the intergovernmental relations (IGR) interface
- Municipal capacity development
- Disaster management
- Strategies to enhance the financial sustainability of municipalities
- Municipal infrastructure support, including the MIG programme
- Strategies to eradicate corruption and irregularities
- Project Consolidate

#### *Targeted outputs over the medium term*

- Regular joint planning and information sharing sessions with local government in place
- A champion for every municipality operating within the provincial department
- Municipal capacity audit completed and comprehensive capacity development programme/plans for phased implementation
- Municipalities prepared for the delivery challenges beyond the elections
- Improvement of inter-governmental cooperation in respect of disaster management services
- Women and youth targeted as key sectors in all programmes, especially housing construction, community development workers and other programmes focused on creating economic opportunities
- Inroads made into the current services and housing backlogs
- Municipal Infrastructure Grant Programme 100% utilised in all allocated municipal areas to provide bulk services and create employment opportunities
- Promotion of job creation through the promotion of EPWP and labour intensive methods utilising municipal capital expenditure
- Support to municipalities to ensure financial sustainability
- Ensuring a corruption free Department and municipalities



## **2. Human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable.**

### *Strategy*

The Department is implementing the 'Breaking New Ground (BNG)' approach, which is aimed at addressing the dysfunctionalities of planning and development of the past. Facilitating mixed use developments that are located close to economic opportunities, accessible to public transport and environmentally sustainable will be the priority in this period.

### *Key focus areas*

- Working with municipalities and provincial and national government departments to ensure integrated planning and aligning development programmes and public sector investment with the provincial spatial development framework and IDPs
- Intensifying work on the Urban renewal (URP) node and the integrated sustainable rural development programme (ISRDP) node by implementing programmes and measuring the impact
- Identification and release of well located and suitable land for mixed use and mixed income settlements
- Facilitating the provision of basic municipal services to residents on privately owned property
- Alignment of Municipal Infrastructure Grant inputs with integrated human settlement plans
- The promotion of innovative housing typologies and urban design of project areas
- Promoting environmentally sustainable approaches to human settlements
- N2 Gateway project to pilot housing in integrated human settlements
- Promoting skills delivery, job creation and empowerment in the delivery of services and integrated human settlements

### *Targeted outputs over the medium term*

- N2 Gateway project provided more than 24 000 housing units (R2.2bn) and used to promote job creation
- New approach to human settlements institutionalised across province
- 450ha of well located land and/or government owned properties released for housing

## **3. Institutionalised and operational inter-governmental relations.**

### *Strategy*

The Department aims to maintain a well functioning system of intergovernmental relations. The aim is to increase coordination, communication and horizontal and vertical integration with the City of Cape Town, district and local municipalities, organised local government, provincial line departments and the national Departments of Provincial and Local Government and Housing.

### *Key focus areas*

- Maintain and manage IGR structures
- Integrated planning both vertically and horizontally
- Clarification of functions of provincial and local government
- Alignment of policy, planning and budgets

### *Targeted outputs over the medium term*

- The Department established as the primary supporting department for liaison between local government and other government departments, in support of the Office of the Premier

- Alignment of provincial strategic plans and budgets and municipal IDPs
- Alignment of IDPs with provincial policies and strategies
- Active inter-governmental coordination forum operating as the vehicle for dialogue and coordination
- Coordinated delivery between departments and between different spheres of government.
- Referral of issues identified by CDW's to IGR structures

#### **4. *Housing delivery is accelerated to meet the needs of un-housed communities.***

##### *Strategy*

Housing has been identified as one of the key drivers for meeting the social and economic needs of the poor and marginalised in South Africa. Since municipalities are the primary developers in the housing delivery process, there is a need for the Department to support municipalities by assisting them to develop their capacity, especially in planning for integrated human settlements, project management, financial management and social facilitation skills.

##### *Key focus areas*

- Project Consolidate
- Accelerated delivery of housing to the inadequately housed
- Building the capacity of municipalities to be developers
- Sound management of provincial housing assets and maximisation of the strategic use of existing housing assets
- Promotion of a fair rental housing environment
- Provision of social and higher density housing close to the existing centres of economic and social activity.

##### *Targeted outputs over the medium term*

- Human settlements projects delivered in Project Consolidate target areas.
- Upgrade or formalisation of shelter for current residents in informal settlements
- Disposal and maintenance of existing housing assets that maximally redresses the marginalisation of the poor.
- Rental housing increasingly available, according to national regulatory framework
- 2 500 social housing units developed

#### **5. *To enhance social capital formation and facilitate active community participation***

##### *Strategy*

To strengthen relationships between local government and communities and enhance community participation in local government level delivery. This includes building the capacity of communities, councillors and officials to engage in the process.

##### *Key focus areas*

- Community Development Worker (CDW) programme
- Training of ward committee members
- Review of service delivery models
- Review of community development and participation methodologies
- Maintenance and strengthening of ward committees to maximize their developmental impact

##### *Targeted outputs over the medium term*

- CDW programme operational in every municipal area

- Programme for councillors and ward committees implemented across the Province.
- Social capital strategy developed and implemented.
- Roll-out of District Public Participation process.

**6. A comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation.**

*Strategy*

A hub of information will be created in support of the Department's work. This hub will include the management of all existing information, the identification of information needs, generation of new information required, analysis of information and policies provided by provincial and national government, and support for provincial and local planning and strategy processes in support of developmental local government and sustainable human settlements.

*Key focus areas*

- A comprehensive information and knowledge management system for the department
- Policy analysis and new policy development
- A coordinated and focused research programme in support of the department and the strategies of *iKapa Elihlumayo*
- Effective multi-year integrated and quality planning of provincial, local and national government, supported by adequate resources and capacity and aligned with provincial strategies
- People effectively trained to maximise these systems

*Targeted outputs over the medium term*

- An operational knowledge management system servicing the department and *iKapa Elihlumayo* strategies
- Departmental analysis of all key policies completed and accessible to all provincial staff
- Participation of the province, municipalities and the social partners in the Western Cape in all key policy dialogues
- Provincial policies to support developmental local government and sustainable human settlements developed
- A strategic research agenda defined and research projects initiated and linked to provincial priorities
- All plans aligned to the new policy imperatives and the provincial spatial development framework
- IDPs that are responsive to local community needs and aligned to national, provincial and local priorities.

**7. Communication both internally - in the department, between government departments and between spheres of government - and externally with the general public, communities and stakeholders is clear and accessible.**

*Strategy*

Firstly, internally within the department - between different directorates, between management and staff and between the Ministry and the department – effective communication is required to ensure all staff are informed and capacitated to make the required linkages needing to be addressed. Secondly, effective communication

mechanisms between the department and other spheres of government – provincial departments, local municipalities and national departments – are required. Thirdly, communication with the public is improved through the existing Cape Gateway channels and the customer help desk. Accessible customer care and training of all staff in the principles of customer relations and Batho Pele is required.

*Key focus areas*

- Internal communications
- Inter-governmental communications
- Customer relations and public interface
- Community engagement process
- Consumer education programmes

*Targeted outputs over the medium term*

- An effective internal system of communication, including staff meetings and the regular production of an internal newsletter providing timely, relevant and meaningful information
- Regular communication between the department and other provincial departments, national departments and municipalities
- Coordinated information dissemination to municipalities
- Development and implementation of customer service level agreements.
- Functional community engagement process in place utilising CDWs and Ward Committees.
- Human settlement rights, responsibilities and choices understood by the broad public through consumer education programmes

**8. A well functioning transformed department capacitated to deliver.**

*Strategy*

A department that is adequately staffed, skilled and motivated to deliver on its mandate. This includes

- Continuous adjustment to the organisation of the department to meet its mandate
- Developing a team based approach to projects
- Applying recruitment, retention, selection, training and career development processes that are in line with legislative imperatives and departmental objectives
- Becoming a learning organisation with strategic planning and management competence.

*Key focus areas*

- Improved work flow processes
- Team work based on professionalism, willingness, tolerance and commitment
- Information, architecture and systems
- Human Resource Development plans focussed on career development and service delivery.
- Performance monitoring
- Performance management

*Targeted outputs over the medium term*

- All posts filled with competent and motivated staff
- A departmental performance monitoring system in place
- A performance management system implemented at all levels of the organisation
- Skills development strategy in place and being operationalised
- Social capital strategy implemented to effect changes to the organisational

culture within the Department

- An inter-directorate team-based approach to projects
- The culture of the department transformed in line with Batho Pele values and principles
- PFMA and DORA compliance
- 100% of budget efficiently and effectively spent each year.
- Work flow processes reviewed and improved to include service level agreements within the Department.

## Part B

### Programme and sub-programme performance targets

#### 3 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.

##### 3.1 Specified policies, priorities and strategic objectives

**STRATEGIC GOAL 7:** Communication both internally - in the department, between government departments and between spheres of government - and externally with the general public, communities and stakeholders is clear and accessible.

**STRATEGIC GOAL 8:** A well functioning transformed department capacitated to deliver.

##### **STRATEGIC OBJECTIVES:**

###### **Ministry:**

- To provide strategic direction and political leadership to the department, including cooperative relationships with the Provincial Cabinet and sister departments.

###### **HOD:**

- To provide dynamic leadership with good corporate governance to ensure timeous realisation of the vision
- To build and nurture cooperative governance and partnerships.

###### **Operations:**

- To facilitate the interface between various Departmental systems through the development of a Master Systems Plan
- To develop and implement an information management system for the Department
- To develop and implement a system to measure the performance and impact of departmental programmes
- To develop and implement a system to measure the performance of municipalities
- To regularly inform staff of new policies, strategies, and information

###### **Human resource management & Administration:**

- To fill all vacant posts timeously
- To achieve employment equity (representivity)
- To recruit and maintain highly motivated employees
- To review, improve, and implement all HR related policies and processes
- To improve the capacity to deliver on the Department's mandate through facilitating targeted training and skills development
- To review and improve workflow processes to both internal and external clients
- To provide logistical support
- To further develop and maintain an effective performance management system that is aligned with the Department's strategic priorities

###### **Finance:**

- To ensure effective, developmental, and transparent financial governance within the PFMA framework.
- To ensure strict compliance to the action plan relating to the closure of the Western Cape Housing Development Fund (WCHDF).

### Communication:

- To facilitate excellent external communications with customers, stakeholders and municipal partners
- To ensure excellent internal communication strategy, mechanisms and operation.

### 3.2 Analysis of constraints and measures planned to overcome them

The support to line functions is regarded as one of the critical areas that is prioritised by this programme. In this regard the Department is focussing on organisational transformation, which requires strategic support and guidance from this programme in terms of change / diversity management and human resources development.

The immediate responsibilities that this programme will execute include:

- The final implementation of the new structure into an operational team and a transformed Department
- The continuous development and implementation of the Strategic Human Resource Plan
- The effective and efficient management of the Staff Performance Management Plan
- The effective implementation of the employment equity plan

With regard to financial administration, there is a need for a fraud prevention and a risk management plan, increased support on the budget process to line functions, and increased support on the interpretation of financial requirements.

### 3.3 Specification of measurable objectives and performance indicators

**Table 1: Measurable objectives, performance indicators and targets – Programme 1: Administration**

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>Sub-programme 1.2: Corporate services</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2004/05 (actual)</b>	<b>Base year * 2005/06 (estimate)</b>	<b>Year 1 2006/07 (target)</b>	<b>Year 2 2007/08 (target)</b>	<b>Year 3 2008/09 (target)</b>
A fully staffed organisational structure.	Number of posts filled (%).	75	85	95	95	98
A department representative of the provincial demography.	Filled posts as a percentage of various population groups in all employment levels.	Coloured 56% White 28% African 15% Indian 1%.	Coloured 55% White 22% African 22% Indian 1%.	Coloured 54% White 21% African 25% Indian 1%.	Coloured 53% White 19% African 27% Indian 1%.	Coloured 52% White 18% African 29% Indian 1%.
Building human capital by facilitating targeted training interventions based on the organisational priorities	Number of profiles completed (%). Training Interventions Internal : External :	98  77 18	98  42 9	98  60 18	98  60 18	98  60 18

**PROGRAMME 1: ADMINISTRATION**

**Sub-programme 1.2: Corporate services**

Measurable objective	Performance measure or indicator	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
	Number of training interventions	686	700	1000	760	755
Effective and efficient internal and external communication of core competencies of the department.	A number of staff responses or inquiries emanating from reading the monthly NEWSLETTER. Updates of the WEB PAGE and number of visits to the site. Number of Public inquiries for departmental information Number of visitors to our offices Number of engagements with the media.	Monthly	Monthly	Monthly	Monthly	Monthly
Establish Customer Relations and Communication Unit and develop and implement public service level agreement	Number of staff employed in each of the following sub-units: Communication (9) Customer Relations – HELPDESK (4) Rental Housing Tribunal (11) Human Rights and Special Projects (4) Gender Disability HIV-AIDS EAP Language Unit(2)		7 2 7 2 0	7 4 11 4 2	9 4 11 4 2	9 4 11 4 2
Develop and implement a social capital strategy.	Quarterly reports on gender, youth and disability	4	4	4	4	4
	Interventions and programmes	2	2	2	2	2
Spend budget appropriately.	No over/under expenditure within 2%.	85	98%	98%	99%	99%
	Attainment of all prescribed due dates (budget management).	100%	100%	100%	100%	100%
Effective and efficient record keeping.	% files tracked.			90%	95%	98%
	% of files immediately available.			85%	90%	95%
Well equipped and accommodated personnel.	% computers, printers, cell phones (where necessary),etc.		95	95	98	98
	% clean uncluttered attractive offices			92%	94%	96%



**PROGRAMME 1: ADMINISTRATION**

**Sub-programme 1.2: Corporate services**

Measurable objective	Performance measure or indicator	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
<b>Monitoring and Evaluation</b>						
Consolidate departmental and municipal information	Operational departmental and municipality-based information management system			Completed System, half of system populated	Rest of system populated	Quarterly updates of information
Assess the performance and impact of departmental programmes through the identification and monitoring of indicators	Operational Departmental monitoring & evaluation system			Completed System, half of system populated	Rest of system populated	Quarterly updates of information
Assess the performance of municipalities through the identification and monitoring of indicators	Operational Municipal Monitoring & Evaluation System			Completed System, half of system populated	Rest of system populated	Quarterly updates of information
Develop a Master Systems Plan	Completed Plan			50% of design & implementation	100% of design and implementation	Annual review of plan
Spend budget appropriately.	No over/under expenditure within 2%. Attainment of all prescribed due dates (budget management).	85 100%	98% 100%	98% 100%	99% 100%	99% 100%
Successful closure of the WCHDF	Completion progress according to the action plan		50%	70%	100%	
Ensure sound financial accounting and risk management	Auditor-General Report and Audit Committee Report. Number of fraud cases, losses. % norms and standards met. Submission of financial statements and other reports on prescribed dates.	Unqualified. Nil 98% 100%	Unqualified. Nil 99% 100%	Unqualified. Nil 100% 100%	Unqualified. Nil 100% 100%	Unqualified. Nil 100% 100%

### 3.4 Reconciliation of budget with plan

**Table 2: Programme 1: Administration budget by sub-programme (R million)**

Sub-programme	Year – 2 2003/04 (actual)	Year - 1 2004/05 (actual)	Base year 2005/06 (estimate)	Average annual change (%)	Year 1 2006/07 (budget)	Year 2 2007/08 (MTEF projection)	Year 3 2008/09 (MTEF projection)	Average annual change (%)
1. Office of the MEC	6 301	5 174	4 289	(15.97)	4 795	4 995	5 250	4.74
2. Corporate services	20 418	32 077	41 691	52.09	45 445	50 800	51 513	6.68
<b>Total programme</b>	<b>26 719</b>	<b>37 251</b>	<b>45 980</b>	<b>36.04</b>	<b>50 240</b>	<b>55 795</b>	<b>56 763</b>	<b>6.49</b>

## 4 Programme 2: Housing

**Purpose:** To plan, facilitate and develop integrated and sustainable human settlements.

### 4.1 Specified policies, priorities and strategic objectives

**STRATEGIC GOAL 2:** Human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable.

**STRATEGIC GOAL 6:** A comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation.

#### **STRATEGIC OBJECTIVES:**

##### **Planning:**

- To coordinate the development of provincial multi year plans
- To provide capacity, resources and guidance to municipalities for municipal IDPs
- To support municipalities to develop the capacity to render the entire housing function
- To advocate and promote integrated and sustainable planning that addresses the dysfunctionalities of the past
- To facilitate strategic disposal of housing / or public assets such as land , for housing development

##### **Research:**

- To coordinate the development of the department's research agenda and data base, implement the research programme and where necessary establish research syndicates within the province.
- To support developmental local government & human settlements research programmes within the province

##### **Policy:**

- To conduct housing policy analysis.
- To develop policies for sustainable human settlements.
- To liaise and build relationships with national and international organizations e.g Habitat, UNDP, Cities Alliance.

##### **Housing delivery**

- To facilitate capacity support to municipalities and other key stakeholders.
- To initiate and implement economic and community empowerment programmes with the focus on youth and women.
- To improve service delivery and community participation in housing projects
- To facilitate peoples housing process.

## **4.2 Analysis of constraints and measures planned to overcome them**

### **The most important constraints are:**

- Operational capacity issues (provincial and municipal)
- Ineffective and limited integrated planning
- Funds shortage
- Housing programmes backlog
- Inadequate strategic Land and Assets Management Land purchase (land audit)
- Lack of special programmes (farm-worker, child, consumer, education, human rights)
- Poverty of beneficiaries.
- Lack of consumer education and awareness.
- Constant policy changes without a phase-in period results in crisis management and overload.
- Institutional change too slow
- Skills gap

### **Measures to overcome constraints:**

- Provincial: implement new structure, up-skill staff, define responsibilities and eliminate gaps
- Municipal: build and nurture co-operative governance through the Provincial Advisory Forum Technical Committee (PAFTECH), clusters, workshops and meetings. Supplement capacity and build multi-skilled task teams.
- Deliver innovatively
- Identify strategically located publicly owned land
- Improve strategic Assets and Land Management through innovation
- Research and revisit existing policies and delegations
- Research housing demand
- Finalisation of land audit
- GIS (interlinking relevant operational areas)
- Access to additional funding (Increasing own revenue by letting our assets work for us).
- Consumer education and awareness.

## **4.3 Description of planned quality improvement measures**

- Client satisfaction survey
- Measures to improve service standards (responses – telephone etc.)
- Develop and implement public service level agreements
- Marketing of department
- Accessibility of services to client (satellite service units)
- One-stop information
- Portal update (website)
- Capacity building (client care)
- Revisit values and develop change of attitude
- Performance driven culture

#### 4.4 Specification of measurable objectives and performance indicators

**Table 3: Measurable objectives, performance indicators and targets – Programme 2 Housing**

<b>Sub-programme 2.1: Housing planning and research</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2004/05 (actual)</b>	<b>Base year * 2005/06 (estimate)</b>	<b>Year 1 2006/07 (target)</b>	<b>Year 2 2007/08 (target)</b>	<b>Year 3 2008/09 (target)</b>
To revise the provincial multi year settlement plan.	Aligned with the Provincial Spatial Development Framework (PSDF), Strategic Infrastructure Plan (SIP) and reflecting municipal Integrated Development Plans (IDP's).			Annual Revision	Annual Revision	Annual Revision
Review Human Settlement Chapters in IDPs	IDP Chapters on Human Settlement			100%	Revise and adjust as needed	Revise and adjust as needed
To facilitate strategic use of housing / or public (and private) assets for integrating settlements.	Number of hectares identified. - State-owned - Private		250	125 50 75	150 75 75	175 100 75
To facilitate integrated and sustainable planning methodology and approaches in the Human settlement chapters of municipal IDPs	Human Settlement Chapters in IDPs in line with triple bottom line approach	Category B Municipality		24 Municipal IDPs	24 Municipal IDPs	24 Municipal IDPs
To undertake settlement research	No. Research Reports, Up-to-Date Database			4 Updated	4 Updated	4 Updated
To support municipalities in addressing the needs of rural residents with respect to services, evictions, and housing	Programmes to support basic service delivery, assistance with evictions, and housing information			Completed research & implementation plan & 50% implementation of plan	Remaining 50% implementation of plan	n/a
To develop a resource centre	Functional resource centre			70%	80%	100%
To develop and advocate policies for integrated and sustainable Human settlement	Housing Policies analyzed and aligned with iKapa Elihumayo and Breaking New Ground (BNG)			80%	100%	100%

**Sub-programme 2.2: Housing performance/subsidy programmes**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
To provide subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.		10 000*	10 000	12 000	12 000
To provide economic opportunity through housing projects.	Number of jobs created, including through Expanded Public Works Programme (EPWP).		35	1 500	1 500	1 500
	% value of project value undertaken by emerging contractors			10%	15%	20%

\* Change in policy to provide for the Upgrading of Informal Settlement Programme (UISP)

**2.2.1 Subsidy administration**

To provide support to the core function.	A fully staffed, appropriately skilled and equipped unit.		90%	90%	95%	98%
	Compliance to applicable policies, legislation, norms and standards and plans (%).		95	95	98	99

**2.2.2 Individual**

To provide Individual subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	1 123	3 500	500	500	500
	Number of people housed.		14 000	2 000	2 000	2 000
	Value of subsidies paid.	R42.830 m	R99m	R14m	R14m	R14m

**2.2.3 Project linked**

To provide Project linked subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	1 217	9 000	6 000	6 000	6 000
	Number of houses completed/under construction.	8 967 houses completed 16 965 sites serviced	9 000	6 000	6 000	6 000
	Number of projects approved within the defined urban edge.		18	12	12	12

**2.2.4 People's housing process (PHP)**

To provide PHP subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	12 913		1 500	1 500	1 500
	Number of housing units completed/under construction.	3 551		2 000	2 000	2 000
	Number of housing support centers funded.	29		20	20	20
	Number of projects approved within the defined urban edge.			8	8	8

**2.2.5 Consolidation**

To provide Consolidation subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	281	2 000	1 300	2 000	2 000
	Number of subsidies emanating from informal settlement upgrades.			1 300	2 000	2 000

**Sub-programme 2.2: Housing performance/subsidy programmes**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
<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	1	1
	Number of approved subsidies.	168	500	500	500	500
	Number of rental agreements signed.	168	500	500	500	500
<b>2.2.6 A Social Housing (new programme)</b>						
To provide Social subsidies to qualifying institutions in accordance with the housing policy	Number of housing units.			1 500	1 500	1 500
<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	7	4	4
	Number of units upgraded.	1 100	1 300	800	500	500
<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	50	50	50
<b>2.2.9 Disaster management/Emergency programme</b>						
To support disaster relief in accordance with the housing policy and building integrated and sustainable human settlements.	Number of families assisted.	3 239	12 000	12 000	10 000	8 000
	Number of projects approved.		20	20	15	10
<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	150	150	150
<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	100	100	100
<b>2.2.12: Upgrading of Informal Settlements Programme (UISP)</b>						
Facilitate/co-ordinate /implement/monitor the phased upgrading of informal settlements	Households on serviced sites			8 000	12 000	15 000
Provision of social/community facilities to informal settlements	Number of social/community facilities.			8	10	12

**Sub-programme 2.3: Urban renewal and human settlement development (See UISP. Programme finished in 2005/06)**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)

**Sub-programme 2.4: Housing asset management**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
Strategic use of public assets	Number of new housing units created in human settlements			500	500	500
Formulate effective Asset Management Plan in line with Treasury requirements	Number of poor people in well located rental units		7 896	6 000	5 500	5 000
	Phases of completion			Phase 1	Phase 2	Phase 3
Update and upgrade property register	Phases of completion			Phase 1	Phase 2	Phase 3
Update and sanitize debtors	Phases of completion % of introducing market rental			Phase 2 40%	Phase 3 60%	Phase 4 80%

**2.4.2 Maintenance**

To ensure that housing units are maintained in line with the Maintenance Plan	Number of housing units and vacant erven	2 350	2 353	2 353	1 750	1 500
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**2.4.3 Transfer of housing assets**

To provide strategically for the transfer of housing assets	Number of properties transferred	124				
	Residential		250	250	250	250
	Non residential		50	50	50	50

**2.4.5 Management of housing assets**

To ensure effective and efficient collection of debt	Potential income received.	R12m	R25m	R19m	18m	17m
	Debt collection rate (%).	25	30	35	45	55

**2.4.5 Devolution of rental stock**

Strategic devolution of housing assets.	Number of properties devolved to municipalities.	84	197	20	20	20
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**2.4.6 Rental tribunal**

To promote, facilitate and regulate rental housing within the Province.	% of registered cases resolved.	67	100	100	100	100
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**2.4.9 Discount benefit**

To promote ownership of	Number of residential	124	300	350	350	350
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**Sub-programme 2.3: Urban renewal and human settlement development (See UISP. Programme finished in 2005/06)**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
state financed rental housing.	properties transferred to households.					

**2.4.10 Subsidy (4 of 1987)**

To provide subsidies to qualifying debtors in respect of repayment of loans of previous dispensation housing.	Value of subsidy (R'000).	-	1 000	6 000	5 000	4 000
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**4.5 Reconciliation of budget with plan**

**Table 4: Programme 2: Housing budget by sub-programme (R million)**

Sub-programme	Year – 2 2003/04 (actual)	Year - 1 2004/05 (actual)	Base year 2005/06 (estimate)	Average annual change (%)	Year 1 2006/07 (budget)	Year 2 2007/08 (MTEF projection)	Year 3 2008/09 (MTEF projection)	Average annual change (%)
1. Housing planning and research	11 647	17 759	7 265	(18.81)	8 831	9 217	9 460	3.56
2. Housing performance/ subsidy programmes	292 728	518 830	589 494	50.69	616 132	765 684	841 094	18.26
3. Urban renewal and human settlement redevelopment	12 375	18 420	30 190	71.98	5 321	5 573	5 851	4.98
4. Housing asset management	36 667	25 698	40 415	5.11	33 202	33 620	37 669	6.73
<b>Total programme</b>	<b>353 417</b>	<b>580 707</b>	<b>667 364</b>	<b>44.42</b>	<b>663 486</b>	<b>814 094</b>	<b>894 074</b>	<b>17.38</b>

## 5 Programme 3: Local Governance

**Purpose:** To promote and facilitate viable and sustainable developmental local governance.

### 5.1 Specified policies, priorities and strategic objectives

**STRATEGIC GOAL 1:** Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner.

**STRATEGIC GOAL 3:** Institutionalised and operational inter-governmental relations.

#### **STRATEGIC OBJECTIVES:**

- To provide management and support services to local government within a regulatory framework
- To understand the needs of municipalities based on municipal assessments and audits
- To support municipalities to ensure financially viable and socially and economically sustainable municipalities
- To improve access to the social safety net by poor households through the monitoring and support of the implementation of free basic services
- To facilitate and monitor infrastructural development within municipalities to ensure sustainable municipal infrastructural development and optimum local economic benefits
- To promote the department as the principal liaison structure with municipalities, facilitating developmental co-operative governance
- To facilitate effective IGR and Public Participation processes, including CDWs and Ward Committees, to enhance the relationship between government and local communities
- To ensure horizontal and vertical integration through information sharing and strategic dialogue
- To manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms
- To promote the development of an acceptable fire brigade service in the Province of the Western Cape.
- To manage the partnership between the Department and the SIU towards a corruption free Department and municipalities
- To obtain clarity on the functional division between the provincial and local spheres

### 5.2 Progress analysis

Municipalities will be supported with the implementation of free basic services, for example with the signing of Escom agreements. Ongoing specialized support will be provided to the Kannaland and Cederberg municipalities. With the assistance of a reference group, the Department will start to implement the municipal capacity building strategy.

The Department with the assistance of the SIU is in the process of investigating cases of alleged corruption and / or irregularities.

The monitoring and facilitation with regard to sustainable infrastructure development will be done on an ongoing basis. The competencies of municipal personnel to tackle their infrastructure challenges will also be monitored. Municipalities will receive support in applying EPWP principles when MIG infrastructure projects are implemented, so as to maximise downstream opportunities for communities.

### 5.3 Analysis of constraints and measures planned to overcome them

- Insufficient skilled and dedicated personnel with necessary competence to understand and address the developmental and transformational challenges
- Shortage of strategic, people, and project management skills
- Uncertainty regarding the mechanisms to fund disaster management function in and amongst all three spheres of government. To overcome this constraint, the disaster management funding mechanisms will be addressed during the drafting and implementation of the Provincial Disaster Management Framework

### 5.4 Description of planned quality improvement measures

The quality of service will be improved through the following interventions:

- Client (municipality) satisfaction survey
- Development and implementation of public service level agreements with municipalities
- Marketing of department programmes and services
- Performance driven culture
- The establishment of a well developed and effective personnel corps to perform the disaster management and fire brigade service objectives of the Department
- Implementation of various aspects of the Disaster Management Act
- Creation of sufficient personnel capacity to advise municipalities regarding fire fighting services.

### 5.5 Specification of measurable objectives and performance indicators

**Table 5: Measurable objectives, performance indicators and targets – Programme 3 Local Governance**

Sub-programme 3.1: Local governance						
Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
<b>Municipal administration</b>						
To maintain the institutional integrity of municipalities.	Consolidation of establishment notices		30 Municipalities	Amend as required.	Amend as required	Amend as required
	Ensure that outer and ward boundaries are technical correct		30 Municipalities	30 Municipalities	30 Municipalities	30 Municipalities

**Sub-programme 3.1: Local governance**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
	Assessment of and recommendation of senior municipal managers' conditions of service (salaries and performance contracts)			30 Municipalities	30 Municipalities	As required
To provide legislative support and advice to municipalities.	To provide standard by-laws as needed.		1 standard by-law.	2 standard by-laws.	1 standard by-law.	1 standard by-law.
	Fully operational resource centre for local government legislation to assist municipalities and the Department.			Promote services in Dept and at municipalities.	Promote services in Dept and at municipalities.	Promote services in Dept and at municipalities.
	To provide guidelines to municipalities as needed.			2	1	1
To develop new provincial local government legislation	A provincial act on local government encompassing the provincial mandate as well as legislation requirements. (Privileges and immunities) .		Draft Green Paper.	Green /White Paper process.	1 Act	
To rationalize redundant and conflicting provincial and local government legislation	Legislation to rationalize redundant and conflicting provincial and local government legislation		Draft Bill	1 Provincial Act	Research with view to develop new legislation	1 Act
Revision of Cango Caves Ordinance	Establish proper constitutional basis for review.		Basis determined.	Ordinance reviewed.		
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. All municipalities complying.	1 input. All municipalities complying.	1 input. All municipalities complying.
	Number of Code of Conduct cases satisfactorily dealt with.	8	1	As required.	As required.	As required.
To deal with objections re closure of public streets and public places.	Number of objections satisfactorily dealt with.			On application.	On application.	On application.
To coordinate 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 coordinated and legally complied with.	Formal section 106 intervention: Kannaland	Formal section 106 intervention: Kannaland	Formal section 106 intervention: Kannaland	As required.	As required.
	Irregularities (outside of above scope) investigated and acted upon.		10	As encountered	As encountered	As encountered
	Manage agreement with SIU to the benefit of the Department.		Continuous	Continuous	Continuous	Continuous

**Sub-programme 3.1: Local governance**

<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2004/05 (actual)</b>	<b>Base year * 2005/06 (estimate)</b>	<b>Year 1 2006/07 (target)</b>	<b>Year 2 2007/08 (target)</b>	<b>Year 3 2008/09 (target)</b>
To formulate position on the Khoi-San issue in terms of the Traditional Leadership Framework Act	Formulation of a position paper in consultation with stakeholders.			Research	Position paper	
<b>Intergovernmental relations</b>						
To promote the department as the principal liaison structure, facilitating development co-operative governance in terms of the Intergovernmental Relations (IGR) legislation.	IGR structures strengthened and maintained (Premiers Intergovernmental Forum (PIF), Metropolitan Intergovernmental Forum (MIF) and District Intergovernmental Forum (DIF) and Provincial Technical Forums  Quarterly meetings are held in Districts (DIF) and the Metro (MIF)  Facilitate MIF and PIF technical working group meetings as required  Bi-annual (PIF) meetings			4  1 meeting per quarter  2 meetings per annum	4  1 meeting per quarter  2 meetings per annum	4  1 meeting per quarter  2 meetings per annum
To Improve coordination and integration between the three spheres of government	Priorities and resources of the three spheres of government are aligned.  Facilitate municipal and provincial working group meetings  Intra-departmental teams are established per programmes or as requires  Support internal Integrated Human Settlement team with intergovernmental relation process as required			30%  30%	50%  70%	80%  100%
To develop a Monitoring and Evaluation system for Intergovernmental relations to promote accountability	Regular outcomes based progress reports			Quarterly reports	Quarterly reports	Quarterly reports
<b>Municipal support and capacity building</b>						
To provide broad based general support to municipalities to enhance their compliance with statutory requirements as well as to guide them on new national policy matters.	<ul style="list-style-type: none"> <li>• Number of support initiatives identified and undertaken based on needs analysis of municipalities</li> <li>• Number of guideline documents issued</li> <li>• Number of workshops facilitated</li> </ul>			1  4  1	1  4  1	1  4  1

**Sub-programme 3.1: Local governance**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
	<ul style="list-style-type: none"> <li>Number of info sessions held</li> </ul>			1	1	1
To assist the Department of Provincial and Local Government (DPLG) with the finalization and roll out of an anti-corruption strategy at pilot municipalities.	<ul style="list-style-type: none"> <li>Finalized strategy</li> <li>% Progress with the development of a general communication strategy for municipalities</li> <li>Number of workshops to raise awareness on good governance</li> </ul>			1 80%	0 90%	0 100%
To support municipalities with the implementation of free basic services	<ul style="list-style-type: none"> <li>Number of information workshops to communicate new national guidelines if and when promulgated on next new free basic service</li> <li>Facilitate communication between municipalities and Eskom with the signing of agreements</li> </ul>			1 1	1 1	1 1
To provide specialized interventative support to municipalities experiencing administrative or financial problems that are serious enough to negatively affect service delivery.	<ul style="list-style-type: none"> <li>Number of support initiatives identified, undertaken and solved at municipalities</li> </ul>			2	0	0
To develop a capacity-building strategy and facilitate the implementation of the capacity building strategy based on the results of the assessment of the municipalities' capacity needs.	<ul style="list-style-type: none"> <li>Developed strategy</li> <li>Established capacity building reference group</li> <li>Number of bursaries awarded</li> <li>Number of municipal officials trained</li> <li>Number of identified best practice examples and distribution/ sharing with other municipalities</li> </ul>			1 1 1 30 4	0 1 1 30 4	0 1 1 30 4
	<ul style="list-style-type: none"> <li>Competency frameworks for senior municipal personnel</li> <li>Capacity profile of a municipality</li> </ul>			4 1	0 1	0 1

**Sub-programme 3.1: Local governance**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
To facilitate Councillor/ Management Development Programmes.	Number of newly elected Councillors on a Councillor Development Programme, including women councillor leadership development programme			50%	25%	25%
To assist municipalities with the implementation of the new Property Rates Act.	<ul style="list-style-type: none"> <li>Number of workshops facilitated</li> <li>Number of guideline documents issued</li> </ul>			1 1	0 0	0 0
<b>Municipal infrastructure</b>						
To facilitate the management of the Municipal Infrastructure Grant (MIG) programme in the Province.	% of provincial MIG allocation spent by municipalities.  Monthly progress reports to national department.	100%  12	80%  12	100%  12	100%  12	100%  12
To influence the creation of economic opportunities and maximize the MIG programme benefits.	Number of joint initiatives between the MIG, Expanded Public Works Programme (EPWP) and other municipal infrastructure projects.  Number of initiatives/training sessions undertaken to influence municipal project prioritization		2  2	10  1 Training session and 12 interactions with engineers	15  2 training sessions And 12 interactions with engineers	15  2 training sessions And 12 interactions with engineers
To monitor the condition and maintenance of municipal infrastructure.	Number of studies undertaken with regard to municipal services.		1	1	1	1
To monitor the competencies of municipal personnel to tackle their infrastructure challenges.	% Progress made in respect of the development and maintenance of a flexible monitoring tool.	50%	90%	80%	90%	90%
To monitor municipal infrastructure backlogs.	Maintained database.	1	1	1	1	1
To monitor municipal expenditure on infrastructure development.	Number of reports to HOD, Minister and municipalities.	4	4	4	4	4
To monitor municipal expenditure on the maintenance of existing municipal infrastructure.						
<b>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.	Risk and vulnerability assessment.	Commence work on framework.	Finalised framework.		
To establish integrated institutional capacity within the Province to enable effective implementation of disaster risk management	<ul style="list-style-type: none"> <li>Number of meetings of the Intergovernmental Disaster Management Committee (IGDMC).</li> </ul>		Establish committee	2	2	2

**Sub-programme 3.1: Local governance**

Measurable objective	Performance measure	Year-1 * 2004/05 (actual)	Base year * 2005/06 (estimate)	Year 1 2006/07 (target)	Year 2 2007/08 (target)	Year 3 2008/09 (target)
policy and legislation	<ul style="list-style-type: none"> <li>Number of meetings of the Provincial Disaster Management Advisory Forum (PDMAF).</li> <li>Number of meetings of the Disaster Management Technical Committee.</li> </ul>		Establish forum  Establish committee	2  12	4  12	4  12
To mitigate the severity of disasters.	<ul style="list-style-type: none"> <li>Number of workshops to review provincial hazard assessment and capture data.</li> <li>Number of TEAM pilot projects.</li> <li>Earthquake hazard assessment.</li> </ul>			3  3  1	6  7	6  -
To prepare for and respond to disasters.	<ul style="list-style-type: none"> <li>Finalize establishment of Provincial Emergency Management Centres.</li> <li>Number of District and Metro Emergency Management Centres established.</li> <li>Initiate the development of a generic disaster management contingency plan.</li> </ul>			1  3  Initiate	Opera- tional center  5  Finalize	Opera- tional center  6  Implement
To coordinate disaster recovery.	<ul style="list-style-type: none"> <li>Number of debriefing case studies.</li> <li>Initiate and develop a relief, rehabilitation and reconstruction IT programme.</li> </ul>			5  Initiate	10  Finalize	10  Implement
To ensure compliance to the Fire Brigade Act.	<ul style="list-style-type: none"> <li>Number of Provincial Fire Brigade Forum Meetings.</li> <li>Number of Category of Authorized Persons investigations.</li> </ul>		Establish forum	4  5	4  10	4  11



## 5.6 Reconciliation of budget with plan

**Table 6: Programme 3: Local Governance budget by sub-programme (R million)**

Sub-programme	Year – 2 2003/04 (actual)	Year - 1 2004/05 (actual)	Base year 2005/06 (estimate)	Average annual change (%)	Year 1 2006/07 (budget)	Year 2 2007/08 (MTEF projection)	Year 3 2008/09 (MTEF projection)	Average annual change (%)
1. Municipal Administration	2 837	3 847	5 164	41.01	4 894	5 091	5 171	2.83
2. Municipal support and capacity building	22 830	19 234	23 119	0.63	12 358	10 577	9 942	(9.78)
3. Municipal Infrastructure	11 701	13 046	8 989	(11.59)	9 002	9 312	9 402	2.22
4. Disaster Management	5 024	3 978	36 717	315.42	5 497	7 552	10 290	43.60
<b>Total programme</b>	<b>42 392</b>	<b>40 105</b>	<b>73 989</b>	<b>37.27</b>	<b>31 751</b>	<b>32 532</b>	<b>34 805</b>	<b>4.81</b>

## 6 Programme 4: Development and Planning

**Purpose:** To promote integrated and sustainable planning.

### 6.1 Specified policies, priorities and strategic objectives

**STRATEGIC GOAL 1:** Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner.

**STRATEGIC GOAL 6:** A comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation.

**STRATEGIC GOAL 7:** Communication both internally - in the department, between government departments and between spheres of government - and externally with the general public, communities and stakeholders is clear and accessible.

#### **STRATEGIC OBJECTIVES:**

##### **Development and Planning:**

- To streamline the requirements for effective IDP's and rationalise sector-planning requirements under an integrated framework.
- To prepare an effective cadetship of strategic planning and delivery capabilities within municipalities based on clear district roles.
- To facilitate regular intergovernmental dialogue on IDP planning and implementation.
- To provide leadership in building and implementing developmental local government
- To understand the regions and thereby maximise the developmental opportunity
- Constructive management of community focused matters
- To promote effective and efficient integrated development planning
- To liaise and build relationships with national and international organizations
- Effective co-ordination and intensifying of the Provincial input towards the ISRDP and the URP
- To focus on the linkages between and developmental impact of programmes
- Effective development and co-ordination of local government training initiatives

##### **Research:**

- To coordinate the development of the department's research agenda and data base and the implementation of the research programme including the establishment of research syndicates where necessary.

##### **Project Consolidate:**

- To coordinate and facilitate the implementation of project deliverables in terms of the 5 nationally identified KPA's To provide strategic project direction and support to municipalities To unblock blockages

### 6.2 Progress analysis

The department will render targeted assistance to at least five local municipalities to plan, formulate, approve and implement public participation arrangements in their respective municipal areas.

The proposed project will enable the municipalities in the province to formulate and develop meaningful mechanisms for public participation in local government. It will also assist the Provincial Government to fulfil a critical support role to the municipal

level in the province. It will be a learning-by-doing exercise (by involving community stakeholders as well as municipal councillors), resulting in formalised community participation frameworks for at least five local municipalities in the Western Cape. The goal is to promote developmental local governance by way of sustainable public participation.

The Department will continue to strengthen existing partnerships with parastatals, non-governmental organisations, community-based organisations, as well as tertiary institutions and initiate new ones in order to fast track progress towards building development orientated municipal structures to address poverty.

The full time deployment of Community Development Worker (CDW) with its municipal/community based work programme, is facilitating accelerated service delivery, creating community awareness and improving access of government services and other developmental opportunities, with a specific focus on the poor and vulnerable communities. The CDW as a development facilitator acts as resourceful, dedicated catalyst for community development and works with the municipality, government officials, ward councillor and ward committees.

Project Consolidate will continue to mobilise, facilitate and coordinate direct hands-on support to municipalities from sector departments, service providers, parastatals (State Owned Enterprises), resources and other stakeholders (external & internal)

### **6.3 Analysis of constraints and measures planned to overcome them**

- Lack of geographic prioritisation and alignment across the spheres of government.
- Responding to the needs of communities and balancing short and long term needs.
- Balancing delivery with a developmental and sustainable approach.
- Insufficient skilled and dedicated personnel with necessary competence to understand and implement the developmental and transformational challenges. This will be addressed through the development of a fully resourced and well developed and effective staff cadre that can effectively and efficiently realize the strategic objectives.

### **6.4 Description of planned quality improvement measures**

The main intervention will be the establishment of a well developed and effective personnel cadre to effectively support municipalities and 9 departments with development and planning.

- Client (municipality) satisfaction survey
- Develop and implement public service level agreements with Client (municipality)
- Marketing of department programmes and services
- Performance driven culture

## 6.5 Specification of measurable objectives and performance indicators

**Table 3: Programme 4: Development and Planning: Measurable objectives, performance indicators and targets**

<b>Sub-programme 4.1: Integrated development and planning (IDP)</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2004/05 (actual)</b>	<b>Base year * 2005/06 (estimate)</b>	<b>Year 1 2006/07 (target)</b>	<b>Year 2 2007/08 (target)</b>	<b>Year 3 2008/09 (target)</b>
Facilitate the development of credible socio-economic analysis chapters of IDP's	Strategies in IDPs are informed by available socio-economic reality and trend analysis			30	30	30
	Housing Chapters are developed in IDP's as well as in sector plans			30	30	30
Improved municipal strategic management ability within each municipality for IDP planning and implementation	Dedicated IDP responsibility and staff in each municipality			30	30	30
	Annual Provincial IDP Conference			1	1	1
	Support to district Planning and Implementation Support (PIMS) centres			5	5	5
	Facilitate annual IDP training events to municipal staff involved in IDP			4	4	4
	Maintain IDP web-page on provincial website			Continuous updating	Continuous updating	Continuous updating
Improved Provincial-municipal planning and budgeting engagement	IDPs and municipal budgets are linked with the national and provincial strategic programmes including NSDP and PSDF.			30	30	30
	IDPs' and budgets are aligned			30	30	30
	Provincial departments have access to IDP information of municipalities			Up to date IDP nerve centre	Up to date IDP nerve centre	Up to date IDP nerve centre
	A completed annual engagement process between provincial departments and municipalities on IDP strategic priorities and budget implications			2 per year	2 per year	2 per year
Monitoring and Evaluation system for IDP developed	All 30 municipal IDPs are received and assessed in terms of Municipal Systems Act, 2000			30	30	30
	Quarterly assessments reports on progress made with the implementation of IDPs			quarterly	quarterly	quarterly

#### 4.1.1: Policy and strategy

To facilitate the re-alignment of functions between province and municipalities	Application of provincial framework to functions requiring clarification			4 functions clarified	5 functions clarified	5 functions clarified
To support municipalities in addressing the needs of rural residents with respect to services, evictions, and housing	Programmes to support basic service delivery, assistance with evictions, and housing information			Completed research & implementation plan & 50% implementation of plan	Remaining 50% implementation of plan	n/a

#### 4.1.2: Research (See Housing)

#### 4.1.3: Governance and institutional development

Facilitate urban and rural development in the presidential nodes	Number of additional integrated projects identified by all 3 spheres of government in nodes			5	8	10
Facilitate urban and rural development in the presidential nodes	Provincial-nodal priorities and resources are aligned					
	Provincial-municipal multi-disciplinary teams established as needed			5	5	5
	Establish a monitoring, evaluation and reporting system			1	1	1

#### Sub-programme 4.2 (CDW) (Public participation)

<b>Community development worker programme (Public participation)</b>						
To appoint full-time Community Development Workers in priority areas that will continuously work and assist communities by collaborating with government departments at all levels.	Number of posts establish on staff structure. Provide the necessary resources. Enhance co-ordination efficiency.			200 200	150	150
To create community-based resources persons who will facilitate government service delivery gaps and do referrals through a Learnership Programme.	Establish a provincial admin support unit as well as implementation of a community research programme (Action Research). Number of metropolitan and district admin support staff. Number of CDW's in Learnership programme Maintain CDW Database Number of reports to Premier/MEC/HOD, Municipalities and other stakeholders Review of MOU's			1 6 200 Monthly Monthly 28	6 6 Monthly Monthly 28	6 6 Monthly Monthly 28
	Capacity building and training for			90	90	90

**Sub-programme 4.2 (CDW) (Public participation)**

	Mentors and Coaches			Officials	Officials	Officials
Provide infrastructure and support for the Directorate staff, full-time CDW's & Regional Co-ordinators	To improve service delivery and effective and efficient learner support Well equipped and accommodated personnel (Computers, printers, transport, fax machine, cell phones, furniture, accommodation (where necessary), etc.		70%	100%	100%	100%
Implement communication and marketing strategy	Distribution of a newsletter to all municipalities and building an inclusive Information Society through multi-stakeholder partnerships Develop CDW Case study booklet annually			Monthly 1	Monthly 1	Monthly 1
Establish MIS with SITA & GCIS and Centre for E-Innovation as partners	Promote electronic access to reports on the activities and referrals.			Ongoing	Ongoing	Ongoing
To implement public participation mechanisms	Number of municipalities supported in implementing public participation programmes Annual Provincial and Regional Public Participation Conferences Capacity building and training of ward committee members and promote Ward Base Planning.			30 1 30	30 1 30	30 1 30
Institutionalizing of local youth unit within Municipalities	Creating conducive environment for municipalities to establish local youth unit and promote social & economic development amongst the youth Annual Provincial & Regional Youth Conferences Link all youth initiatives to the Provincial Youth Commission and NYS ( Umsobomvu projects and programmes) Number of training programmes / workshops Number of Officials trained (Municipalities and Provincial Departments)			30 1 Ongoing 3 90	30 1 Ongoing 3 90	30 1 Ongoing 3 90

### Sub-programme 4.3: Project Consolidate

To ensure successful implementation of capacity support initiatives to target municipalities in terms of Project Consolidate (PC).	Finalized municipal action plans (MAP's)			8		
	% Progress made with the implementation of the MAP's			100%		
	Number of provincial project management meetings			12		
	Number of municipal steering committee meetings			96		
To monitor the implementation of the identified capital projects and capacity building projects.	Number of project management meetings.			12		
	Number of site visits			20		
	Number of progress reports to HOD, Minister and Dplg			12		
To facilitate and support municipalities with: - Sector department inputs - Line department inputs - National inputs	Number of project management meetings.			12		
	Number of supporting initiatives initiated (blockages unblocked)			10		

## 6.6 Reconciliation of budget with plan

**Table 4: Programme 4: Development and planning budget by sub-programme (R million)**

Sub-programme	Year – 2 2003/04 (actual)	Year - 1 2004/05 (actual)	Base year 2005/06 (estimate)	Average annual change (%)	Year 1 2006/07 (budget)	Year 2 2007/08 (MTEF projection)	Year 3 2008/09 (MTEF projection)	Average annual change (%)
1. Integrated development and planning	4 164	7 809	6 857	32.34	8 523	9 004	9 339	4.79
2. Community development worker programme			11 786		21 000	22 000	22 833	4.36
3. Project Consolidate			956		1 962	2 085	2 187	5.73
<b>Total programme</b>	<b>4 164</b>	<b>7 809</b>	<b>19 581</b>	<b>185.12</b>	<b>31 485</b>	<b>33 089</b>	<b>34 359</b>	<b>4.56</b>

## 7 Implementation of the capital investment, maintenance and asset management plan

Most rental units especially flat complexes will be needing some rehabilitation (upgrading) over the next three years to the amount of R7 million for upgrading and R3 million for day to day maintenance.

Maintenance and upgrading/rehabilitation are done in accordance with the 3-year maintenance plan.

**Table 5: New projects, upgrades and rehabilitation (R '000)\***

Upgrading & Rehabilitation	2004/05 (actual)	2005/06 (actual)	2006/07 (budget)	2007/08 (projection)	2008/09 (projection)	2009/10 (projection)
Programme 2		7 000	7 000	7 000	7 000	7 000
Total upgrading and rehabilitation		7 000	7 000	7 000	7 000	7 000

**Table 6: Building maintenance (R '000)**

Maintenance	2004/05 (estimate)	2005/06 (budget)	2006/07 (projection)	2007/08 (projection)	2008/09 (projection)	2009/10 (projection)
Programme 2	2 116	5 000	3 000	3 000	3 000	3 000

## 8 Medium-term revenues

### 8.1 Summary of revenue

**Table 7: Summary of revenue: Local Government and Housing**

R 000	2003/04 (actual)	2004/05 (actual)	2005/06 (budget)	2006/07 (MTEF projection)	2007/08 (MTEF projection)	2008/09 (MTEF projection)
Voted by legislature	(62 585)	118 029	178 138	144 979	153 618	162 805
Conditional grants	460 803	483 903	598 270	598 800	748 548	822 426
Departmental receipts	28 474	18 579	25 090	25 090	25 090	25 090
Financing			10 400			
Own receipts (Provincial Treasury)				8 093	8 254	9 680
<b>Total revenue</b>	<b>426 692</b>	<b>620 511</b>	<b>811 808</b>	<b>776 962</b>	<b>935 510</b>	<b>1 020 001</b>



## 8.2 Departmental revenue collection

**Table 8: Departmental revenue collection: Local Government and Housing**

R 000	2003/04 (actual)	2004/05 (actual)	2005/06 (budget)	2006/07 (MTEF projection)	2007/08 (MTEF projection)	2008/09 (MTEF projection)
<b>Current revenue</b>						
Tax revenue						
Non-tax revenue	26 492	1 047	3 090	3 090	3 090	3 090
<b>Capital revenue</b>						
(specify) Financial transactions in assets and liabilities	1 982	38 037	22 000	22 000	22 000	22 000
<b>Departmental revenue</b>	<b>28 474</b>	<b>39 084</b>	<b>25 090</b>	<b>25 090</b>	<b>25 090</b>	<b>25 090</b>

## 8.3 Conditional grants

**Table 9: Summary of Conditional Grants**

Name of Conditional Grant	2003/04 (actual)	2004/05 (actual)	2005/06 (estimate)	2006/07 (MTEF projection)	2007/08 (MTEF projection)	2008/09 (MTEF projection)
CMIP/MIG	3 281	3 427				
LG Capacity Building Fund	23 832	21 141	10 783			
Disaster relief grant			24 500			
Human settlement and redevelopment	10 379	16 179	29 738			
Integrated housing & human settlement development	281 865	510 943	533 249	598 800	748 548	822 426
<b>TOTAL</b>	<b>319 357</b>	<b>551 690</b>	<b>598 270</b>	<b>598 800</b>	<b>748 548</b>	<b>822 426</b>

## 8.4 Donor funding

None

# 9 Co-ordination, co-operation and outsourcing plans

## 9.1 Interdepartmental linkages

- The Department has linkages with the National Department of Provincial and Local Government and the Department of Housing. In addition it liaises with sister national Departments including: Land Affairs, Social Development and Treasury. It also facilitates the implementation of national programmes such as the EPWP.
- The Department is delivering programmes on behalf of the National Department of Provincial and Local Government, some in relation to schedule

5 grants (in terms of the Division of Revenue Act); including the local government systems improvement grant, MIG and LED funds, as well as other programmes such as URP and ISRDP.

- The Department works within the provincial frameworks of *Ikapa Elihlumayo* and the Provincial lead strategies such as the PSDF, MEDS and SIP.
- The Department has links with every Provincial Department in relation to their municipal interface.
- The Department also coordinates the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews
- The Department formulates legislation within the national legislation.
- The Department performs its disaster management responsibilities in close co-operation with the national Disaster Management Centre situated in the Department of Provincial and Local Government. A similar relationship exists with District Municipalities through the phased implementation of the Disaster Management Act.

## **9.2 Local government linkages**

- The Department works very closely with municipalities in providing capacity and other forms of support and funding for housing
- In terms of the IGR Framework Act, the Department is responsible for establishing, maintaining and supporting IGR structures and relationships.
- The Department is delivering programmes on behalf of the National Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government systems improvement grant, MIG and LED funds, as well as other programmes such as URP and ISRDP.
- The Department has links with every Provincial Department in relation to their municipal interface
- The Department also coordinates the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews.
- The Provincial Treasury and the Department co-operate in relation to the monitoring of Municipal Finances.
- The Department executes its disaster management responsibilities in close co-operation with the municipalities in the Province, as the primary implementation agent of disaster management.

### 9.3 Public entities

The Department is still responsible for winding up the affairs of the Western Cape Housing Development Board, although the WCHD Fund is dormant.

### 9.4 Public, private partnerships, outsourcing etc

None

## 10 Financial Management:

### 10.1 Strategies to address audit queries

**Table 11: Auditor-General report emphasis of matter on 2004/05 annual financial statements**

Number	Emphasis of matters	Medium strategy to address
1.	<b>Outstanding municipal debt</b> The department had a contingent liability in respect of arrear municipal rates. Due to the fact that the department was still in the process of reconciling and reviewing these accounts, the total effect of the liability could not be quantified.	The Department is reconciling the municipal accounts in co-operation with the respective municipalities
2.	<b>Asset management</b> Processes and procedures to ensure the safeguarding, maintenance of assets as well as the effective and efficient utilisation of assets could not be confirmed as a formal asset management policy did not exist. Furthermore, a formal asset register that conforms to the guidelines issued by National Treasury was not maintained as details such as acquisition dates, details relating to disposals, and other asset details were not available on the Logis printout that was utilised by the department as the asset register.	This is a national/provincial transversal problem. PT, NT and provincial departments are addressing this problem.
3.	<b>Non-compliance with laws and regulations</b> The following instances of non-compliance with the PFMA or National Treasury regulations were identified:  (1) Invoices were found not to have been paid within 30 days of receipt of invoice as the department did not have an adequate system implemented to determine the date of receipt of invoices.  (2) Paysheets to confirm existence of employees were not returned in a timely manner from the various paypoints.	Corrective measures were instituted by the CFO
4.	<b>Internal audit</b> No internal audit work had been performed at the department during the financial year under review upon which reliance could be placed.	This department is fully reliant on the centralised internal audit unit. The Department is part of the internal audit plan for 2005/06.
5.	<b>Risk assessment and fraud prevention plan</b> Although a risk assessment had been performed by the internal auditors during the financial year under review, the fraud prevention plan adopted by the department was still the generic document which will be tailored to the specific needs of the department.	Will be completed in 2005/06 in consultation with the Shared Internal Audit Consortium
6.	<b>Internal checking and control</b> Various control weaknesses and deficiencies were highlighted and brought to the attention of the accounting officer by way of informal queries and a management letter, which included,	The Department will implement the corrective steps as recommended by the auditors

Number	Emphasis of matters	Medium strategy to address
	<p><i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>• Measures to verify the completeness and accuracy of royalty income were inadequate;</li> <li>• Documentation in respect of subsidies was not readily available;</li> <li>• There was a lack of adequate controls in respect of the awarding of bids to companies owned by the same individual; and</li> <li>• Stock count procedures were inadequate.</li> </ul>	
7.	<p><b>Previous audit report</b></p> <p>With reference to page 37, paragraph 4.1 of the 2003/04 annual report, it was reported that irregular expenditure amounting to R690 000 relating to the appointment of consultants had occurred. Since current legislation does not allow for the condonation of such expenditure, the department is currently awaiting an adjustment to the relevant legislation before this matter can be finalised.</p>	PFMA not yet amended to make provision for condonation of irregular expenditure.

## 10.2 Implementation/compliance of/to the PFMA

All staff members were originally introduced to the new financial legislation by means of information sessions by the Provincial Treasury, distribution of applicable documentation and training sessions in order to ensure that they have a background knowledge of the norms and standards of the Public Finance Management Act (PFMA), the National Treasury Regulations (NTR's) and the Provincial Treasury Instructions (PTI's). All newly appointed staff undergoes similar training and personnel will also be nominated for courses presented by the Provincial Treasury. Structured departmental information sessions will also be introduced.

Quarterly reporting will be done to the Provincial Treasury to ensure that the department is on track with the implementation of the PFMA.

Financial processes and procedures in respect of the Treasury Instructions and the Exchequer Act have been adapted and issued in terms of the PFMA and NTR's. As the need arises, new procedures are developed and issued in terms of the new legislation/regulations.

The Department is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005 extended by Resolution 95/2005 for 2 more years to 31 March 2007.

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter. However it did not address internal audit issues as envisaged in its Charter and the PFMA, due to the suspension of Internal Audit activity in 2003 (Provincial Treasury Circular No. 25/2003).

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the Provincial Government over a three-year period.

The assessment of Internal Controls by Internal Audit was suspended in 2003 and the Operational Audit Plan was rescheduled to commence in 2005/6, following completion of the Risk Assessment and Process and Control Mapping exercises.