KWAZULU-NATAL PROVINCIAL

ADMINISTRATION

DEPARTMENT OF HOUSING

STRATEGIC PLAN

2003 to 2005

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PART A: STRATEGIC OVERVIEW

A1 Statement of policy and commitment by MEC

I am honoured to present the 2003-2005 Strategic overview of my department, and would like to start by giving thanks to the staff who have participated in its formation and also, to all people who will now look to this document as a guide to the future operations of this Department.

This plan seeks to present an integrated solution to the provision of housing in KwaZulu-Natal and outlines the key focus areas, which have been identified. I trust that the coming year will present a great opportunity for us all to focus our efforts towards these goals, and it also provides an opportunity for renewed commitment to our ultimate objective, namely, the effective and efficient delivery of houses to the poorest of the poor.

Top priorities for the coming year include:
- ❖ Identifying new projects in rural areas, with specific focus on tribal land
- ❖ Speeding up the Rapid Land Release programmes
- ❖ Comprehensive strengthening of housing capacity within municipalities
- ❖ Renovating hostels, installing management and making them sustainable

This strategy also aims to find effective solutions to a number of long standing problems, including blocked projects, derelict hostels, and redundant staff.

We believe that now, more than ever, the Department has the ability to institute new processes, policies, and means of working, in order to develop a people-orientated culture that will focus on maximising our service delivery capabilities.

I am convinced that close co-operation and teamwork, coupled with both strong commitment and a comprehensive plan, will prove to be our recipe for success. Together, we can put performance at the top of our agenda and bring happiness and homes into the lives of the poor. Let the people of KZN bear the fruits of our renewed efforts.

Yours sincerely

The Honourable Rev. N. W. Ngcobo
MEC for Housing: KwaZulu-Natal

A2 Overview by Accounting Officer

This strategic plan covers a three-year period, corresponding with the Medium Term Expenditure Framework (MTEF), and incorporates a business plan for the first year.

The plan is a requirement of the Public Service Act, 1984, as amended and the Public Finance Management Act, 1999. Further to this, inputs to the strategic plan were done in conjunction with the executing authority of the Department, as required by Chapter 1 of Part 111B of the Public Service Regulations, 1999.

The strategic plan

The management of the Department is satisfied that the strategic direction set in this plan will address the challenges faced by the Department.

Mechanisms will be continuously formulated, reviewed and updated to ensure continuous and effective service delivery. The department will invest in its human resources to ensure the development of the adequate and relevant skills.

The strategic plan states the departmental core objectives based on constitutional and other legislative mandates. It describes the core and sub programmes necessary to achieve the core objectives.

This plan forms the integral basis of each individual performance agreement of the relevant Senior Management of the Department as well as all other key components / staff member(s), in terms of the Performance Management System.

The management of the Department is satisfied that the strategic direction set in this plan will address the challenges faced by the Department taking into cognisance that this is an evolving process which will have to be amended as and when circumstances necessitate such changes.

All input to the process has been duly acknowledged and captured from all Senior Managers and I, as Acting Accounting Officer of the Provincial Department of Housing hereby endorse this strategic plan on behalf of this department.

……………………………………   ………………………..
C.E.M. NTSELE   **DATE**
Acting Head of Department

A3   Vision

"Together helping all people to house themselves"

A4   Mission and strategic goals

The mission of the Department is to provide accommodation service and Housing support to all the people in KwaZulu Natal to enable them to live in dignity and pride thus improving their quality of life.

Strategic Goals

The department has four strategic goals, which are:

1.   To provide Housing development support to qualifying beneficiaries to enable them to own houses in which they can live in dignity and pride, thus contributing to an improved quality of life.
2.   To provide accommodation to tenants in private as well as department owned properties to enable them to live in dignity and pride, thus contributing to an improved quality of life
3.   To provide housing support Services to the Housing development services to enable them to provide the service efficiently and effectively, thus contributing to an improved quality of life for the people in KwaZulu Natal
4.   To provide professional general support to service delivery components to enable them to effectively and efficiently provide accommodation services and housing development services to the people in KwaZulu Natal, thus contributing to an improved quality of life.

The following strategic goals should contribute to this mission by way of;

± Reviewed organisational structure in line with the changing environment;
± Establishment of a well trained and developed personnel corps;
± Ensure sound financial management and good governance;
± Facilitate the delivery of the maximum housing opportunities;
± Develop and communicate policy, legislation and guidelines;
± Promote and facilitate capacity building of municipal officials;
± Provision of a range of subsidy and tenure options to beneficiaries;
± Facilitate and promote the slum clearance programme;
± Management of public sector hostels and rented stock

A5 Values

The supporting philosophy in the pursuance of our mission is vested in the following values;

The core values that the Department espouses are:

- Honesty and integrity
- Fairness
- Diligence and dedication
- Discipline
- Efficiency and effectiveness
- Co-operation
- Transparency
- Accountability
- Responsibility
- Batho Pele principles
- Professionalism
- Humility
- Mutual Respect
- Fiscal discipline
- Loyalty to the Department

A6 Legislative and other mandates

A6.1   Line Function

X   **Constitution of the Republic of South Africa 108/1996** s26 Guarantees the right to have access to housing. State mandated to take steps to achieve the progressive realization of this right. Schedule 4A makes the Housing function a concurrent national and provincial legislative competence. It provides that where the function in Schedule 4A and 5A can best be administered locally, a provincial or national department could by agreement assign such function to a municipality provided that the municipality has capacity and resources follow the function.

X   **Housing Act 107 of 1997 as amended,** which stipulates what government will do to realize the right to housing. In this instance Municipalities are developers in the housing development process.

X   **KwaZulu Natal Housing Act 12 of 1998 as amended** – enables the promotion, facilitation and financing of housing facilities

X **Rental Housing Act, 50 of 99,** which establishes the rental Tribunal to regulate and promote sound relations between landlords and tenants.

X **Less Formal Township Establishment Act 113 of 1991,** which simplifies the process of establishing townships

X **Prevention of Illegal Eviction and Unlawful Occupation of Land Act 19 of 1998**, which prescribes a process for dealing with land invasions.

X **Government of RSA and others v Grootboom and others – Constitutional Court judgment of 2000,** on the enforceability of social and economic rights. The judgment stresses that the state must take reasonable steps to realize the right afforded by 526 of the Constitution and that such measures must take into account the degree and extent of the denial of the right they endeavour to realize.

X **Rental Housing Regulations**

X **Housing Consumer Protection Measures Act, act 95 of 1998**

X **KwaZulu-Natal Ingonyama Trust Amendment Act 9 of 1997,** which stipulates that where the function was performed by a KwaZulu Government Department, that function is transferred to the Department which performs that function in the new dispensation.

A6.2 Other supporting legislation and policies

- Development Facilitation Act, Act 6797
- Old Provincial Ordinances and New Provincial Acts
- Provision of Certain Land for Settlement Act, 1993 [Act No. 126 of 1993]
- Land Acquisition Grant Policy
- Settlement Grant Policy.
- Land Registration and Tenure Systems Policy
- Extension of Security OF Tenure Act, 1997 [Act No. 62 of 1997]
- Communal Property Association Act, 1996 [Act No. 28 of 1996]
- Interim Protection of Land Rights Act, 1996 Act No. 31 of 1996
- Land Reform [Labour Tenants] Act, 1996 [Act No. 3 of 1996]
- Upgrading of Land Tenure Rights Act, 1991 [Act No. 112 of 1991]

A6.3 Administrative

X   **Constitution of the Republic of South Africa 108 of 1996** – s195 on basic values and principles governing public administration.

X   **Public Finance Management Act 1 of 1999** on amended as well as National Treasury Regulations which promote Good Governance and sound Financial Management.

X   **Public Service Act 103 of 1994** and the **Public Service Regulations of 2000** on organizational structuring, personnel management and strategic planning

X   **Skills Development Act 97 of 1998,** which training and development of skills in the workplace

X   **Employment Equity Act 55 of 1998,** which promotes equity in the workplace and prohibits discrimination in the workplace

X   **Labour Relations Act 66 of 1995,** which promotes collective bargaining and regulates on strikes as well as Collective Agreements which regulate conditions of employment in the Public Sector

X   **Basic Conditions of Employment Act 75 of 1997,** which sets the minimum standards on conditions of employment.

A7 Description of status quo

A7.1 Summary of service delivery environment and challenges

X   Inability of clients to make financial contributions to the subsidy as prescribed by legislation. This is due mainly to high levels of unemployment.

X   Lack of capacity at municipality level. Chapter 2, Paragraph 9 of Act 107 of 97 spells out the functions of municipalities in housing and among others, the new policy now makes municipalities the developers, which places municipalities at the centre of housing development. However, most municipalities do not have the capacity to play this role effectively and the department is unable to reach out to all municipalities for purposes of building their capacity.

X   Increasing cost of land and infrastructure

X   Increasing demand for housing

X   Poor conditions of hostels, slums, etc.

A7.2   Summary of organisational environment and challenges

One of the main challenges that the Department is facing, is the lack of stability at administrative leadership level. Every time there is a change at that level, the department undergoes some or other changes and this has a negative impact on staff morale. In the past year, the department has revamped its structure to align the structure to the department's strategic objectives to maximise output. There has been a strengthening of the senior management cadre and the other levels to ensure that the department addresses the needs of their customers and is also in line with the public service prescripts.

However there are obvious gaps of staff performing an acknowledged housing function outside the approved structure. This gap is bridged by means of a supplementary structure to the approved structure.

Another main challenge the Department is facing is to make regional offices to be fully fledged and viable. What is envisaged is to get them at implementation level to represent the Department fully and not programmatically.

A8 Description of strategic planning process

The strategic planning process started with a two day workshop of senior management and middle management as well as organised labour representatives. The workshop was officially opened by Minister Makhaye and facilitated by HR consultants. The focus of the workshop was to:
- Re-write the goals of the department in a result based way
- Define the process that delivers the goals

This workshop was followed by a number of information sessions run by each of the senior managers with other managers and staff within their respective Directorates, to get buy in. A further workshop was held with senior management service, middle management, junior managers and organised labour. The focus of this workshop was to:

- Define the core outputs and core processes that inform the framework for restructuring the organisation
- Formulate performance measures that are in line with the terms of reference

The last bullet has not been achieved yet and will be the focus of the last workshop.

PART B : PROGRAMME AND SUB-PROGRAMME PLANS

B2 Measurable objectives, strategies/activities, outputs, measures and monitoring mechanisms

Programme 1 : MANAGEMENT SERVICES 2003-2006

Table 5

Programme:	
Sub Programme: Office of the Provincial Minister of Housing	
Measurable Objectives	
To provide effective leadership to the Department accountable to Parliament, Housing Stakeholders, other agencies and beneficiaries.	

Outputs	Performance Measures			
	Cost Measure (2003/04)	Quantity Measure	Quality Measure	Timeless Measure
The rendering of advisory, secretarial, administrative and office support services		Will be managed in such a way that all the objectives of the Department are realized.	*Keeping of appointments by the MEC. *Availability at all planned commitments *Comprehensive response to ministerial enquiries. *Taking the Department to the people *Addressing concerns stated at meetings/mass meetings *Effective media liaison	Ongoing Within two (2) weeks Within two (2) weeks of invitation Within two (2) weeks from the meeting Response from the next paper issue
Budget Speech	Departmental Budget (R980 million)	*Sufficient number of copies for MP's, managers, media & stakeholders.	Accuracy of information.	As prescribed by the PFMA
Submissions to Cabinet & Parliament		Sufficient number of copies to appropriate members	Comprehensive and Accurate	Based on scheduled/planned sittings

Sub Programme: Office of the Head of Department				
Measurable Objectives				
To conduct the overall management of the Department, render an advisory and support service to the Ministry and ensure an effective and efficient transformed administration.				
Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeless Measure
The rendering of advisory, secretarial, administrative and office support services		Will be managed in such a way that all the objectives of the Department are realized.	*Organisational structure aligned with financial structure *Signed performance agreements for SMS *Signed job descriptions for lower level posts *Fully fledged regional offices implementing the Departments objectives fully and not sectionally	Continuous
Budget allocation	Departmental Budget (R980 million)	Allocation per programme	Sufficient funding per programme	In line with Provincial Treasury directive.
Change Management	Initiate, supports and champions organizational transformation and change in order to successfully implement new initiatives and deliver on service delivery commitments. +/- R275 000	Designs specific projects to enable change that are aligned to the organizational objections.	Uses the political, legislative and regulatory processes of the Public Service to drive and implement change efforts.	Continuously
Report Performance	Annual Report	Sufficient copies for all MP's and stakeholders	Comprehensive & accurate	5 months after the close of the financial year
Ensure on overall transformation of the departmental processes	Participate in; -Youth -Gender -Poverty -HIV Aids ±R15 000	Representation at all forums	Establishment of Help Desks and feedback workshops.	Ongoing
	Ongoing reviewing of Delivery Practices to outside housing stakeholders ± R20 000	Municipalities, NGO's, CBO's, Peoples Housing Process committee's & stakeholders.	Larger participation in Housing Delivery & construction of bigger and better houses.	Ongoing
Identification of risk area's	Risk Management Report/Document ± R20 000	Number of high, medium and low risk cases.	Appropriate counter action plan to address/mitigate risk.	Ongoing

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Programme 2: CORPORATE SERVICES 2003-2006

Table 5

Programme: Corporate Services	To provide professional general support service to the Chief Directorates and Ministry enablingthem to effectively deliver on the mandate of the department			
Sub Programme: Financial Management	To provide a financial management function to the Department.			
Measurable Objectives				
To ensure effective and efficient systems of financial management through the implementation of information systems to ensure effective monitoring of: The performance of the operational budget against expenditure Administration of accounts payable				
Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Basic Accounting System	Estimated R200, 000	A completed system together with necessary interface table.	Provision of accurate and timely information system Easy access to information by management	March 2004
Building the capacity of Staff within Finance	+/- R550, 000	60 Officials	Appointment of appropriately trained staff	September 2003
Training Plan	Estimated R100, 000		Appropriately trained staff	March 2004
Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Financial Statements		3 sets of Annual Financial Statements	Fair presentation in terms of GRAP / GAAP	Monthly and Annual Reports
Budget statements		3 Budget Statements	Accurate BS	1st submission – Oct Final submission - Dec
Risk Management (Internal)		Ongoing and changing as fraud changes face	In line with treasury regulations	Annually

Programme: Corporate Services	To provide a professional support service to the Chief Directorates and Ministry, thus enabling them to deliver on the mandate of the department.
Sub Programme 2: Human Resource Management	
Measurable Objectives	
To manage the Human Resource management requirements of the Department To develop and implement a Performance Management System for the Department of Housing To develop and align Human Resource Policies, Systems and practices and resolutions	

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Performance Management and Development of System is in place.	Estimated R20 000		In line with PSETA guidelines and the Skills Development Act Good performance rewarded Optimum use of all resources	June 2003 with annual revisions
2.1 Human Resources Policies, Systems Practices, strategies, plans and programmes personnel delegations are developed and aligned.			In line with the views of Department and Unions Quality policies that are in line with BCEA, LRA, EEA and Collective Agreements	March 2003
3.1 HRD Plan/Strategy is developed, implemented and monitored.	Estimated 2 million		In line with Employment Equity Act and Skills Development Act Co-ordinated training courses of the Department	March 2003
4.1 The organizational structure is aligned to the business plan of the department	Estimated R16 800		Improved service delivery and work flow	April 2003
5.1 The level of literacy and numeracy is improved	Estimated R500 000		All staff are able to do basic reading and writing	March 2004
6.1 All jobs are evaluated and Job Descriptions are reviewed, properly compiled and monitored	Estimated R73 600		All staff properly placed	March 2004
7.1 Improved relations and communication between Management, staff and Organisation Labour	Estimated R50 000		Improved flow of information Common interpretation of policy and prescripts	Ongoing
8.1 Aids awareness, financial life skills programmes are in place.	Estimated R100 000		Improved quality life of officials	Ongoing

Programme: Corporate Services	
Sub Programme: General Administration	

Measurable Objectives

To render an efficient and effective Administration Support Service to the Department.

Objectives

1. To provide efficient procurement and provisioning services to the department.
2. To provide and maintain an efficient and effective system for Assets Management.
3. To provide and manage furniture and equipment.
4. To ensure a cost effective utilization of all office support systems.
5. To maximize accommodation needs within budget limits.
6. To provide and maintain an efficient and effective transport service.
7. To render registry, printing and logistical support services.

Outputs	Performance Measures		
	Cost Measure (2003/04)	Quantity Measure	Quality Measure
1.	R988 000		
1.1 To ensure that standard stores are available		Valued R600 000	Meet specifications
1.2 To acquire items on specific request		Valued R350 000	Meet specifications
1.3 To facilitate the review of Tender Committees in terms of the KZN Procurement Act		11 meetings	Complying with policy
1.4 Increase awareness of provisioning procedures and legislation		Ongoing	
2.	R20 000 000		
2.1 To ensure that all assets are accounted for		All moveable assets in the Dept.	Updated Stock register
3.	R2 750 000		
3.1 To acquire furniture and equipment required by staff in the department		Valued R2 750 000	Meet specifications

4.	R1 300 000			
4.1 To provide an effective and efficient Telecommunication system		Complete system	Reliable and provide easy access	
5.	R6 302 582			
5.1 Accommodation needs maximised		Offices for all staff 130 bays	Meet health and safety standards	2006/7
5.2 Suitable parking provided			Security of vehicles	2004/5
6.	R3 350 000			
6.1 Vehicles replaced in line with provincial policy		20 vehicles	New vehicles	March 2004
6.2 Internal policy on the use and management of pool vehicles in place		4 per annum		March 2004
6.3 Pool vehicles maintained and licensed		110 vehicles	Good running order	Monthly
7.	R155 000			
7.1 Provide and efficient and effective registry service		5 Registries	Accurate and timely information	Daily
7.2 Provide a printing and Photostat service		150 000 Copies	Produced timeously	Daily
7.3 Provide logistical support services		Ongoing		Daily

PROGRAMME 2					

SUB PROGRAMME: COMMUNICATION					

MEASURABLE OBJECTIVES	OUTPUT	PERFORMANCE MEASURES			
		COST MEASURE	QUANTITY MEASURE	QUALITY MEASURE	TIMELINESS MEASURE
Maintaining effective internal and external communication	The production of all internal and external publications and distribution thereof	*R704 000.00* *R16 000.00* **R720 000.00**	**400** x 11 (*Infotainer*) **5 000** x 4 (*Housing News*) **50 000** x 11 (*Vukuzakhele*) **5 000** leaflets x1 (2 languages)	Evaluate feedback	March 2004

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					
MEASURABLE OBJECTIVES	**OUTPUT**	**PERFORMANCE MEASURES**			
		COST MEASURE	**QUANTITY MEASURE**	**QUALITY MEASURE**	**TIMELINESS MEASURE**
Facilitating two way communication in the organisation	To have a re-run of the climate study questionnaire to access the effectiveness of internal communication Staff Presentations	S &T R 3 000.00	2 sessions x 3 regions	A better understanding of the Department's business and Public Service	March 2004

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					

MEASURABLE OBJECTIVES	OUTPUT	PERFORMANCE MEASURES			
		COST MEASURE	QUANTITY MEASURE	QUALITY MEASURE	TIMELINESS MEASURE
Staging of Special events	Organise celebrations of these events and invite motivational speakers	*R100 000.00* *R150 000.00* **R250 000.00**	3 events - staff (*Women's Day, AIDS Day, Sports Day*) 2 events -public (*Housing Week, World Habitat Day*)	Strengthened relations between the Department and its publics	March 2003 December 2003 December2003

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					
MEASURABLE OBJECTIVES	**OUTPUT**	**PERFORMANCE MEASURES**			
		COST MEASURE	**QUANTITY MEASURE**	**QUALITY MEASURE**	**TIMELINESS MEASURE**
Streamline all communication activities within the department in order to ensure that the dept communicates in one voice	Inform managers on the communication strategy for the department and ensure buy-in throughout through out the department	None(To be cascaded through the office of the HOD and Manco meetings)		A better understanding of the chain of command	Upon the adoption of the Provincial Communication Policy

PROGRAMME 2

SUB PROGRAMME: COMMUNICATION

MEASURABLE OBJECTIVES	OUTPUT	PERFORMANCE MEASURES			
		COST MEASURE	QUANTITY MEASURE	QUALITY MEASURE	TIMELINESS MEASURE
Provide Communication support to the Minister and the department	Positive mileage: Radio	*R600 000.00*	Average of 3 slots per week	Pre-recorded adverts and live talk shows	Ongoing
	Print media	*R100 000.00* **R700 000.00**	Average of 3 newspapers per campaign	Full colour, placement	3 campaigns running between 01/ 04/ 2003 & 31/03/2004

PROGRAMME 2

SUB PROGRAMME: COMMUNICATION

MEASURABLE OBJECTIVES	OUTPUT	PERFORMANCE MEASURES			
		COST MEASURE	QUANTITY MEASURE	QUALITY MEASURE	TIMELINESS MEASURE
Manage client- service desk to ensure accessibility and thus improve service delivery to our clients	Ensure prompt response to public queries Provide a referral service/Enquiry service Continuously identify the needs of clients in order to develop suitable material and carry out campaigns relevant to their needs: Research	Personnel: **R 40 000.00**	Monitor the register of people who forward lodge enquiries	Evaluate the nature of enquiries and align the media strategy	Ongoing

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					
MEASURABLE OBJECTIVES	**OUTPUT**	**PERFORMANCE MEASURES**			
		COST MEASURE	**QUANTITY MEASURE**	**QUALITY MEASURE**	**TIMELINESS MEASURE**
To convey information about the department to the media and the public	Issue press statements and conduct media briefings		As and when required e.g. new policy	Positive reports and feedback from beneficiaries	Ongoing

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					
MEASURABLE OBJECTIVES	**OUTPUT**	**PERFORMANCE MEASURES**			
		COST MEASURE	**QUANTITY MEASURE**	**QUALITY MEASURE**	**TIMELINESS MEASURE**
Participate in the Provincial Government Communication Forum	Participate in all intergovernment campaigns and forge partnership with stakeholders in government. (Road Shows)	S&T	3 Road Shows 1 Royal Show	Feedback	31/03/2004

PROGRAMME 2

SUB PROGRAMME: COMMUNICATION

MEASURABLE OBJECTIVES	OUTPUT	PERFORMANCE MEASURES			
		COST MEASURE	QUANTITY MEASURE	QUALITY MEASURE	TIMELINESS MEASURE
Maintain positive corporate image, evaluate and monitor public perception about the department	Production of promotional material Continuously gather feedback and allow public interaction between officials and public	*R200 000.00* *R100 000.00* *R20 000.00* **R320 000.00**	10 000 calendars and 1000 diaries 2 000 T-shirts and caps 500 conference bags 1 exhibition stand and display material	Establishing and maintaining a positive image of the Department.	31/03/2004

PROGRAMME 2					
SUB PROGRAMME: COMMUNICATION					
MEASURABLE OBJECTIVES	**OUTPUT**	**PERFORMANCE MEASURES**			
		COST MEASURE	**QUANTITY MEASURE**	**QUALITY MEASURE**	**TIMELINESS MEASURE**
		R1 310 000.00			

Programme 3: PLANNING, LEGAL AND INFORMATION MANAGEMENT (STRATEGIC HOUSING SUPPORT SERVICES) 2003 – 2006

Programme:	
Sub Programme: Planning	

Measurable Objectives
1. To co-ordinate housing planning for all Municipalities within the parameters of National Policy and Provincial framework
2. To manage the equitable allocation of budgets to all Municipalities in KwaZulu-Natal, within parameters of National Policy, Provincial framework, the Integrated Development Plans and the Department's Priority Programmes
3. To communicate and workshop the Provincial Housing Development Plan with all the Provincial Housing role players
4. Establish the Planning Resources Centre, update IDP & minutes files per Municipality
5. Consolidate the Planning Team

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Participation in the Municipalities' Integrated Development Planning (IDP) Review processes	R32 300	55 Municipalities will be visited	All IDP's (where a housing demand exists) will have housing provision which is in line with the Department's Key Priorities. Key performance milestones will be realistic and achievable	June 2003
1.2 Participation and making inputs in terms of planning the Municipal Housing Forums	R15 504	24 Housing Forums will be attended	Provide a support role to Municipalities in the implementation of their IDP Applications by Municipalities for reservation of subsidies will be in line with the IDP and the Department's Key Priorities	Ongoing
1.4 Engage in the Provincial and sometimes National Planning Initiatives to ensure continual alignment of Housing (E.g. The Provincial Growth and Development Strategy, PSDF, SDI, National Initiatives on Sustainable Development, EIP)	R5 168	8 meetings will be attended	Constructive inputs to be made at these forums Regular Monthly reporting to Senior Manco on progress & issues coming there out. Useful information to feed into the PHDP: resulting into a well-balance PHDP that relates and responds to the Provincial Developmental initiatives.	Ongoing

1.5 Attend and make inputs in the KZN Provincial Multi-sectoral IDP Forums	R1 292	2 Forums will be attended	Constructive inputs to be made at these forums Regular Monthly reporting to Senior Manco on progress & issues coming there out.	
2.1 Determine Municipalities' Housing Demand and Priorities		Housing demand for 55 Local Municipalities will be captured	A realistic Housing Business Plan to be developed and annexed to the PHDP	
2.2 Monitor and evaluate housing developments in the province with the aim of feeding into the PHDP			Examination of housing priority issues visa-vie the Department's performance Analysing Municipalities' Housing Business Plans Updating the Performance Planning Template of the PHDP Provide information on request to the MEC for Municipalities who will apply for reservation of subsidies Revisiting DoH's performance & updating the performance Template in the PHDP Annual report to National DoH.	
3.1 Arrange for PHDP presentation slots in the RCC Meetings	R1 938	3 Regions to be covered	PHDP to be in line with the operational/ Project Delivery Plans of the Regions	
3.2 Arrange for the PHDP workshops with each Chief Directorate in the Department		All 4 Chief Directorates to be addressed		
3.2 Arrange for PHDP presentation slots with Senior Management of the Department		At least 1 meeting with Senior Manco		

4.1 A well established & maintained resources centre			Up-date all files as information comes QUALITY: Will be managed & maintained in such a way that all relevant planning material will be there EFFICIENCY: No additional funding for this exercise will be needed ACCESS: Accessible to all who need planning information SUSTAINABILITY: Will be sustainable and be usable even if the Planning component is phased out.	
5.1 Appointment of 2 Assistant Directors & 3 Admin Officers	R484 961	Appointment of 2 Assistant Directors & 3 Admin Officers	All 5 positions to be filled	

Sub Programme: Information Mgmt	

Measurable Objectives
1. Provide IT service via Service Level Agreement with SITA
2. Publish and maintain Department's Internet Website
3. Develop and maintain Housing GIS
4. Provide a library/resource centre service
5. Design and implement databases as per approvals
6. Gather and maintain information on behalf of the department
7. Develop Master Systems Plan(MSP)

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Efficient and effective IT solutions	Subject to agreement (about R1.3m)	No. of faults reported No. of faults resolved Cost of contract with SITA	Turnaround time for critical faults: 4 hours Turnaround time for non-critical faults: 24 hours	April 2003 to March 2004 I year contract renewable
2.1 Establish a well informed Internet Website	Approx R180000	-collection of data -populating web pages with data -verification of data on website -testing of website -launch of website -maintenance and update of website	Addressing users info needs Effective use of Dept website Accuracy of information Availability of Information	Launch of website: April 2003 All other aspects: ongoing
3.1 Production of standardised and customised map products and spatial reports	R419 000	-collection of GIS data pertaining to Housing -verification of GIS data -publish GIS data on the web -launch of GIS website -maintenance and update of GIS website -produce maps/reports	Addressing users info needs Effective use of GIS website Accuracy of information Support decision makers Availability of Information	Launch of GIS website: April 2003 All other aspects: ongoing
4.1 Efficient and effective library service	R50 000	-Maintain and update library software -Catalogue resource material on system -Retrieving and archiving of articles -Manage subscriptions and acquisitions of resource materials		On going

5.1 Effective system integration	R2 231 600 over 3 years	Design database for
		  - Housing waiting list for Local Municipalities
		  - Skills Audit
		Cost of design and implementation
			Address user requirements	December 2003
				April 2003 – April 2004
				
				In house

6.1 Effective flow of information	In house	Timeous availability of requested reports/ information	Effective flow of info Availability of info Accuracy of info	On going
7.1 Effective alignment of MSP with core functions of Department	R350 000	-Needs Analysis -Information gathering -Data analysis -Findings	Effective identification of users data requirements	April 2003 - June 2003

Sub Programme: Institutional Mgmt	

Measurable Objectives
1. To capacitate Housing Institutions 2. To create, co-ordinate and manage housing institutions 3. To monitor the legislation, functions and development of housing institutions

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Conduct workshops with new and existing Housing Institutions/ Tenants committees and Tenants	R100 000	1 housing institution	Sustainability and viability of the housing institution	Quarterly
1.2 Attend board meetings	R42 000	35	All problems brought up in the board meetings are attended.	Quarterly
1.3 Identify capacity gaps in legal entities		3	The housing institutions will be observed in areas in which they have been capacitated	Quarterly
2..1 Manage and facilitate the implementation of housing institutions	R10 000	1 housing institution	Make sure that the housing institution is established	Quarterly
2.2 Manage the conversion of hostels to family units	R3 000	1	Packaging of the project.	Quarterly
2.3 To co-ordinate and attend meetings	R5 000	4	Regular reporting to the CD	Quarterly
2.4 Participating and making inputs in RCC meeting	R2 000	1	Packaging of institutional projects	Quarterly
2.5 Engage in the Provincial and National planning initiatives in terms of Social Housing	R2 500	1	Regular reporting to the CD.	Quarterly
3.1 To educate potential beneficiaries on their roles and responsibilities	R100 000	50	The level of understanding will be evaluated	Quarterly

3.2 To educate the existing beneficiaries on their rights and responsibilities	R100 000	50	Level of rental payments will have to be 80%	Quarterly
3.3 Monitoring of financial statements		8	Receiving of financial statements at the end of the financial year of each institution.	Yearly
3.4 Assist with the formation of tenants committees	R2 500	1	Existence of the tenants committee	Quarterly

Sub Programme: Legal Services	
Measurable Objectives	

1. To render legal support services to the department
2. To render secretarial services to the KZNP-HAC

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Negotiate and draft documents, agreements on behalf of various directorates		ongoing	ongoing	ongoing
1.2 Act as intermediary between KZNPA and the State Attorney / other attorneys		ongoing	ongoing	ongoing
1.3 Carry out investigations and seek legal solutions as may assist the department		ongoing	ongoing	ongoing
1.4 Compile memoranda for consideration to assist other directorates especially where cases are pertinent, deal with summonses, applications to court and the judicial process		ongoing	ongoing	ongoing
2.1 Preparation of agendas & delivery	In-house	Bi-monthly	Bi-monthly	Bi-monthly
2.2 Recording and preparing minutes of KZNP-HAC meetings	In-house	Bi-monthly	To ensure correctness	Bi-monthly
2.3 Submission of recommendations to MEC	In-house	Bi-monthly	Accurate and concise resolutions	Within 1 week
2.4 Maintaining database of project submissions	In-house	ongoing	Ongoing	ongoing

2.5 Communication of project approvals to line functionaries	In-house	Bi-monthly	Bi-monthly	Bi-monthly
2.6 Receiving submissions for KZNP-HAC		ongoing	ongoing	Before closing date of agenda

Sub Programme: Capacity Training	

Measurable Objectives

1. To capacitate provincial & municipal officials to undertake core function in housing
2. To establish housing components within municipalities
3. To educate/inform the public through an consumer education awareness programme

Outputs	Performance Measures			
	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
1.1 Black Emerging Developer Prop. 5 Corp.-Program Manager on behalf of Dept. to monitor activities of above programme	1 044 902-00 77 280-00	40 public developers	Evaluation report Certificate awarded Progress report	Yearly
1.2 National Housing Code Workshop	25 000-00	140 provincial & municipal officials	Monitoring of workshop	Yearly
1.3 Introduction to Housing Management	250 000-00	100 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.4 "Train the Trainer" on PHP	50 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.5 Project Management	150 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.6 Project Facilitation	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.7 Project Packaging	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.8 Project Evaluation (Social & Technical)	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly

1.9 Project Implementation	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.10 Project Monitoring	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.11 Project Close-out	70 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.12 Subsidy Administration	70 000-00	30 municipal officials	Mentoring Impact Assessment	Yearly
1.13 Housing Subsidy System Twinning Programme	30 000-00	6 provincial officials	Impact Assessment	Yearly
1.14 Land & Contract Administration	80 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.15 Rental Housing Tribunal	100 000-00	30 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.16 Rental Housing Twinning Programme	40 000-00	10 provincial officials	Impact Assessment	Yearly
1.17 Policy Development	150 000-00	50 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.18 "Train the Trainer" capacity building	50 000-00	5 provincial officials	Evaluation report Impact Assessment Certificate awarded	Yearly
1.19 Phasing out of old business	80 000-00	30 provincial & municipal officials	Mentoring	Yearly
1.20 Social Housing (Section 21 companies)	200 000-00	40 board members & 50 tenant committees	Evaluation report Certificate awarded	Yearly
1.21 "Train the Trainer" Consumer Education	50 000-00	30 provincial, municipal officials & section 21 companies	Evaluation report Impact Assessment Certificate awarded	Yearly
1.22 Introduction to Housing Management: Traditional leaders	70 000-00	30 traditional leaders	Evaluation report Impact Assessment Certificate awarded	Yearly
1.23 Introduction to Housing Management: Councilors	90 000-00	100 provincial & municipal officials	Evaluation report Impact Assessment Certificate awarded	Yearly

1.24 Introduction to Housing Management: HPC members	30 000-00	15 parliamentary housing portfolio committee members	Evaluation report Impact Assessment Certificate awarded	Yearly
1.25 Hostels Upgrading & Facilitation	100 000-00	30 provincial & municipal officials	Evaluation Report Impact Assessment Certificate awarded	Yearly
1.26 CMIP funding	30 000-00	100 provincial & municipal officials	Monitoring of Workshop	Yearly
2.1 Establishment of housing components within municipalities	2 000 000-00	6 municipalities	Monitoring & evaluation	Yearly
3.1 Housing Consumer Education Awareness Programme	80 000-00	Public	Monitoring & evaluation	Ongoing

Programme 4 : PROJECT MANAGEMENT 2003-2006

Programme:

Sub-Programme: Project Management

Measurable Objectives

To establish maintain, monitor and evaluate housing policies.

To render land and legal contract administration services to project management.

To administer subsidies in respect of beneficiaries.

To administer housing projects and monitoring thereof.

To provide adequate housing to qualifying citizens.

Output	Cost Measure	Quantity measure	Quality Measure	Timeless Measure
Policy				

Land Legal & Contracts				
5. Rendering of legal advice with regard to policy formulation, legislation and contracts disputes. 6. Drafting and concluding of contracts. 7. Compilation of legal opinions. 8. Instructions to State Attorney. 9. Interpretation of policy and legislation 10. Land identification and prioritization Land acquisition and disposal		Dependent on policy section Legislation to be promulgated Dependent on approved projects	Compliance with National Housing Code Act and other relevant legislation. Compliance with Deeds Registry Act. Housing. Compliance with Development and planning legislation.	Ongoing Ongoing Ongoing
Human Settlement Redevelopment Programme				
11. Projects identified and packaged. 12. Projects approved. 13. Projects implemented and closed out.	Budgets included in Regional Office budget.		Projects approved and implemented in terms of Human Settlement Redevelopment. National guidelines Criteria	38 075

Sub-programme 4								
Subsidy Administration								
14. Beneficiary Administration 15. Subsidy Financial Administration Project Management Information			Compliance with legislation policy. Compliance as per contract	Ongoing				
Project Monitoring								
16. Slum Clearance 17. Consolidation 18. Individual Subsidies 19. Rental Housing 20. Rural Housing 21. Aids Projects 22. Urban Projects Close Out of Projects	Agreements signed. No. of Subsidies approved and paid out. Services completed. Top-structures completed No of Project close- out completed			Project Implementation Programme				

South African Housing Fund				
23. Projects approved in terms of the provincial Housing Development Plan				
24. Services completed in terms of the project development programme				
25. Houses built in terms of the project development programme				
26. Properties transferred in terms of project development programme				
27. Compliance with norms and standards				

Programme 5 : MUNICIPAL HOUSING SUPPORT AND ASSETS MANAGEMENT 2003-2006

Programme: 5	
Sub-Programme: Municipal Housing Support and Assets Management	
Measurable Objectives To render support to municipalities in terms of initiation and facilitation of new projects. To monitor and control the Municipal Housing Operating Accounts at the various municipalities. To monitor for Establishment Grant Funding. Manage People's Housing Process. Co-ordination of Regional work to ensure uniformity.	

Outputs			**Performance Measures**		
	Cost Measure	Quantity Measure	Quality Measure	Timeless Measure
Project Initiation and Facilitation of New Housing projects	Salaries of Regional Staff Resources that they will require S&T and Overtime Staff Training, etc. Employment of new staff	No. of new projects per annum	Fully fledged Housing Forums up and running Municipalities gradually taking the role of the developer and reducing Dependence upon IA	Quarterly
Monitor the usage of Municipal Housing Operating Accounts	Salaries of Staff Resources that they will require S&T claims and Overtime Staff Training, etc. Employment of new staff	All municipalities with municipal Housing operating accounts monitored per annum	Better understanding of Municipalities of the operation of the Municipal Housing Operating Accounts Timeous submission of audited reports by municipalities per annum	Quarterly

Co-ordination of Regional Work to ensure uniformity	Salaries of Staff Resources that they will require Staff Training, etc. Employment of new staff		The smooth running of the Directorate. Clear understanding of the Head Office expectation of the Regional Staff.	
Manage the People's Housing Process	Salaries of Staff Resources that they will require S&T claims and overtime Staff Training, etc. Employment of new staff	No. of new PHP Projects quarterly	A fully fledged PHP component	Quarterly

Sub Programme: Assets Management				
To manage the provincial housing assets and to provide support to the Rental Tribunal.				
Outputs	**Cost Measure**	**Quantity Measure**	**Quality Measure**	**Timeliness**
Phasing Out of Subsidies	R500 000	• Departmental Assets register • Phase out Programme • 12 000	• Increase in revenue • Improvement in quality of debtor information	September 2004
Discount Benefit Scheme	R200 000 000	• Finalisation of old projects • Promotion of scheme • Upgrading of units to make saleable • Transfer of houses • 150 000	• Units made saleable • Title deeds handed over to beneficiaries • Reduction in old business housing stock	31 March 2005
Upgrading of Hostels	R450 000 000	• Formulation of implementation options • Meetings with hostel committees, Councilors, Municipality • Implementation	• Increase in rental revenue • Reduction in maintenance costs • Reduction in hostel stock	31 March 2010

Sub Programme: Assets Management				
To manage the provincial housing assets and to provide support to the Rental Tribunal.				
Outputs	**Cost Measure**	**Quantity Measure**	**Quality Measure**	**Timeliness**
		- Facilitation on administration, rental structures - Negotiation for eventual transfer to Municipalities 24 hostels – 115000 residents		
Well maintained housing stock and hostels	Part of annual budget allocation. Will reduce with the transfer of assets.	- Estimated at 1000 cases per month - Depended on complaints - Establishment of depot offices - Maintenance programme	- Feedback from tenants - Reduction in costs	On-going
Support to the Rental Tribunal	Cost of staff and equipment to manage the strategy	- Registering of complains - Investigations - Secretarial services - Event management Varies, estimated at 1000 per year	Compliance with the rental Housing Act	On-going

Reconciliation of budget with plan by Programme

Table 7

Programmes	Year-2 2000-2001	Year-1 2001-2002	Base Year 2002-2003	Avarage Annual change	Year-1 2003-2004	Year-2 2004-2005	Year-3 2005-2006	Average annual change (%)
R000	(Actual)	(actual)	(actual)	(%)	(budget)	(MTEF projection)	(MTEF projection)	
	R'000	R'000	R'000		R'000	R'000	R'000	
Programme 1. Management Services	48,689	32,110	19,596	(26.2)%	10,595	13,001	13,812	9.2%
Programme 2. Corporate Services	5,268	29,812	37,934	93.1%	38,925	40,871	43,323	3.6%
Programme 3. Planning, Legal Services & Information Management	8,054	9,889	10,683	9.9%	10,219	10,866	11,519	4.1%
Programme 4. Project Management	670,191	702,928	945,593	12.2%	856,732	816,437	857,264	0.0%
Programme 5. Integrated Municipal Support & Assets Management	52,317	57,794	60,175	4.8%	61,036	59,226	62,780	0.9%
Programme 6. Auxiliary & Associated Services	644	3,980	2,000	45.9%	2,100	2,205	2,337	3.6%

B5 Medium-term revenues

B5.1 Summary of revenue

Table 8.1 below illustrates the budget position of the Department of Housing for the financial years 2000/01 to 2005/06. The conditional grants reflected in the table include the SA Housing Fund and the Human Settlement Redevelopment Grant. The aim of the SA Housing Fund is to promote the provision of affordable housing and essential services. The conditional grant Human Settlement Redevelopment is intended for political victims in KwaMashu Section L. This programme involves rehabilitating existing private and state owned houses.

Table 8.1   Summary of revenue: Department of Housing - KZN

R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF
Equitable share - Voted by Legislature	135,533	153,400	161,304	157,728	167,094	177,120
Conditional grants	645,397	722,647	745,804	822,390	776,023	814,426
Human Settlement	*3,000*	*25,000*	*25,486*	*26,000*	*27,560*	*20,490*
SA Housing Fund	*616,300*	*697,647*	*720,318*	*796,390*	*748,463*	*793,936*
Capacity Building	*1,800*			*0*	*0*	*0*
Flood Disaster Reconstruction Grant	*24,297*			*0*	*0*	*0*
KZN Peace Initiative - Phase II			*0*	*0*	*0*	*0*
Other (specify)						
Total: Revenue	**780,930**	**876,047**	**907,108**	**980,118**	**943,117**	**991,546**

B5.2 Departmental revenue collection

Table 8.2 gives a summary of the revenue that is generated from the SA Housing Fund for rentals received from the housing stock, as well as interest from conveyancers and lenders. The amount of rent collected fluctuates, as tenants are inconsistent with payments, and unemployment is the main cause of non-payment.

It is clear from Table 8.2 that revenue collected is not likely to increase considerably over the MTEF period. With the culture of non-payment prevailing in this country, the National Department has embarked on a new strategy and policy. They have introduced the Policy on the Phasing Out of Previous Dispensation Subsidies, whereby tenants contribute to rental payments in line with market-related tariffs. This will come into effect in five years, once the old subsidy on rental instalments has been phased out. All arrears have been calculated and will be *parked off* over this five-year period.

In 2003/04, the department plans to conduct an income survey and institute a new process in terms of debt collection. This new approach will be formulated together with the Housing Portfolio members, before being implemented in an attempt to resolve the issue of rental recoveries.

Table 8.2   Departmental revenue collection

R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF
Current revenue	**819**	**1,034**	**1,020**	**1,071**	**1,125**	**1,193**
Tax revenue	0	0	0	0	0	0
Casino taxes	*0*	*0*	*0*	*0*	*0*	*0*
Motor vehicle licences	*0*	*0*	*0*	*0*	*0*	*0*
Horseracing	*0*	*0*	*0*	*0*	*0*	*0*
Other taxes	*0*	*0*	*0*	*0*	*0*	*0*
Non-tax revenue	819	1,034	1,020	1,071	1,125	1,193
Interest	*25*					
Health patient fees	*0*	*0*	*0*	*0*	*0*	*0*
Reimbursements	*0*	*0*	*0*	*0*	*0*	*0*
Other sales	*0*	*0*	*0*	*0*	*0*	*0*
Other revenue	*794*	*1,034*	*1,020*	*1,071*	*1,125*	*1,193*
Capital revenue	**0**	**0**	**0**	**0**	**0**	**0**
Sale of land and buildings	0	0	0	0	0	0
Sale of stock, livestock, etc	0	0	0	0	0	0
Other capital revenue	0	0	0	0	0	0
Total: Revenue	**819**	**1,034**	**1,020**	**1,071**	**1,125**	**1,193**

5.3 Conditional grants

Conditional Grants : Department of Housing - KZN

R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF
Conditional grants	645,397	722,647	745,804	822,390	776,023	814,426
Human Settlement	*3,000*	*25,000*	*25,486*	*26,000*	*27,560*	*20,490*
SA Housing Fund	*616,300*	*697,647*	*720,318*	*796,390*	*748,463*	*793,936*
Capacity Building	*1,800*			*0*	*0*	*0*
Flood Disaster Reconstruction Grant	*24,297*			*0*	*0*	*0*

B6   CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

B6.1   Interdepartmental linkages

National Department of Housing

B6.2   Local government linkages

All Municipalities, and Department of Traditional and Local Government Affairs

B6.3   Public entities

None

B6.4   Public, private partnerships, outsourcing

None

B7 FINANCIAL MANAGEMENT

B7.1 Strategies to address audit queries

Audit queries are addressed within 14 days of receipt.

B7.2 Implementation of PFMA

A Chief Financial Officer (CFO) for the Department was appointed during the period October 2001 to December 2002, but has subsequently relocated to Gauteng. An Acting CFO has therefore been appointed to assist the Accounting Officer in his responsibilities as set out in part 2 of Chapter 5 of the PFMA.

PART C : BACKGROUND INFORMATION

C1 Appendix one : Analysis of service delivery environment

Service delivery measures – Programme 4: Project Management

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	**2003/04 Estimate**
1. Administer housing subsidies in respect of beneficiaries for approved projects and maintain and update the Performance Developer System	No. of subsidies approved per development and per project	27 000	18 306
	Compliance with the subsidy policy	100%	100%
2. Housing delivery	. Projects approved in terms of the Provincial Housing Development Plan	54	47
	. Services completed in terms of the project development programme	27 000	37 096
	Houses built in terms of project development programme	27 000	18 275
	Properties transferred in terms of project development programme	27 000	18 306
	Compliance with norms and standards	100%	100%
3. Human Settlement Redevelopment Programme	. Projects approved in terms of Housing Settlement Redevelopment Programme criteria	36	10
	. Projects completed	22	10

The decrease in the number of houses to be built in 2003/04 is as a result of changes in National policies, which necessitates that the department adjusts its figures accordingly, especially during this transition period. These policy changes are, firstly, beneficiary contributions of R2 479 or, alternatively, participation in the Peoples Housing Process. Secondly, all projects and developers are to be registered with the National Homebuilders Registration Council (NHBRC). The agreement with the NHBRC in KwaZulu-Natal should be signed by the end of February 2003. Pre–approval by the NHBRC will only be granted in cases where it is satisfied with the reports submitted.

Service delivery measures

Table 8.16 below illustrates service delivery measures pertaining to Programme 5.

Table 8.16   Service delivery measures – Programme 5: Integrated Municipal Support & Assets Management

The Rental Housing Tribunal was established under the Rental Housing Act (Act No. 50 of 1999). In terms of this Act, the Minister appointed the members of the Rental Housing Tribunal with effect from 2002. The core responsibility of the Rental Housing Tribunal is to harmonise relations between landlords and tenants through hearings and mediation. In so doing, several factors need to be taken into account, such as the promotion of rental housing taking due cognisance of the prevailing economic conditions of supply and demand, and the need for a realistic return on investment for investors in rental housing.

Table 8.16

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	**2003/04 Estimate**
1. To provide maintenance of lease units	1. No. of housing units maintained	13 000	13 200
2. Management of lease and sale of units	2. Number of discount benefit subsidies granted	0	5 000 cases
3. Transfer of assets to local authorities	. Number of units transferred to Local Authorities	2 000	1 000 units
4. Establishment of the Rental Tribunal	. Number of complaints attended to . Compliance with time frames in respect of complaints		1 200 3 months
5. Manage and upgrade of hostels	. Number of units upgraded	Approximately 762 completed	15% of total no. of units
6. Project initiation and facilitation of new projects	. No. of projects per municipality	56	112
7. Identify municipality capacity need	. Total number of workshops held with municipalities on various Housing Programmes	56	56
8. Market the People's Housing Process concept.	. No. of visits conducted per municipality . Number of Provincial Housing Projects initiated	96 56	468 56

C1.1   Policy changes and trends

In the housing environment, policy changes occur continuously and adjustments have to be made accordingly. The impact of the changes varies from minor to significant changes and contributes to a total amount impact on the ability of the department and also the developers to fulfil all their obligations.

The latest changes to have significantly influenced performance have been those surrounding the introduction of the new procurement procedures for subsidised housing as well as the introduction of a cash contribution to be made by beneficiaries in order to qualify for the capital subsidy. The impact hereof has been a reduction in the number of new projects that have been approved during the 2002/03 financial year.

C1.2   Environmental factors and emerging challenges

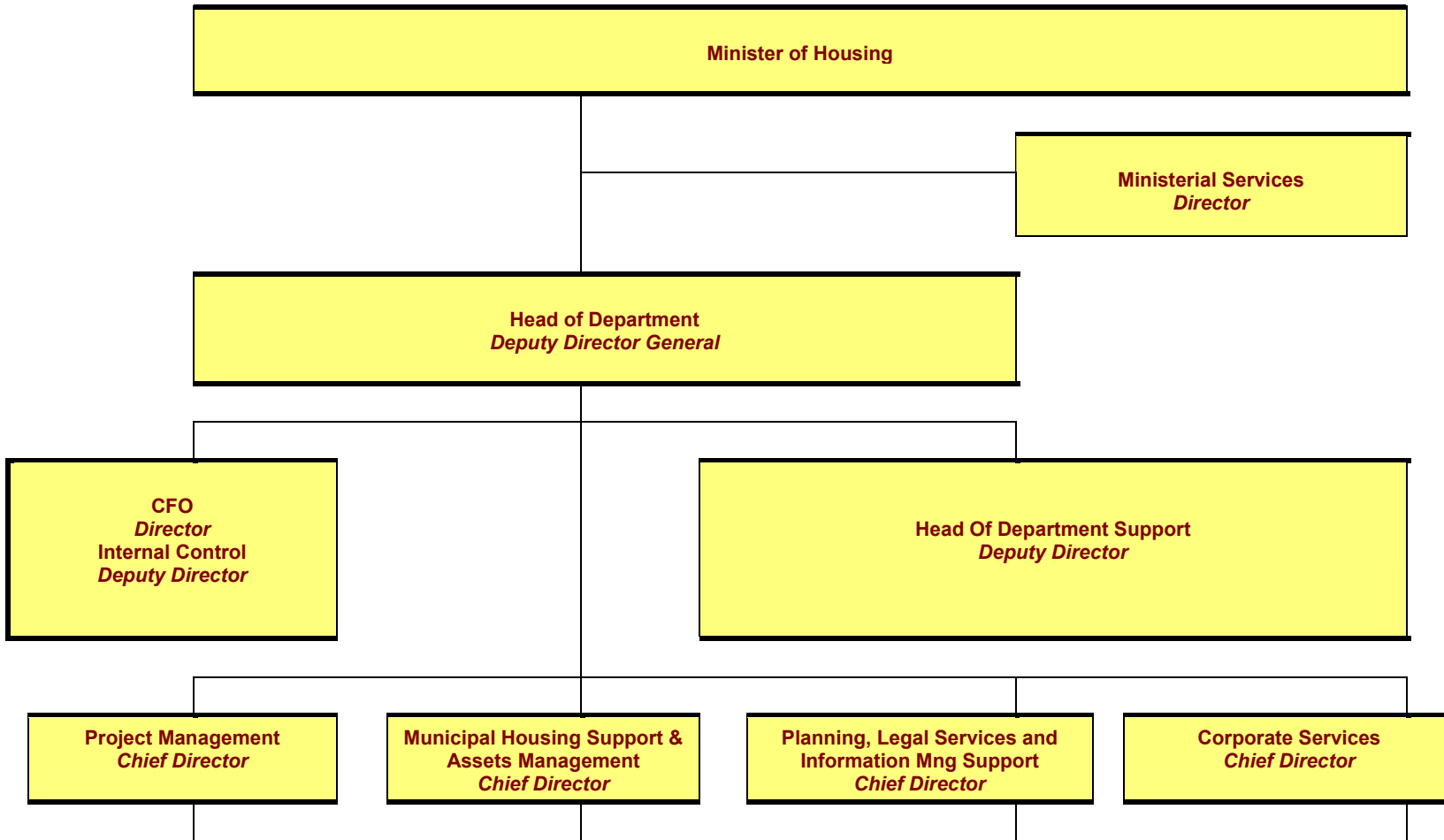### C1.2.1   Demographic profile of the province

C1.2.1.1   Total population

The total population of the Province is accepted to have been 8,417,021 (in accordance with the 1996 census statistics).

C2   ORGANISATIONAL INFORMATION AND THE INSTITUTIONAL ENVIRONMENT

C2.1   Organisational Design

The Departmental Organisational Structure is as highlighted/capture below;

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┌─────────────────────────────────────────────────────────────────────┐
│                        Minister of Housing                           │
└─────────────────────────────────────────────────────────────────────┘
                                  │
                                  │              ┌──────────────────────┐
                                  │              │  Ministerial Services │
                                  │              │      Director          │
                                  │              └──────────────────────┘
                                  │
┌─────────────────────────────────────────────────┐
│               Head of Department                  │
│            Deputy Director General                │
└─────────────────────────────────────────────────┘
```

Minister of Housing

Ministerial Services
Director

Head of Department
Deputy Director General

CFO
Director
Internal Control
Deputy Director

Head Of Department Support
Deputy Director

Project Management
Chief Director

Municipal Housing Support & Assets Management
Chief Director

Planning, Legal Services and Information Mng Support
Chief Director

Corporate Services
Chief Director

Coastal Region
Director
Inland Region
Director
Northern Region
Director
Contracts and Land Legal
Director
Special projects
Director
Subsidy Administration
Director

Municipal Housing
Director
Assets Management
Director

Legal Services and Secretariat
Deputy Director
Policy, Planning, Capacity Building and Institutional Management
Director
Information management
Deputy Director

Financial Management
Director
General Administration
Director
Human Resource Management
Director
Communications
Deputy Director
Security Management
Deputy Director

C2.2   Delegations

The Department functions in terms of the Public Finance Management Act, and the Public Service Act. These are:-

(1).   Financial Delegations;
(2).   Human Resource Management Delegations;
(3).   Procurement Delegations;

Responsibilities in terms of the PFMA are delegated to the programme managers.

C2.3   Capital investment, maintenance and asset management

C2.3.1   Long term capital investment and asset management plans

None

C2.3.2   Capital investment plan

None

C2.4   PERSONNEL

2.4.1   Redeployment of staff to critical areas

This strategy is being implemented to ensure that competent staff are not concentrated in one area of activity but are evenly spread across different activities of the Department. This strategy is consistent with the whole process of ensuring that the staff becomes multi-skilled and multi-functional. Consistent with this strategy, certain non-core functions have been abolished to free staff and other resources for redeployment in other sections of the Department.

2.4.2   Targeted recruitment

The Department's recruitment strategy is informed by the critical skills required but currently not available in the Department. The Department, however, faces some constraints in recruiting from outside. These constraints are partly a result of the fact that the Department inherited more unskilled, unqualified and dysfunctional personnel from the split

relative to its operational requirements. Currently the Department is undertaking a process to ensure that every staff member is properly accommodated. As a result, management has decided that all appointments to post levels of lower than Assistant Director will be done through internal recruitment. This strategy, it is believed, will bring several benefits to the Department.

Firstly, recruiting from within ensures that appointed candidates are familiar with the Department, thereby decreasing recruiting and training costs.

Secondly, it increases the morale and motivation of internal staff as the process defines clear career paths of the staff. It also encourages staff to avail themselves for training and development.

Thirdly, it ensures that the Department can put in place immediate training needs based on the skills audit report. This report contains a list of employee names, level of education and training, skills profile, present position, work experience and other qualifications.

2.4.3   Surplus Staff

The Department has a number of staff who are surplus to the operational requirements. This has been caused mainly by two factors.

(a)   Inheritance from the split

The split of the former Department of Local Government and Housing was based on the sharing of all assets (capital and human) on the principle of 1/3 to Housing and 2/3 to Local Government component. The problem with this principle is that it does not seem to have been informed by the needs of the newly created departments, but was rather informed by the sizes of the two branches in the "old department."

In implementing the principle, all staff were given an option to choose either to join Local Government component or Housing component. At this stage, no organograms had been created for the two new departments. The majority of staff made their decisions on the basis of convenience (working close to their homes) as opposed to job requirements and competencies. Most staff chose to join the Department of Housing since it was based in Durban. The Department therefore ended up with staff far in excess of its operational requirements.

Second, the split did not take factors such as skills requirements, availability of posts, etc. into account.

(b)   Staff in the R293 towns

The Department has transferred the functions and assets of R293 towns to municipalities consistent with the National Policy (Ingonyama Trust Act/1997). This act said nothing about the transfer of staff. It was anticipated that the transfer of staff would have been completed by the end of 1998/1999 financial year following the passing of the Transfer of Staff to Municipalities Act of 1998. An audit done by the Department has revealed that there are still a number of assets/stock in the name of the Department.The legislation makes provision for the transfer of staff to municipalities on two conditions, that:

❑   staff can only be transferred to municipalities with their concurrence; and

❑   municipalities affected should concur with the transfer of staff.
These two provisions have created a situation where staff have refused to be transferred to the municipalities. Even in situations where the officials have agreed to be transferred, municipalities have either rejected them or accepted a limited number, leaving the Department with several hundreds of redundant staff. This issue of R293 towns' staff is complicated by the inheritance of the split of the former Department of Local Government and Housing.

In the process, four categories of staff have emerged :-

(i)   staff which has to be transferred to municipalities – a large number was transferred by the former Dept of Local Government and Housing

(ii)   staff which genuinely belong to Housing

(iii)   staff belonging to Department of Local Government

(iv)   staff who do not belong to either of the two Departments – cleaners at magistrates' courts

In total, the Department has at least 750 staff in the R293 towns whose functions have been transferred to municipalities but are still remaining with it. This has resulted in a situation where the Department has ended up with surplus staff relative to its operational requirements.

Strategies to deal with the surplus staff

The following strategies to deal with right-sizing the Department :-

❑ Strategies to contain personnel size will be linked to the broader programme of transformation of the Department and will not narrowly be focused on reducing personnel but will be linked to improving service delivery.

❑ Strategies to cut personnel will guard against "false economies", where personnel expenditure is reduced only to create a burden on other elements of the State expenditure.

❑ The process of cutting personnel will not be driven by simple formulae that mechanically relate staff size to services to be provided. The right sizing of a Department will be influenced by factors such as priorities, tasks, skills availability, work processes and utilization of information technology.

❑ Personnel cuts will be integrated with budgetary process, using the Medium-Term Expenditure Framework as a starting point.

❑ Strategies to cut personnel will be located within a development rather than merely budget-driven paradigm.

Taking the principles outlined above into consideration, the Department has devised the following strategies to deal with staff who will be declared surplus relative to the operational requirements:

(a) Redeveloping the structure of R293 towns

The Acting Head of Department has directed that the Department should take responsibility for maintenance and administration of hostels and leased stock. To this end, he has further directed that a structure for the R293 towns should be developed. Many of the staff members will be absorbed in this new structure.

(b) Non-renewal or cancellation of all existing temporary employees' contracts.

Most contract employees who are not employed in critical areas of service delivery have been discharged as their contracts ended. This approach has not imposed any direct costs to the Department. As these employees are being discharged existing permanent staff who are suitably qualified, are absorbed in the vacant posts created. The temporary contractors include project monitors, evaluators and facilitators.

In the past the Department relied entirely on external monitors who were employed on contract basis. These external monitors have been phased out, in line with the strategy outlined above. The department has created a structure for this component and has employed internal monitors.

(c) Circulation of surplus staff list

The list of surplus staff has been circulated to all the
Provincial Departments, in line with the requirements of
Resolution 7. This list contains the skills profile, level of
education and training, qualifications and experience of
employees. Departments are accessing this list for purposes
of placement of the staff.

(d) Establishment of employee-owned businesses

The Department is exploring the possibility of encouraging
staff in the R293 towns, particularly the artisans, security
guards, etc., to form small business units which the
Department will assist in obtaining jobs from it and other
Departments. The majority of these staff are artisans,
cleaners, security guards, road workers and trade men's
aids. This strategy will be complimented with a skills
development programme for the staff affected.

(e)   Review of Organizational Structure

The structure of the Department as approved has
deficiencies such as duplication and overlapping of functions
and improper placement of staff. For this reason, the
Department has been reviewing the organizational structure,
with a view to adapting it to meet new challenges and
priorities. This process has not been finalized yet. As
indicated above, new priority areas have been identified and
surplus staff will also be redeployed to these new priority
areas.

(f)   Discipline of Staff Performing Below Expectations

One of the problems facing the Department is the absence of internal mechanisms to deal with poor performance. Once the duplications and overlaps have been sorted out, the Department will be putting in place a performance management system to deal effectively with poor performance. In addition, the Disciplinary and Incapacity Codes will be utilized extensively to deal with officers whose performance is found to be unsatisfactory.

(g)   Retrenchment

In line with Resolution 7, the Department regards this strategy as the last resort. Retrenchment is to be limited to cases where existing staff are declared redundant after all the other strategies have been tried. The staff who are above 55 years of age will also be encouraged to take early retirement.

C2.5   IT SYSTEMS

Acquisition of information technology

All computer systems and management information systems that enable the department to monitor and fulfil its core functions are taken up in the Master Systems Plan (MSP) of the Department. Currently, all information technology needs are verify and signed off by SITA before the respective programme managers and budget controllers approve such acquisition.

An Information Technology Committee is in the process of being formulated and to be chaired by the Chief Financial Officer. It is the intention of the Department to ensure that the MSP is updated regularly taking into account changes in need, budgetary constraints, changing environment, etc. This plan is to be compiled and adjusted in collaboration with the Chief Director: Planning, Legal Serves and Information Management and to be approved by the IT Committee.

C2.6 FINANCIAL MANAGEMENT

The compilation and management of budgets, control over cash flow, instituting a risk management in accordance with laid down prescripts and generally recognised financial practices are being applied. This to ensure that the achievement of the strategic organisational objectives is attained.

C2.7 INTERNAL AUDIT

LEGAL REQUIREMENT

The Public Finance Management Act, 1999, was implemented with effect from 1 April 2000, and Section 38(1) (a) requires accounting offices to "…ensure and effective, efficient and transparent system of financial and risk management and internal control as well as a system of internal audit under the control and direction and an audit committee…"

In the case of KwaZulu-Natal an Internal Audit Department has been established which resorts under the control of the Provincial Treasury Department. Therefore, in-keeping with Treasury Regulation which requires the audit committee to evaluate the financial statements of the department(s) for reasonability and accuracy, and to report on the effectiveness of internal controls of departments is then observed by the Internal Audit Department.

MANAGEMENT RESPONSIBILITY
In accordance with the Guide to Accounting Officers, the responsibility for guiding departmental strategy, major plans of action, risk policies, annual budgets and business plans, monitoring departmental performances and the establishment of best management practices.

AUDIT COMMITTEE RESPONSIBILITY

The Provincial Administration of KwaZulu-Natal has a centralized Audit Committee and Internal Audit Component. This has been adopted in terms of a Provincial Act which sets out the scope of their activities.

C2.8 IMPLEMENTATION OF THE PFMA

Significant progress has been made with the implementation of financial management improvements, including for example the implementation of the PFMA and other relevant financial legislation, highlighting areas of strengths and weaknesses, non-compliance and any barriers to progress.