

# VOTE 11

## Traditional & Local Government Affairs

To be appropriated by Vote	R457 904 000
Statutory amount	R562 000
Total	R458 466 000
Responsible MEC	Nkosi N. J. Ngubane, Minister of Traditional & Local Government Affairs
Administering department	Department of Traditional and Local Government Affairs
Accounting officer	Acting Head: Traditional and Local Government Affairs

### 1. Overview

#### Vision

The vision of the Department of Traditional and Local Government Affairs is *Inqubekela Phambili Nentuthuko Emphakathini*, which means *prosperous and harmonious communities*.

#### Mission statement

The Department of Traditional and Local Government Affairs will foster good governance and promote sustainable development in KwaZulu-Natal through traditional and local government structures. The above is underpinned by a professional approach, based on the *Batho Pele* principles.

#### Strategic objectives

In striving towards its mission, the department has set the following strategic objectives:

- Accountable and sustainable traditional institutions;
- Accountable and sustainable local governance; and
- Sound corporate management.

#### Core functions

In order to achieve the above strategic objectives, the department is tasked with carrying out the following core functions:

- *Traditional Institutional Management* – with a focus on the establishment and support of traditional institutions, the management of land tenure processes, and the provision of advice and support to traditional authorities on development processes; and
- *Local Government and Development Planning* – with a focus on the implementation of an institutional, administrative and financial municipal framework, the promotion of informed integrated planning and development, and the provision of a municipal infrastructure framework.

### Legislative mandate

In rendering the above services, the department has to work within limits prescribed by various pieces of legislation and regulations. Ongoing changes in the national policy environment, affecting both traditional and local government institutions, continue to have a detrimental impact on the effectiveness of longer term financial planning. Such policy changes impact directly on the provincial MTEF, and on the resource demands from traditional and local government institutions. The following main Acts, rules and regulations provide the legislative mandate and guidance to the department:

- The Constitution of RSA, 1996
- KwaZulu-Natal House of Traditional Leaders Act, Act No.7 of 1994
- *Amakhosi* and *Iziphakanyiswa* Act No.9 of 1990, as amended by Act No.5 of 1995
- KwaZulu Act on the Code of Zulu Law Act, Act No.16 of 1985
- Municipal Structures Act, 1998, Act No. 117 of 1998
- Municipal Systems Act, 2000, Act No. 32 of 2000
- Municipal Demarcation Act, 1998, Act No. 27 of 1998
- Development Facilitation Act, 1995, Act No. 67 of 1995
- Removal of Restrictions Act, 1967, Act No. 84 of 1967
- Natal Town Planning Ordinance, 1949, Ordinance No. 27 of 1949
- KwaZulu Land Affairs Act, 1992, Act No. 11 of 1992
- Integrated Sustainable Rural Development Programme (ISRDP)
- Local Authorities Ordinance, 1974
- Transfer of Staff to Municipalities Act, 1998
- Auditor-General Act, 1995
- Annual Division of Revenue, Act No. 5 of 2002
- Pounds Ordinance, 1947
- Local Government Transition Act of 1993
- KwaZulu-Natal Provincial Growth & Development Strategy (PGDS)
- KwaZulu-Natal Integrated Rural Development White Paper (IRD)

### Challenges and developments

The demands on this department in relation to the institution of traditional leadership have been greatly influenced by the constitutional mandate of maintaining the institution of *Ubukhosi*. The major thrust is the transformation of departmental administrative support systems, with a view to enhancing the institutional performance capacity of traditional authorities. The acute lack of infrastructure and appropriate development within the institution of *Ubukhosi* significantly influences budgetary decisions.

The general lack of municipal capacity, financial resources and appropriate structures to promote inter-governmental relations and participation within and between municipalities, affects the planning process and impacts negatively on service delivery. The department is accordingly faced with the challenge to support the establishment of appropriate structures, systems and procedures, in order to ensure dynamic local governance.

The uncertainty about the allocation of the municipal equitable share to the different categories of municipalities, as well as the division of powers and functions between the different categories, will have an impact on the budget decisions of the department during the course of the 2003/04 financial year.

The department anticipates various changes over the MTEF period. For example, the demand for services to traditional institutions has been greatly affected by proposed new policies and legislation, such as the draft White Paper on Traditional Leadership and Governance, as well as the Communal Land Rights Bill. The services of this department will have to adjust to accommodate the final outcome of these draft policies and legislation.

The current transformation of local government is unprecedented in the history of the country. Consequently, the demand for support and capacity building is enormous. As a result, the current funding levels to support the local sphere of government are inadequate, and additional grant funding and provincial human resources are necessary in order to successfully implement the new local government system. The demand for development planning support to municipalities is changing focus from planning, to the implementation and review of Integrated Development Plans (IDPs). This change requires a special focus on project management and the securing of resources to implement projects identified in municipal IDPs. It is confirmed that resources have been allocated to match the demand and expected changes, within the limited budget allocation of the department. In addition, and where possible, external resources are being accessed to supplement this limited budget allocation. Additional financial resources will help to ensure stable, viable and service delivery oriented local governance, within shortened time-frames.

## **2. Review of the current financial year – 2002/03**

The department has made significant progress in the achievement of its strategic objectives and goals that were set for the 2002/03 financial year. Firstly, the drafting of the new financial regulations in line with the PFMA has been finalised by Traditional Affairs Administration, and these regulations will be workshopped with traditional leaders before promulgation.

During 2002/03, the procedure for the granting of permission to occupy (PTO) was reviewed and aligned with development procedures. As a result, a substantial number of PTOs for residential, institutional and business sites were issued. Furthermore, the department was instrumental in resolving numerous land disputes, particularly between traditional authorities and municipalities in instances where there was overlapping with regard to land allocation.

All proclaimed areas of jurisdiction of traditional authorities were surveyed, and the state domestic facilities are in the process of being surveyed.

The process of transformation of previously built traditional courts to traditional administrative centres has continued at an increasing pace during 2002/03. An additional 54 traditional authorities were equipped with IT equipment, another 59 are in the process of receiving electricity through the Eskom connectivity programme, and 65 traditional authorities were provided with connections to telecommunication infrastructure. The rehabilitation of these traditional administrative centres included, in partnership with the State Information Technology Agency (SITA), the piloting of 9 Internet café sites.

In partnership with the Universities of Durban Westville and Natal Durban, a module on development legislation was completed and has been piloted with 30 *Amakhosi*, whereafter the full programme will be implemented.

Funding received from the Development Bank of South Africa and the Independent Projects Trust was utilised to conduct a training programme on public relations and administrative expertise for 110 traditional authority secretaries, and to conduct a refresher computer training course for a further 86 traditional authority secretaries.

Subsequent to the establishment of new municipalities in December 2000, the focus for local government was on the moulding of the new municipalities into effective, efficient and economically viable entities. Accordingly, the department developed and implemented a range of monitoring, support and capacity building programmes, including an internet-based financial monitoring system, and training programmes for councillors and municipal officials. Further developments in this regard were the establishment of disaster management structures, the programme management of municipal infrastructure programmes, surveys and impact assessment regarding allocation of powers and functions, a model for relationships between district and local municipalities, as well as the provision of human resource capacity.

With regard to development planning, 61 municipalities adopted their IDPs in 2002/03, and are now preparing for the review and implementation of these plans. Capacity building programmes were successfully implemented, and all 10 district municipalities have fully operational development planning units. The implementation of the national and provincial rural development strategies were also fully integrated in and aligned with the municipal IDP processes.

### **3. Outlook for the coming financial year – 2003/04**

During 2003/04, the department will engage in the development of a position paper on traditional leadership and governance. A functional model for the ideal traditional administrative centre will be developed and piloted, with the intention of improving performance management for traditional authorities, and enhancing developmental functional linkages between municipalities and traditional authorities. One of the main challenges facing the department will be to assist traditional authorities to develop land use management plans, which will ensure proper control and utilisation of their land.

In 2003/04, the department aims to expand its rural connectivity programme by extending the Internet Café sites. A capacity building programme, targeted at equipping administrative staff at traditional authorities with financial management expertise, will be implemented. In addition, a capacity building programme that focuses on consensus building skills for *iZinduna* will also be introduced. Another challenge facing the department is that of marketing traditional authority offices as one of government's service delivery units, where various spheres of government can effectively use them as service delivery access points.

Implementation of the Property Rates Act will be an enormous undertaking during 2003/04, and extensive support to municipalities will be necessary. The department intends to develop and implement a comprehensive support programme in this respect.

The proposed implementation of the allocation of powers and functions will have a tremendous impact on municipal resources and the transfer of resources. A programme of support, assessment and adjustment is to be implemented by the department in this regard. A provincial legal and policy framework for local government will have to be developed, once national legislation is finalised. Continued support will be provided to municipalities with respect to poverty alleviation, monitoring system development, implementation of a municipal fraud hotline, continued management of infrastructure development, and the establishment of district programme management capacity. In addition, the department will continue with the provision of human resource support, the enhancement of training programmes, the enhancement of disaster management structures, and the provision of support in implementation of the allocation of powers and functions.

There will be a strong focus on the implementation and review of municipal IDPs in the 2003/04 financial year. Municipalities will, in particular, be assisted with the adoption and implementation of an appropriate municipal performance management system, as well as a land use management system. It is anticipated that the department will be mandated to start the preparation of a new Land Use Management Bill for KwaZulu-Natal in 2003/04.

## **4. Revenue and financing**

### **4.1 Summary of revenue**

Table 11.1 below illustrates the sources of funding for the Department of Traditional and Local Government Affairs. The department will receive a budget allocation of approximately R458 million in 2003/04. Included in this amount are several national conditional grants specifically earmarked for

provincial infrastructure, Local Government Support, as well as the Consolidated Municipal Infrastructure Programme.

The decrease reflected in 2002/03 is due to the reduction in the R293 conditional grant, as a result of staff being transferred to the relevant councils. The amounts shown for 2003/04 onwards reflect only the known conditional grants for rural infrastructure development and local government support. The grants to be utilised for municipal development will only be included once the Division of Revenue Bill is tabled in National Parliament.

**Table 11.1 Summary of revenue**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Equitable share	277,300	346,905	351,102	383,275	399,572	423,546
Conditional grants	151,097	39,427	74,806	76,771	82,610	48,313
R293	94,158		0	0	0	0
Municipal Finance Assistance Grant	5,805	0	0			0
Project Viability: Management Support	9,300	0	0		0	0
Flood Disaster Reconstruction Grant	41,834	4,800	0	0	0	0
Provincial Infrastructure Grant	0	10,227	19,867	30,017	37,076	39,413
Local Government Support	0	24,400	26,450	38,880	37,181	0
Consolidated Municipal Infrastructure Programme			28,489	7,874	8,353	8,900
Other (specify)						
<b>Total: Revenue</b>	<b>428,397</b>	<b>386,332</b>	<b>425,908</b>	<b>460,046</b>	<b>482,182</b>	<b>471,859</b>

### Conditional grants

With regard to conditional grants, the core function of providing project development and management focuses principally on infrastructure development, with the strategic objective of developing efficient and effective functioning of traditional authorities.

Three principal strategies have been identified by the Rural Development Facilitation component within the department, and will be implemented within the allocations for the MTEF period as the department's infrastructure investment strategy. These are as follows:

- Implementing programmes for the construction, maintenance and renovation of traditional courts;
- Managing the provision of electrification and telecommunications to traditional courts; and
- Providing and maintaining information management technology equipment i.e. computers and printers, photocopiers and fax machines.

The overall long-term plan is to link the current infrastructure programme to an effective institutional capacity development programme with specific reference to human resource development, as well as a broader enterprise development strategy. This is intended to transform traditional courts into effective delivery units to provide an efficient service in rural areas.

The purpose of the Consolidated Municipal Infrastructure Programme grant is to assist municipalities in addressing infrastructure backlogs by providing service delivery infrastructure and community facilities to low-income households.

## 4.2 Departmental revenue collection

Table 11.2 below illustrates departmental revenue, which is largely made up of the loss control and miscellaneous revenue items. As can be seen, the actual revenue collected by the department is relatively low. The department recently purchased a new vehicle fleet, which has substantially reduced the number of accidents, causing a substantial decrease in losses associated with accidents. This accounts for the

decrease in revenue collection from 2002/03 onwards, continuing over the MTEF period. The estimated departmental receipts for the reporting period are as follows:

**Table 11.2 Departmental revenue collection**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current revenue</b>	<b>4,349</b>	<b>3,903</b>	<b>198</b>	<b>209</b>	<b>220</b>	<b>233</b>
Tax revenue	0	0	0	0	0	0
Casino taxes						
Motor vehicle licences						
Horseracing						
Other taxes						
Non-tax revenue	4,349	3,903	198	209	220	233
Interest	77	203	0			
Health patient fees						
Reimbursements						
Other sales	9	7	0			
Other revenue	4,263	3,693	198	209	220	233
<b>Capital revenue</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sale of land and buildings						
Sale of stock, livestock, etc	2	6				
Other capital revenue						
<b>Total: Revenue</b>	<b>4,351</b>	<b>3,909</b>	<b>198</b>	<b>209</b>	<b>220</b>	<b>233</b>

## 5. Expenditure summary

This section summarises the expenditure and budgeted estimates for the vote in terms of programmes and economic classification. Details according to the GFS classification as well as the standard item classification are presented in *Annexure to Vote 11 – Traditional and Local Government Affairs*.

### 5.1 Programme summary

Vote 11 is made up of four programmes linked to the core functions of the department, namely: Administration, Traditional Institutional Management, Local Government and Development Planning and Auxiliary and Associated Services. As indicated in Table 11.3 below, the total expenditure pertaining to this vote has fluctuated over the past few years. For example, Programme 2: Traditional Institutional Management reflects a fairly substantial increase in 2002/03, due to the growing demand of transforming traditional courts to traditional administrative centres. However, the trend becomes more consistent over the MTEF period, with each year reflecting an increase in budget allocation.

**Table 11.3 Summary of expenditure and estimates by Programme**

Programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
1. Administration	49,882	65,874	78,457	85,306	95,385	100,171
2. Traditional Institutional Management	75,431	97,222	120,199	147,411	155,056	164,246
3. Local Government & Development Planning	292,045	203,884	233,765	219,607	225,175	200,485
4. Auxiliary & Associated Services	3,975	5,779	5,980	7,160	6,004	6,395
Sub-total	421,333	372,759	438,401	459,484	481,620	471,297
Statutory payment	513	525	526	562	562	562
<b>Total</b>	<b>421,846</b>	<b>373,284</b>	<b>438,927</b>	<b>460,046</b>	<b>482,182</b>	<b>471,859</b>

## 5.2 Summary of economic classification

The summary of expenditure and budgeted estimates according to the GFS classification is given in Table 11.4 below. As mentioned above, Programme 2: Traditional Institutional Management reflects an increase in 2002/03, due to the growing demand of transforming traditional courts to traditional administrative centres. The funding for this transformation is reflected under the capital budget in Table 11.4 below.

**Table 11.4 Summary of expenditure and estimates - GFS classification**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current expenditure</b>	<b>399,505</b>	<b>330,393</b>	<b>388,202</b>	<b>393,896</b>	<b>415,562</b>	<b>401,630</b>
Personnel	233,005	134,931	146,324	178,528	192,107	200,167
Transfer	123,956	113,614	101,419	94,715	100,271	71,545
Other current	42,544	81,848	140,459	120,653	123,184	129,918
<b>Capital expenditure</b>	<b>21,828</b>	<b>42,366</b>	<b>50,199</b>	<b>65,588</b>	<b>66,058</b>	<b>69,667</b>
Acquisition of capital assets	8,381	16,657	50,199	65,588	66,058	69,667
Transfer payments	13,447	25,709	0	0	0	0
Sub-total	421,333	372,759	438,401	459,484	481,620	471,297
Statutory payment	513	525	526	562	562	562
<b>Total</b>	<b>421,846</b>	<b>373,284</b>	<b>438,927</b>	<b>460,046</b>	<b>482,182</b>	<b>471,859</b>

## 6. Programme description

As mentioned, the services rendered by this department are categorised under four programmes, all directly linked to the core functions of the department. These programmes, namely Administration, Traditional and Institutional Management, Local Government and Development Planning, and Auxiliary and Associated Services, are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of the economic classification. Details of the GFS and standard item classification are presented in *Annexure to Vote 11 – Traditional and Local Government Affairs*.

### 6.1 Programme 1: Administration

The purpose of this programme is to enable the Minister to perform his/her responsibilities, to ensure competent, empowered and performance focused employees, to provide administrative support, to provide financial management support and to provide legal support to the department. This programme consists of two sub-programmes, namely Minister and Management.

As illustrated in Tables 11.5 and 11.6 below, this programme shows an increase in the sub-programme: Minister from 2002/03 onwards, due to the finalisation of the staff structure and the subsequent appointment of key personnel. There is also a substantial increase in the sub-programme: Management, mainly as a result of inflation and the finalisation of the staff structure and the subsequent appointment of relevant staff.

In addition, there has been a substantial increase in costs related to the management and maintenance of information systems, due to the appointment of SITA to manage the computer networks. There is also an increase in the budget for printing, as the Communications component has intensified its activities, and has introduced various new publications. Once again, a contingency fund has been provided within the Management sub-programme to manage HIV/AIDS in the workplace, as well as the Employee Assistance Programme. For instance, an amount of R 250 000 has been allocated to manage HIV/AIDS in the workplace, while R 210 000 has been provided for the Employee Assistance Programme.

**Table 11.5 Summary of expenditure and estimates by sub-programme: Programme 1**

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Minister	1,836	2,418	3,118	3,654	3,812	3,980
Management	48,046	63,456	75,339	81,652	91,573	96,191
<b>Total</b>	<b>49,882</b>	<b>65,874</b>	<b>78,457</b>	<b>85,306</b>	<b>95,385</b>	<b>100,171</b>

**Table 11.6 Summary of expenditure and estimates - GFS classification: Programme 1**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current expenditure</b>	<b>48,257</b>	<b>60,487</b>	<b>72,969</b>	<b>79,512</b>	<b>89,047</b>	<b>93,208</b>
Personnel	34,060	36,717	38,826	46,534	50,768	52,917
Transfer	0	0	0	0	0	0
Other current	14,197	23,770	34,143	32,978	38,279	40,291
<b>Capital expenditure</b>	<b>1,625</b>	<b>5,387</b>	<b>5,488</b>	<b>5,794</b>	<b>6,338</b>	<b>6,963</b>
Acquisition of capital assets	1,625	5,387	5,488	5,794	6,338	6,963
Transfer payments	0	0	0	0	0	0
<b>Total</b>	<b>49,882</b>	<b>65,874</b>	<b>78,457</b>	<b>85,306</b>	<b>95,385</b>	<b>100,171</b>

## 6.2 Programme 2: Traditional Institutional Management

The main purpose of Programme 2 is to support and enhance the capacity of traditional authorities. This programme consists of three sub-programmes, namely Traditional Affairs Administration, Traditional Land Administration and Rural Development Facilitation.

As illustrated in Tables 11.7 and 11.8 below, the sub-programme: Traditional Affairs Administration shows an increase from 2002/03, due to the filling of posts on the newly established structure, as well as a general increase in the remuneration of *Amakhosi*, ranging between 6 to 8 per cent per annum. In the Rural Development Facilitation sub-programme, there is an increase in 2002/03 due to the growing demand of transforming traditional courts to traditional administrative centres. The funding for this transformation is reflected under the capital budget.

**Table 11.7 Summary of expenditure and estimates by sub-programme: Programme 2**

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Traditional Affairs Administration	37,766	39,295	47,534	50,247	51,302	54,254
Traditional Land Administration	12,105	17,952	19,059	21,389	22,672	24,032
Rural Development Facilitation	25,560	39,975	53,606	75,775	81,082	85,960
<b>Total</b>	<b>75,431</b>	<b>97,222</b>	<b>120,199</b>	<b>147,411</b>	<b>155,056</b>	<b>164,246</b>

**Table 11.8 Summary of expenditure and estimates - GFS classification: Programme 2**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current expenditure</b>	<b>60,205</b>	<b>67,794</b>	<b>85,593</b>	<b>98,368</b>	<b>104,376</b>	<b>110,962</b>
Personnel	46,557	29,480	36,115	46,690	51,593	53,107
Transfer	3,786	2,462	2,311	0	0	0
Other current	9,862	35,852	47,167	51,678	52,783	57,855
<b>Capital expenditure</b>	<b>15,226</b>	<b>29,428</b>	<b>34,606</b>	<b>49,043</b>	<b>50,680</b>	<b>53,284</b>
Acquisition of capital assets	1,779	3,719	34,606	49,043	50,680	53,284
Transfer payments	13,447	25,709	0	0	0	0
<b>Total</b>	<b>75,431</b>	<b>97,222</b>	<b>120,199</b>	<b>147,411</b>	<b>155,056</b>	<b>164,246</b>



### Service delivery measures

Table 11.9 below illustrates the main service delivery measures pertaining to Programme 2: Traditional Institutional Management.

**Table 11.9 Service delivery measures – Programme 2: Traditional Institutional Management**

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
1. Efficient management system of traditional constitutional matters.	<ul style="list-style-type: none"> <li>Consolidation and rationalisation of three legislations (Act 16 of 1984 and Act 7 of 1994)</li> </ul>	None	30 March 2004
2. Functional financial management system of traditional authorities	<ul style="list-style-type: none"> <li>Alignment of traditional authorities financial regulations with PFMA</li> </ul>	None	30 March 2004
3. Registered land rights Effective land tenure management system	<ul style="list-style-type: none"> <li>Adjudicated land rights registered</li> <li>Adjudicated land demarcated</li> <li>Number of reported land disputes resolved</li> <li>Number of processed applications for occupation rights and transactions by 2004</li> </ul>	23 None None 1 012	36 30 March 2004 27 1 500
4. Functional system of project development and management support	<ul style="list-style-type: none"> <li>Equitable geographical/ budgetary distribution of infrastructure investment projects</li> <li>Quality of implementation programmes in terms of cost benefit analysis</li> <li>Extent of government access operations in traditional administrative centres</li> </ul>	90 traditional authorities 6 categories of projects 2 govt. depts.	110 traditional authorities 6 categories of projects 4 govt. depts.
5. Empowered traditional institutions	<ul style="list-style-type: none"> <li>Annual budgetary prioritisation of capacity building needs</li> <li>% of equitable budgetary allocation to structures of traditional authorities</li> </ul>	3 training module 60% Amakhosi 20% admin staff 20% to Izinduna	5 training modules 40% Amakhosi 20% admin staff 40% to Izinduna

### 6.3 Programme 3: Local Government and Development Planning

The purpose of this programme is to implement an institutional, administrative and financial municipal framework, to provide a municipal infrastructure framework, and to promote informed integrated planning and development. This programme consists of two sub-programmes, namely Local Government and Development Planning.

As illustrated in Tables 11.10 and 11.11 below, there is an increase in the sub-programme Local Government in 2002/03, due to additional funding for the Consolidated Municipal Infrastructure Programme (CMIP) conditional grant that was received from national government in the 2002/03 Adjustments Estimate.

**Table 11.10 Summary of expenditure and estimates by sub-programme: Programme 3**

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Local Government	258,871	161,473	178,886	157,276	161,224	132,697
Development Planning	33,174	42,411	54,879	62,331	63,951	67,788
<b>Total</b>	<b>292,045</b>	<b>203,884</b>	<b>233,765</b>	<b>219,607</b>	<b>225,175</b>	<b>200,485</b>

**Table 11.11 Summary of expenditure and estimates - GFS classification: Programme 3**

<b>R000</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Current expenditure</b>	<b>291,043</b>	<b>202,112</b>	<b>229,640</b>	<b>216,016</b>	<b>222,139</b>	<b>197,460</b>
Personnel	152,388	68,734	71,383	85,304	89,746	94,143
Transfer	120,170	111,152	99,108	94,715	100,271	71,545
Other current	18,485	22,226	59,149	35,997	32,122	31,772
<b>Capital expenditure</b>	<b>1,002</b>	<b>1,772</b>	<b>4,125</b>	<b>3,591</b>	<b>3,036</b>	<b>3,025</b>
Acquisition of capital assets	1,002	1,772	4,125	3,591	3,036	3,025
Transfer payments	0	0	0	0	0	0
<b>Total</b>	<b>292,045</b>	<b>203,884</b>	<b>233,765</b>	<b>219,607</b>	<b>225,175</b>	<b>200,485</b>

**Table 11.12 Transfer to Municipalities: Programme 3**

<b>Category</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
Category A	0	265	400	80	300	300
Category B	0	47,696	44,167	50,411	53,237	32,443
Category C	0	39,848	29,939	21,066	24,172	16,105
<b>Total</b>	<b>0</b>	<b>87,809</b>	<b>74,506</b>	<b>71,557</b>	<b>77,709</b>	<b>48,848</b>

**Table 11.13 Transfer to Public Entities: Programme 3**

<b>Name of Entity</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
KZN Town & Regional Planning Commission	1,850	1,751	2,314	2,558	4,962	5,097
Umsekeli Municipal Support	17,600	17,600	21,600	20,600	17,600	17,600
<b>Total</b>	<b>19,450</b>	<b>19,351</b>	<b>23,914</b>	<b>23,158</b>	<b>22,562</b>	<b>22,697</b>

Tables 11.12 and 11.13 above illustrate transfer payments made to municipalities and to public entities, respectively. The transfers to municipalities are aimed at assisting the smaller municipalities to restructure their financial positions and organisations over the medium term (the Management Assistance Programme), to assist municipalities to provide services to the poor and to promote the concept of free basic services (Indigent Support Grant), and to assist the newly established district and local municipalities in the restructuring process as a result of the split by demarcation (Human Resource Support). There is also a Civil Protection grant, aimed at assisting municipalities to provide for disaster management structures in accordance with the recently promulgated Disaster Management Act, as well as several other grants.

With regard to Table 11.13, the reason for the steady increase in the budget of the KZN Town and Regional Planning Commission is that the new commission was only established in September 2000, and since that time has been taking on more and more research projects. As a provincial Public Entity, uMsekeli was established to provide support to the local government sphere, in terms of provincial constitutional support mandates. This is provided to facilitate such support, and transform uMsekeli, to achieve these objectives. It is anticipated that the demand for such support will continue to increase.

### Service delivery measures

Table 11.14 below illustrates the main service delivery measures pertaining to Programme 3: Local Government and Development Planning.

**Table 11.14 Service delivery measures – Programme 3: Local Government and Development Planning**

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
1. Informed integrated planning and development in KwaZulu-Natal	• Number of District Development Planning Capacity Building Business Plans finalised by March 2004	None	10
	• Number of IDPs assessed and reviewed by the Provincial IDP Forum by June 2003	61 IDPs adopted	61 IDPs implemented & reviewed
	• Number of district municipalities adopting municipal performance management systems	None	10
	• Number of local councils converted to the new Land Use Management system (LUMS) by March 2004	None	10
	• No. of District Development Administration Capacity Building Business Plans finalised by March 2004	None	10
	• % of Arc SDE ( Arc Spatial Database Engine) fully implemented on corporate Geographical Information System (GIS) by March 2004	80%	100%
2. Increase in level of capacitation of municipalities	• Financial viability - % of municipalities passing viability test.	65%	70%
	• Institutional and administrative - % of municipalities passing an operationality test.	55%	60%
	• Number of training courses conducted.	15	30
	• Number of share service centres established.	1 pilot	4
	• Allocation of powers and functions, review and adjustment	June 2003	March 2004
3. Reduction of infrastructure backlog	• % of backlog addressed	5%	10%
	• % of available funds spent	98%	98%

## 6.4 Programme 4: Auxiliary and Associated Services

The purpose of this programme is to render auxiliary services, and it comprises one sub-programme, namely Provincial Motor Transport. Tables 11.15 and 11.16 below summarise expenditure and estimates relating to Provincial Motor Transport, for the financial years 2000/01 to 2005/06. In 2000/01, the Department of Traditional and Local Government Affairs commenced a policy, in line with the provincial policy on the replacement of official vehicles, of purchasing replacement vehicles to keep the fleet vehicle young. Each year since then, the department has provided for replacement vehicles in addition to purchasing new vehicles for line function purposes.

**Table 11.15 Summary of expenditure and estimates by sub-programme: Programme 4**

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Provincial Motor Transport	3,975	5,779	5,980	7,160	6,004	6,395
<b>Total</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>

**Table 11.16 Summary of expenditure and estimates - GFS classification: Programme 4**

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personnel	0	0	0	0	0	0
Transfer	0	0	0	0	0	0
Other current	0	0	0	0	0	0
<b>Capital expenditure</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>
Acquisition of capital assets	3,975	5,779	5,980	7,160	6,004	6,395
Transfer payments	0	0	0	0	0	0
<b>Total</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>

## **7. Other programme information**

Table 11.17 below shows the personnel estimates pertaining to the Department of Traditional and Local Government Affairs, per programme as at 31 March 2002, 2003 and 2004. The reduction in the number of staff in the Local Government and Development Planning programme is due to the transfer of R293 staff to municipalities, as well as staff opting to take the severance package offered.

**Table 11.17 Personnel numbers and estimates**

<b>Programme</b>	<b>At 31 March 2002</b>	<b>At 31 March 2003</b>	<b>At 31 March 2004</b>
Programme 1: Administration	406	364	405
Programme 2: Traditional Institutional Management	369	376	461
Programme 3: Local Government & Development Planning	847	816	766
Programme 4: Auxiliary & Associated Services	0	0	0
<b>Total: Traditional and Local Government Affairs</b>	<b>1 622</b>	<b>1 556</b>	<b>1 632</b>

## ANNEXURE TO VOTE 11 – Traditional &amp; Local Government Affairs

Table 11.A Summary of Expenditure and Estimates - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
<b>Current</b>	<b>399,505</b>	<b>330,393</b>	<b>388,202</b>	<b>393,896</b>	<b>415,562</b>	<b>401,630</b>
Compensation of employees	233,005	134,931	146,324	178,528	192,107	200,167
<i>Salaries and wages</i>	233,005	134,931	146,324	178,528	192,107	200,167
<i>Other remuneration</i>	0	0	0	0	0	0
Use of goods and services	42,544	81,848	140,459	120,653	123,184	129,918
Interest paid	0	0	0	0	0	0
Transfer payments	123,956	113,614	101,419	94,715	100,271	71,545
<i>Subsidies to business enterprises</i>	0	0	0	0	0	0
<i>Local government</i>	120,170	111,152	99,108	94,715	100,271	71,545
<i>Extra-budgetary institutions</i>	0	0	0	0	0	0
<i>Households</i>	0	0	0	0	0	0
<i>Non-profit organisations</i>	3,786	2,462	2,311	0	0	0
<b>Capital</b>	<b>21,828</b>	<b>42,366</b>	<b>50,199</b>	<b>65,588</b>	<b>66,058</b>	<b>69,667</b>
Non-financial assets	8,381	16,657	50,199	65,588	66,058	69,667
<i>Buildings and structures</i>	0	0	20,297	46,475	49,629	52,947
<i>Machinery and equipment</i>	8,381	16,657	23,435	19,113	16,129	16,320
<i>Non-produced assets</i>	0	0	6,467	0	300	400
Other assets	0	0	0	0	0	0
Capital transfers	13,447	25,709	0	0	0	0
<i>Local government</i>	0	0	0	0	0	0
<i>Other capital transfers</i>	13,447	25,709	0	0	0	0
Sub-total	421,333	372,759	438,401	459,484	481,620	471,297
Lending						
Statutory Payments	513	525	526	562	562	562
<b>Total</b>	<b>421,846</b>	<b>373,284</b>	<b>438,927</b>	<b>460,046</b>	<b>482,182</b>	<b>471,859</b>

Table 11.B Summary of Expenditure and Estimates - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	233,005	134,931	146,324	178,528	190,313	200,167
Administrative expenditure	17,460	21,699	27,982	32,078	33,947	35,385
Stores and livestock	2,173	2,796	4,179	5,067	5,161	5,453
Equipment	9,514	18,383	25,227	20,450	18,013	18,288
Land and buildings	4	4,398	26,171	50,475	55,629	59,447
Professional and special services	19,666	31,633	85,384	56,279	54,535	56,012
Transfer payments	137,403	139,323	101,419	94,715	100,271	71,545
Miscellaneous	2,108	19,596	21,715	21,892	23,751	25,000
Sub-total	421,333	372,759	438,401	459,484	481,620	471,297
Statutory Payments	513	525	526	562	562	562
<b>Total</b>	<b>421,846</b>	<b>373,284</b>	<b>438,927</b>	<b>460,046</b>	<b>482,182</b>	<b>471,859</b>

**Table 11.C Programme 1 - GFS Classification**

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Current</b>	<b>48,257</b>	<b>60,487</b>	<b>72,969</b>	<b>79,512</b>	<b>89,047</b>	<b>93,208</b>
Compensation of employees	34,060	36,717	38,826	46,534	50,768	52,917
<i>Salaries and wages</i>	34,060	36,717	38,826	46,534	50,768	52,917
<i>Other remuneration</i>						
Use of goods and services	14,197	23,770	34,143	32,978	38,279	40,291
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
<b>Capital</b>	<b>1,625</b>	<b>5,387</b>	<b>5,488</b>	<b>5,794</b>	<b>6,338</b>	<b>6,963</b>
Non-financial assets	1,625	5,387	5,488	5,794	6,338	6,963
<i>Buildings and structures</i>			180		1,200	1,500
<i>Machinery and equipment</i>	1,625	5,387	4,986	5,794	4,838	5,063
<i>Non-produced assets</i>			322		300	400
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	49,882	65,874	78,457	85,306	95,385	100,171
<b>Lending</b>						
<b>Total</b>	<b>49,882</b>	<b>65,874</b>	<b>78,457</b>	<b>85,306</b>	<b>95,385</b>	<b>100,171</b>

**Table 11.D Programme 1 - Standard Item Classification**

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
Personnel	34,060	36,717	38,826	46,534	50,768	52,917
Administrative expenditure	9,186	11,295	12,800	14,864	16,149	16,859
Stores and livestock	864	1,220	1,832	2,215	2,194	2,422
Equipment	1,993	5,861	5,579	6,029	5,607	5,866
Land and buildings	4	4,398	4,866	4,000	7,200	8,000
Professional and special services	3,478	6,250	14,554	11,664	13,467	14,107
Transfer payments	0	0	0	0	0	0
<b>Miscellaneous</b>	<b>297</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>49,882</b>	<b>65,874</b>	<b>78,457</b>	<b>85,306</b>	<b>95,385</b>	<b>100,171</b>

**Table 11.E Programme 2 - GFS Classification**

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Current</b>	<b>60,205</b>	<b>67,794</b>	<b>85,593</b>	<b>98,368</b>	<b>104,376</b>	<b>110,962</b>
Compensation of employees	46,557	29,480	36,115	46,690	51,593	53,107
<i>Salaries and wages</i>	46,557	29,480	36,115	46,690	51,593	53,107
<i>Other remuneration</i>						
Use of goods and services	9,862	35,852	47,167	51,678	52,783	57,855
Interest paid						
Transfer payments	3,786	2,462	2,311	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>	3,786	2,462	2,311			
<b>Capital</b>	<b>15,226</b>	<b>29,428</b>	<b>34,606</b>	<b>49,043</b>	<b>50,680</b>	<b>53,284</b>
Non-financial assets	1,779	3,719	34,606	49,043	50,680	53,284
<i>Buildings and structures</i>			20,117	46,475	48,429	51,447
<i>Machinery and equipment</i>	1,779	3,719	8,344	2,568	2,251	1,837
<i>Non-produced assets</i>			6,145			
Other assets						
Capital transfers	13,447	25,709	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>	13,447	25,709				
Sub-total	75,431	97,222	120,199	147,411	155,056	164,246
<b>Lending</b>						
<b>Total</b>	<b>75,431</b>	<b>97,222</b>	<b>120,199</b>	<b>147,411</b>	<b>155,056</b>	<b>164,246</b>

**Table 11.F Programme 2 - Standard Item Classification**

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
Personnel	46,557	29,480	36,115	46,690	49,799	53,107
Administrative expenditure	5,137	5,818	8,334	9,877	10,427	10,477
Stores and livestock	541	891	1,365	1,439	1,454	1,498
Equipment	2,227	4,582	9,084	3,044	2,774	2,358
Land and buildings	0	0	20,149	46,475	48,429	51,447
Professional and special services	3,592	8,817	21,126	17,994	18,422	20,359
Transfer payments	17,233	28,171	2,311			
<b>Miscellaneous</b>	<b>144</b>	<b>19,463</b>	<b>21,715</b>	<b>21,892</b>	<b>23,751</b>	<b>25,000</b>
<b>Total</b>	<b>75,431</b>	<b>97,222</b>	<b>120,199</b>	<b>147,411</b>	<b>155,056</b>	<b>164,246</b>

**Table 11.G Programme 3 - GFS Classification**

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Current</b>	<b>291,043</b>	<b>202,112</b>	<b>229,640</b>	<b>216,016</b>	<b>222,139</b>	<b>197,460</b>
Compensation of employees	152,388	68,734	71,383	85,304	89,746	94,143
<i>Salaries and wages</i>	152,388	68,734	71,383	85,304	89,746	94,143
<i>Other remuneration</i>			0	0		
Use of goods and services	18,485	22,226	59,149	35,997	32,122	31,772
Interest paid						
Transfer payments	120,170	111,152	99,108	94,715	100,271	71,545
<i>Subsidies to business enterprises</i>						
<i>Local government</i>	120,170	111,152	99,108	94,715	100,271	71,545
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
<b>Capital</b>	<b>1,002</b>	<b>1,772</b>	<b>4,125</b>	<b>3,591</b>	<b>3,036</b>	<b>3,025</b>
Non-financial assets	1,002	1,772	4,125	3,591	3,036	3,025
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>	1,002	1,772	4,125	3,591	3,036	3,025
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	292,045	203,884	233,765	219,607	225,175	200,485
<b>Lending</b>						
<b>Total</b>	<b>292,045</b>	<b>203,884</b>	<b>233,765</b>	<b>219,607</b>	<b>225,175</b>	<b>200,485</b>

**Table 11.H Programme 3 - Standard Item Classification**

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
Personnel	152,388	68,734	71,383	85,304	89,746	94,143
Administrative expenditure	3,137	4,586	6,848	7,337	7,371	8,049
Stores and livestock	768	685	982	1,413	1,513	1,533
Equipment	1,319	2,161	4,584	4,217	3,628	3,669
Land and buildings	0	0	1,156	0	0	0
Professional and special services	12,596	16,566	49,704	26,621	22,646	21,546
Transfer payments	120,170	111,152	99,108	94,715	100,271	71,545
<b>Miscellaneous</b>	<b>1,667</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>292,045</b>	<b>203,884</b>	<b>233,765</b>	<b>219,607</b>	<b>225,175</b>	<b>200,485</b>



**Table 11.I Programme 4 - GFS Classification**

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Compensation of employees	0	0	0	0	0	0
<i>Salaries and wages</i>						
<i>Other remuneration</i>						
Use of goods and services						
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
<b>Capital</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>
Non-financial assets	3,975	5,779	5,980	7,160	6,004	6,395
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>	3,975	5,779	5,980	7,160	6,004	6,395
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	3,975	5,779	5,980	7,160	6,004	6,395
<b>Lending</b>						
<b>Total</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>

**Table 11.J Programme 4 - Standard Item Classification**

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>R000</b>	<b>Actual</b>	<b>Actual</b>	<b>Adj. Budget</b>	<b>Budget</b>	<b>MTEF</b>	<b>MTEF</b>
Personnel						
Administrative expenditure						
Stores and livestock						
Equipment	3,975	5,779	5,980	7,160	6,004	6,395
Land and buildings						
Professional and special services						
Transfer payments						
<b>Miscellaneous</b>						
<b>Total</b>	<b>3,975</b>	<b>5,779</b>	<b>5,980</b>	<b>7,160</b>	<b>6,004</b>	<b>6,395</b>

