

VOTE 9

DEPARTMENT OF DEVELOPMENTAL LOCAL GOVERNMENT AND HOUSING

VOTE 9: DEPARTMENT OF DEVELOPMENTAL LOCAL GOVERNMENT AND HOUSING

<u>TO BE VOTED:</u>	R583,377,000
<u>STATUTORY APPROPRIATIONS:</u>	Nil
<u>RESPONSIBLE POLITICAL HEAD:</u>	Hon. Mr. DE Africa
<u>ACCOUNTING OFFICER:</u>	Mr. Iqbal Motala

1. OVERVIEW

Statement by the MEC

I, Darkey Ephraim Africa, member of the Executive Council responsible for the Department of Developmental Local Government and Housing, hereby commit myself to the implementation of the Department's Medium Term Expenditure Framework submitted to the Provincial Treasury for the period commencing on 1 April 2004 and ending on 31 March 2007.

Statement by the Accounting Officer

I, Mohammed Iqbal Motala, the Accounting Officer responsible for the Department of Developmental Local Government and Housing, hereby commit myself to the implementation of the Medium Term Expenditure Framework presented to the provincial Department of Finance for the period commencing on 1 April 2004 to 31 March 2007.

Vision

The realization of developmental local government and integrated human settlement in the province

Mission

To effectively support, monitor and ensure viable developmental municipalities, as well as the facilitation of integrated human settlements

Core function(s) of the department

The core function of the Department of Developmental Local Government is the facilitation of Housing delivery and infrastructure in an integrated manner. Added to that, the Department also finds its core function in section 154 of the Constitution. In brief, the core is to monitor, and assist the creation of developmental Local Government in the Northwest Province.

Main services to be delivered by the department

In a nutshell the main services to be delivered by the Department is the facilitation of housing delivery and the enhancement of developmental municipalities in the Northwest Province.

Demand for and the changes in the services of the department

The demand for housing is growing especially in the urban centers. This demand is an add-on to the housing delivery backlog experienced by the province. The department plans to fast track housing delivery so as to meet both the backlog and additional housing requirements.

The Acts, rules and regulations applicable to the department

Municipal Structures Act (MSA)

It provides for mechanisms for the establishment of municipalities. It further outlines the political system of local government and the need to put communities at the center of local governance. The establishment of ward committees is premised on this piece of legislation after which flows responsibilities to nurture this system. The MSA further provides for the development of secondary legislation in the form of guidelines, policy framework etc. (e.g.: Policy Framework to determine full time Councillors etc). As a Department we continue to monitor the implementation of these primary and secondary legislation to consolidate the new system of local government.

Municipal Systems Act (MAS)

The Systems Act, seeks to overall the entire local administration and management system, and provides for a developmental oriented system. Out of this evolves responsibilities ranging from the need to support a culture of community participation, integrated development, performance management system, general management issues and service delivery mechanisms. This Act forms the cornerstone of developmental local government and largely determines the core business of municipalities. Our constitutional responsibility is to ensure that municipalities are supported and monitored to meet these legislative obligations.

North West Devolution Act (NWDA)

This Act was passed and amended in 1997. The aim of the Act is to provide a legislative framework for the devolution or decentralization of certain provincial powers and functions to municipalities. Some of the functions, due to the past arrangements, are ideally local government functions and are still performed by provincial departments.

Municipal Finance Management Bill (MFMB)

Although the MFMB is still a Bill, municipalities are already gearing themselves for the implementation of the Bill once it is passed into law. The aim of the legislation is to streamline different legislation dealing with municipal finances and set a new framework to promote financial accountability, transparency and participatory budgeting. It operates along the lines of the PFMA and places certain responsibilities on national and provincial government to support municipalities.

Remuneration of Office Bearers Act (ROBA)

The Act sets different remuneration bands and upper limits for the remuneration of Office Bearers including Councillors. The role of the Department is to ensure that municipalities when considering increasing the salaries of Councillors take into account their financial capacity and do not compromise service delivery.

Housing Consumers Protection Measures Act, 1998 (Act No 95 of 1998)

The implementation of the Housing Consumers Protection Measures Act, 1998 (Act No 95 of 1998) represents an important milestone. It establishes a five-year warranty against structural defects, thus providing legal recourse against unscrupulous developers, contractors as well as financiers. The National Housing Builders Registration Council (NHBRC) will help in this regard.

Other

The Public Finance Management Act, the Division of Revenue Act, the Skills Development Act, the Occupational Health and Safety Act, the Employment Equity Act, the Public Service Collective Bargaining Chamber, the Rental Housing Act, the Housing Consumer Protection Measures Act, Housing Act, Act 107 of 1997 in conjunction with the North West Housing Development Act, Act 11 of 1998 (as amended), the Development Facilitation Act, 1995, the Less Formal Township Establishment Act, 1991, the Removal of Restrictions Act, 1967, the Subdivision of Agricultural Land Act, 1970 and the Physical Planning Act, 1967 & 1991.

2. REVIEW OF THE CURRENT BUDGET YEAR

The following were the achievements for the 2003/04 financial year:

- Built 18 137 housing units
- Eight human resettlement projects under implementation
- Completed office buildings for the Moshaweng municipality
- Completed a high mast lighting project for the Ga-Segonyane municipality
- Conducted a satisfaction survey to identify effectiveness of ward committees
- Conducted five HIV/AIDS awareness workshops within the department
- Ongoing counseling for fifteen infected employees
- Established an HIV/AIDS committee within the department
- Distributed 45000 condoms within Ga-Rona complex
- Financed a new home-based care centre in Mafikeng
- Counseled 26 employees on excess list
- Referred 9 employees for advanced counseling
- Placed one employee on rehabilitation programme
- Completed 11 water reticulation, sanitation and roads projects throughout the province

3. STRUCTURAL CHANGES

The Department's structure was approved by EXCO in December of 2002. The significant change related to the merging of the former DPIS programme to Housing. The functions of the two are related and as such, it was crucial for the Department to combine these two functions. However, the drive by national to create uniform budget structure would lead to further changes that would be implemented in 2005/2006. These changes would among others, transfer some Housing/DPIS functions (Land Use Management and Rural Development) to the Local Government Programme.

4. OUTLOOK FOR THE COMING FINANCIAL YEAR

Some of the main strategic objectives of the department are to develop institutionally and financially viable municipalities. This by its nature entails building the necessary capacity at local government level.

The department in an effort to build local authorities will embark on a number of initiatives. These include enhancing capacity through inter alia training. To this effect, the department has already launched the Municipal Leadership Training Academy (MULTA). It is envisaged that the first trainee intake will be in the 2004/5 financial year. Apart from this, the department will also step up its efforts to encourage community participation through further enhancement of ward committees.

The major challenge at local government remains the ability to raise income. To address this, financial training has been identified at both councillor and administrative level.

On the housing front, the department has recognized lack of capacity to deliver at local government level. To address this, the department is beefing up its quality control arm, which in turn assists municipalities in enhancing their skills base.

The other major thrust for the coming financial year is to assist municipalities in the implementation of the Disaster Management Act. An amount of R65m has been set-aside for the MTEF commencing on 1 April 2004.

To accelerate housing delivery, emphasis will be placed on the Peoples' Housing Process. To that end, the national Department of Housing has seconded four Cuban professionals to assist. The four professionals have commenced their services in the Moses Kotane Municipality and it is hoped that they will later move into other Districts.

Departmental summary of payments and estimates according to programme

Programme (R'000)	Departmental Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
1. Administration	38,176	20,723	30,335	39,366	42,282	46,086
2. Developmental Local Government	72,236	93,782	72,702	74,509	64,289	76,704
3. Housing Branch	365,926	394,720	416,442	469,502	513,714	542,167
- Unauthorised Expenditure			268			
Total programmes	476,338	509,225	519,747	583,377	620,285	664,957

Departmental summary of payments and estimates

Classification (R'000)	Departmental Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Current:						
Compensation of employees	52,205	52,610	59,971	69,416	76,944	86,947
Transfer payments	318,285	371,256	423,342	468,691	498,030	533,315
Administrative expenditure	9,613	7,008	6,205	7,700	6,686	7,554
Stores	1,310	1,161	1,779	2,163	2,292	2,844
Professional and special services	31,232	40,035	11,557	8,904	11,416	7,200
Other goods and services	8,110	977	5,910	3,768	4,972	5,666
Unauthorised expenditure	-	-	268	-	-	-
Total Current Payments	420,755	473,047	509,032	560,642	600,340	643,526
Capital:						
Equipment	1,551	2,334	1,800	1,960	1,215	975
Land and Buildings	-	-	8,915	-	-	-
Infrastructure	54,032	33,844	-	18,336	16,188	17,762
Other capital expenditure	-	-	-	2,439	2,542	2,694
Total Capital Payments	55,583	36,178	10,715	22,735	19,945	21,431
TOTAL ECONOMIC EXPENDITURE	476,338	509,225	519,747	583,377	620,285	664,957

Departmental summary of payments and estimates according to economic classification

Classification (R'000)	Departmental Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
CURRENT PAYMENTS						
Compensation of employees:	52,205	52,610	59,971	69,416	76,944	86,947
- Salaries & related costs	52,205	47,146	47,861	55,053	58,739	62,282
- Overtime	-	-	-	150	150	160
- Improvement in conditions of service	-	-	2,784	2,477	4,865	9,114
- Social contributions (employer share)	-	5,464	9,326	11,736	13,190	15,391

Transfer payments:	318,285	371,256	423,342	468,691	498,030	533,315
- Subsidies	-	-	-	1,200	-	-
- Local governments	59,302	47,383	47,068	37,633	24,793	34,864
- Public entities	-	-	20,000	-	-	-
- Non-profit organisations	-	-	-	-	-	-
- Households - social benefits	-	-	-	-	-	-
- Households - other	258,983	323,873	356,274	429,858	473,237	498,451
Goods and services:	50,265	49,181	25,451	22,535	25,366	23,264
- Administrative expenditure	9,613	7,008	6,205	7,700	6,686	7,554
- Rental of equipment	-	-	1,500	559	490	522
- Stores	1,310	1,161	1,779	2,163	2,292	2,844
- Rental of buildings	770	882	1,065	1,484	1,632	1,796
- Professional & special services	31,232	40,035	11,557	8,904	11,416	7,200
- Maintenance & repairs	-	-	120	895	920	925
- Other	7,340	95	3,225	830	1,930	2,423
Unauthorised expenditure	-	-	268	-	-	-
TOTAL CURRENT PAYMENTS	420,755	473,047	509,032	560,642	600,340	643,526
CAPITAL						
Movable capital:	1,551	2,334	1,800	1,960	1,215	975
Motor vehicles & other transport	-	-	350	-	-	-
Equipment:	-	-	-	-	-	-
- Computers & software	1,551	1,857	800	1,620	500	799
- Office equipment & furniture	-	477	500	340	715	176
- Other capital equipment	-	-	150	-	-	-
Fixed capital:	54,032	33,844	8,915	20,775	18,730	20,456
- Land	-	-	8,915	-	-	-
- Buildings	-	-	-	-	-	-
- Infrastructure	54,032	33,844	-	18,336	16,188	17,762
- Other	-	-	-	2,439	2,542	2,694
TOTAL CAPITAL PAYMENTS	55,583	36,178	10,715	22,735	19,945	21,431
Current payments	420,755	473,047	509,032	560,642	600,340	643,526
Capital payments	55,583	36,178	10,715	22,735	19,945	21,431
TOTAL ECONOMIC CLASSIFICATION	476,338	509,225	519,747	583,377	620,285	664,957

Departmental summary of funding

Receipts	Departmental Summary of funding					
	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007
	Audited	Audited	Adj Estimate	MTEF	MTEF	MTEF
Equitable Share	183,400	124,002	125,617	114,183	130,865	146,279
Conditional Grants:				21,250		
Local Government Capacity						
Disaster Management	6,000					
Flood Disaster	4,600					
Local Government Support Grant	9,781	33,281	21,872		-	-
Infrastructure Grant	4,200	8,100	12,268	15,153	16,108	16,961
Housing Fund	258,984	323,872	347,974	421,378	458,406	485,910
CMI Programme	-	7,185	2,601	2,439	2,542	2,694
Human Resettlement Redevelopment	7,758	12,205	8,915	8,480	11,831	12,541
Housing Capacity Building	1,055	-	-	-	-	-
Total Conditional Grants	292,378	384,643	393,630	468,700	488,887	518,106
Own receipts	560	580	500	494	533	572
Total funding	476,338	509,225	519,747	583,377	620,285	664,957

Departmental own receipts

Classification (R'000)	Departmental own receipts					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Tax receipts	-	-	-	-	-	-
- Casino taxes	-	-	-	-	-	-
- Motor vehicle licenses	-	-	-	-	-	-
- Horseracing	-	-	-	-	-	-
- Other taxes	-	-	-	-	-	-
Non-tax receipts	560	580	500	494	533	572
Sale of goods & services (non-capital):	560	580	142	100	100	100
Subsidised vehicles	60	30	-	-	-	-
Official house rentals	500	550	42	-	-	-
Hire of Civic Centre	-	-	100	100	100	100
- Sale of scrap & other current goods	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends & rent on land:	-	-	358	394	433	472
- Interest	-	-	-	-	-	-
- Dividends	-	-	-	-	-	-
- Rent on land	-	-	358	394	433	472
Sale of capital assets	-	-	-	-	-	-
- Land and subsoil assets	-	-	-	-	-	-
- Other capital assets (specify)	-	-	-	-	-	-
- Other capital assets (specify)	-	-	-	-	-	-
TOTAL OWN RECEIPTS	560	580	500	494	533	572

PROGRAMME 1: ADMINISTRATION
Programme Description:

To provide overall management of the departmental programmes in line with legislation and policy prescripts

Measurable Objectives:

- To monitor the performance of all programmes in the department
- To ensure proper management and safeguarding of assets and the management of liabilities
- To ensure effective and transparent financial management in the department
- To promote and maintain the image of the department
- To advise the department on all matters that have legal implications
- To facilitate a sound labour relations environment

Sub-programmes:

- Human Resource Management
- Finance
- Constitutional and Legal Matters
- Ministry
- Communication

Programme summary of payments and estimates according to sub-programme

Sub-programme (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
1. Human Resource Management	20,292	12,948	9,264	19,191	21,808	22,376
2. Finance	12,470	4,579	12,205	11,879	10,690	11,482
3. Constitutional & Legal Matters	1,538	850	3,343	3,193	3,601	3,950
4. Ministry	3,876	2,346	3,377	2,982	3,077	4,242
5. Communication	-	-	2,146	2,121	3,106	4,036
Total programme	38,176	20,723	30,335	39,366	42,282	46,086

Programme summary of payments and estimates

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Current:						
Compensation of employees	14,603	14,466	15,911	31,974	34,470	36,839
Transfer payments	10,755	-	4,450	-	-	-
Administrative expenditure	5,044	3,197	2,839	1,900	2,000	2,111
Stores	429	542	1,056	1,028	1,000	1,465
Professional and special services	726	1,360	2,400	1,500	2,000	2,441
Other goods and services	6,252	85	2,879	2,504	2,434	2,883
Unauthorised expenditure	-	-	-	-	-	-
Total Current Payments	37,809	19,650	29,535	38,906	41,904	45,739
Capital:						
Equipment	367	1,073	800	460	378	347
Land and Buildings	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Other capital expenditure	-	-	-	-	-	-
Total Capital Payments	367	1,073	800	460	378	347
TOTAL ECONOMIC EXPENDITURE	38,176	20,723	30,335	39,366	42,282	46,086

Programme summary of payments and estimates according to economic classification

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
CURRENT PAYMENTS						
Compensation of employees:	14,603	14,466	15,911	31,974	34,470	36,839
- Salaries & related costs	14,603	11,955	13,861	27,330	29,006	29,007
- Overtime	-	-	-	-	-	-
- Improvement in conditions of service	-	-	841	1,230	1,906	4,444
- Social contributions (employer share)	-	2,511	1,209	3,414	3,558	3,388
Transfer payments:	10,755	-	4,450	-	-	-
- Subsidies	-	-	-	-	-	-
- Local governments	10,755	-	4,450	-	-	-
- Public entities	-	-	-	-	-	-
- Non-profit organisations	-	-	-	-	-	-
- Households - social benefits	-	-	-	-	-	-
- Households - other	-	-	-	-	-	-
Goods and services:	12,451	5,184	9,174	6,932	7,434	8,900
- Administrative expenditure	5,044	3,197	2,839	1,900	2,000	2,111
- Rental of equipment	-	-	900	559	490	522
- Stores	429	542	1,056	1,028	1,000	1,465
- Rental of buildings	-	-	1,065	1,484	1,632	1,796
- Professional & special services	726	1,360	2,400	1,500	2,000	2,441
- Maintenance & repairs	-	-	-	-	-	-
- Other	6,252	85	914	461	312	565
Unauthorised expenditure	-	-	-	-	-	-
TOTAL CURRENT PAYMENTS	37,809	19,650	29,535	38,906	41,904	45,739

CAPITAL						
Movable capital:	367	1,073	800	460	378	347
Motor vehicles & other transport	-	-	350	-	-	-
Equipment:						
- Computers & software	367	1,073	50	270	180	337
- Office equipment & furniture	-	-	250	190	198	10
- Other capital equipment	-	-	150	-	-	-
Fixed capital:	-	-	-	-	-	-
- Land	-	-	-	-	-	-
- Buildings	-	-	-	-	-	-
- Infrastructure	-	-	-	-	-	-
- Other	-	-	-	-	-	-
TOTAL CAPITAL	367	1,073	800	460	378	347
Current payments	37,809	19,650	29,535	38,906	41,904	45,739
Capital payments	367	1,073	800	460	378	347
TOTAL ECONOMIC CLASSIFICATION	38,176	20,723	30,335	39,366	42,282	46,086

PROGRAMME 2: DEVELOPMENTAL LOCAL GOVERNMENT

Programme Description:

To provide effective and efficient local government

Measurable Objectives:

- Capacity development strategy for ward committees
- Guidelines to align municipal structures and IDPs
- Financial management systems support
- Development and implementation of the communication strategy
- Ensure compliance with the established legal framework within which the line functions operate
- Ensure compliance with all HRM related laws, policies and prescripts

Challenges:

- Insufficient consultation with stakeholders
- Lack of capacity at municipal level
- Lack of mentors within the department to assist municipalities
- Lack of resources which impacts on proper functioning of ward committees
- Insufficient community participation

Sub-programmes:

- Institutional and Capacity Building
- Integrated Municipal Management Information Systems
- Local Economic Development
- Local Government Support
- Local Government Finance
- Admin of Ordinances
- Emergency and Disaster Management Services
- PMS and IDP
- Infrastructure Grant

Programme summary of payments and estimates according to sub-programme

Sub-programme (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007
	Audited	Audited	Adj Estimate	MTEF	MTEF	MTEF
1. Local Government Finance & Monitoring	14,321	10,547	19,783	17,215	12,216	12,239
2. Local Government Capacity Building	18,586	59,291	18,579	27,591	35,965	47,504
3. Local Government Support Grant	-	-	22,072	14,550	-	-
4. Local Government Development Fund	39,329	23,944	-	-	-	-
5. Infrastructure Grant	-	-	12,268	15,153	16,108	16,961
Total programme	72,236	93,782	72,702	74,509	64,289	76,704

Programme summary of payments and estimates

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Current:						
Compensation of employees	19,209	17,012	21,021	14,467	16,166	17,805
Transfer payments	48,547	47,383	42,618	33,721	24,793	34,864
Administrative expenditure	1,626	1,300	1,335	3,000	2,046	2,500
Stores	241	239	310	687	792	829
Professional and special services	719	2,780	6,746	3,200	3,976	2,259
Other goods and services	962	340	122	98	328	375
Unauthorised expenditure	-	-	-	-	-	-
Total Current Payments	71,304	69,054	72,152	55,173	48,101	58,632
Capital:						
Equipment	932	784	550	1,000	-	310
Land and Buildings	-	-	-	-	-	-
Infrastructure	-	23,944	-	18,336	16,188	17,762
Other capital expenditure	-	-	-	-	-	-
Total Capital Payments	932	24,728	550	19,336	16,188	18,072
TOTAL ECONOMIC EXPENDITURE	72,236	93,782	72,702	74,509	64,289	76,704

Programme summary of payments and estimates according to economic classification

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
CURRENT PAYMENTS						
Compensation of employees:	19,209	17,012	21,021	14,467	16,166	17,805
- Salaries & related costs	19,209	14,059	14,564	11,046	11,847	12,706
- Overtime	-	-	-	-	-	-
- Improvement in conditions of service	-	-	765	497	1,179	1,840
- Social contributions (employer share)	-	2,953	5,692	2,924	3,140	3,259
Transfer payments:	48,547	47,383	42,618	33,721	24,793	34,864
- Subsidies	-	-	-	1,200	-	-
- Local governments	48,547	47,383	42,618	32,521	24,793	34,864
- Public entities	-	-	-	-	-	-
- Non-profit organisations	-	-	-	-	-	-
- Households - social benefits	-	-	-	-	-	-
- Households - other	-	-	-	-	-	-
Goods and services:	3,548	4,659	8,513	6,985	7,142	5,963
- Administrative expenditure	1,626	1,300	1,335	3,000	2,046	2,500
- Rental of equipment	-	-	-	-	-	-
- Stores	241	239	310	687	792	829
- Rental of buildings	376	339	-	-	-	-
- Professional & special services	719	2,780	6,746	3,200	3,976	2,259
- Maintenance & repairs	-	-	120	-	-	-
- Other	586	1	2	98	328	375
Unauthorised expenditure	-	-	-	-	-	-
TOTAL CURRENT PAYMENTS	71,304	69,054	72,152	55,173	48,101	58,632

CAPITAL						
Movable capital:	932	784	550	1,000	-	310
Motor vehicles & other transport	-	-	-	-	-	-
Equipment:						
- Computers & software	932	784	500	1,000	-	310
- Office equipment & furniture	-	-	50	-	-	-
- Other capital equipment	-	-	-	-	-	-
Fixed capital:	-	23,944	-	18,336	16,188	17,762
- Land	-	-	-	-	-	-
- Buildings	-	-	-	-	-	-
- Infrastructure	-	23,944	-	18,336	16,188	17,762
- Other	-	-	-	-	-	-
TOTAL CAPITAL	932	24,728	550	19,336	16,188	18,072
Current payments	71,304	69,054	72,152	55,173	48,101	58,632
Capital payments	932	24,728	550	19,336	16,188	18,072
TOTAL ECONOMIC CLASSIFICATION	72,236	93,782	72,702	74,509	64,289	76,704

Conditional grants included in programme 2

Conditional Grant (R'000)	Programme Summary of conditional grants					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Local Government Capacity				14,550		
Disaster Management	6,000					
Local Government Support Grant	9,781	33,281	21,872		-	-
Infrastructure Grant	4,200	8,100	12,268	15,153	16,108	16,961
TOTAL CONDITIONAL GRANTS	19,981	41,381	34,140	29,703	16,108	16,961

Earmarked funds included in programme 2

Earmarked funds (R'000)	Programme Summary of earmarked funds					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Disaster Management Fund	-	-	-	15,000	20,000	30,000
TOTAL EARMARKED FUNDS	-	-	-	15,000	20,000	30,000

Summary of departmental transfer payments (excluding local governments)

Name of recipient (R'000)	Departmental Summary of transfer payments					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Other: MULTA				1,200		
TOTAL TRANSFER PAYMENTS	-	-	-	1,200	-	-

PROGRAMME 3: HOUSING BRANCH

To support and facilitate the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in arrears allowing convenient access to economic opportunities, health, education and social amenities where all citizens and permanent residents will, on a progressive basis have access to, permanent residential structures and secure tenure, and potable water, adequate sanitary facilities and domestic energy supply.

Measurable Objective(s):

- Delivery and completion of houses and infrastructure projects
- Approval of business plans and proper reporting systems
- NHRBC certification and compliance with minimum norms and standards, and
- Implementation of capacity building programmes

Challenges:

- Lack of capacity at provincial level to deal with the change of emphasis from quantitative to qualitative delivery framework
- Emphasis on Peoples' Housing Process requiring enhanced community participation
- Ongoing conflicts among communities and developers
- New procurement regime which shifts obligation of housing development to municipalities as developers to initiate and direct housing along IDPs

Sub-programmes:

- Project Implementation
- Chief Directorate Housing Delivery
- Resources and Systems
- Chief Directorate Housing Facilitation
- SA Housing Fund
- Human Resettlement Redevelopment
- Policy Planning and Evaluation
- Consolidated Municipal Infrastructure Programme
- Monitoring and Capacity Building

Programme summary of payments and estimates according to sub-programme

Sub-programme (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
1. Chief Directorate Housing Delivery	26,097	16,809	1,852	1,700	1,972	2,206
2. Chief Directorate Housing Facilitation	-	-	22,103	1,740	1,568	1,507
3. Resources & Systems	-	-	5,780	9,561	3,530	4,464
4. Project Implementation & Prog Development	18,000	10,704	17,319	7,828	7,178	14,741
5. Monitoring, Capacity Build & Quality Control	-	-	6,163	9,856	8,524	9,649
6. Policy, Planning & Evaluation	-	-	3,735	6,520	18,163	8,455
7. Housing Fund	258,984	323,872	347,974	421,378	458,406	485,910
8. Human Resettlement Redevelopment	7,758	12,205	8,915	8,480	11,831	12,541
9. CMIP	-	7,185	2,601	2,439	2,542	2,694
10. CMIP Capacity Building	1,055	-	-	-	-	-
11. Infrastructure Grant (Rural)	-	-	-	-	-	-
12. Bucket Replacement Programme	54,032	23,945	-	-	-	-
Total programme	365,926	394,720	416,442	469,502	513,714	542,167

Programme summary of payments and estimates

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Current:						
Compensation of employees	18,393	21,132	23,039	22,975	26,308	32,303
Transfer payments	258,983	323,873	376,274	434,970	473,237	498,451
Administrative expenditure	2,943	2,511	2,031	2,800	2,640	2,943
Stores	640	380	413	448	500	550
Professional and special services	29,787	35,895	2,411	4,204	5,440	2,500
Other goods and services	896	552	2,909	1,166	2,210	2,408
Unauthorised expenditure	-	-	-	-	-	-
Total Current Payments	311,642	384,343	407,077	466,563	510,335	539,155

Capital:						
Equipment	252	477	450	500	837	318
Land and Buildings	-	-	8,915	-	-	-
Infrastructure	54,032	9,900	-	-	-	-
Other capital expenditure	-	-	-	2,439	2,542	2,694
Total Capital Payments	54,284	10,377	9,365	2,939	3,379	3,012
TOTAL ECONOMIC EXPENDITURE	365,926	394,720	416,442	469,502	513,714	542,167

Programme summary of payments and estimates according to economic classification

Classification (R'000)	Programme Summary of Payments and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
CURRENT PAYMENTS						
Compensation of employees:	18,393	21,132	23,039	22,975	26,308	32,303
- Salaries & related costs	18,393	21,132	19,436	16,677	17,886	20,569
- Overtime	-	-	-	150	150	160
- Improvement in conditions of service	-	-	1,178	750	1,780	2,830
- Social contributions (employer share)	-	-	2,425	5,398	6,492	8,744
Transfer payments:	258,983	323,873	376,274	434,970	473,237	498,451
- Subsidies	-	-	-	-	-	-
- Local governments	-	-	-	5,112	-	-
- Public entities	-	-	20,000	-	-	-
- Non-profit organisations	-	-	-	-	-	-
- Households - social benefits	-	-	-	-	-	-
- Households - other	258,983	323,873	356,274	429,858	473,237	498,451
Goods and services:	34,266	39,338	7,764	8,618	10,790	8,401
- Administrative expenditure	2,943	2,511	2,031	2,800	2,640	2,943
- Rental of equipment	-	-	600	-	-	-
- Stores	640	380	413	448	500	550
- Rental of buildings	394	543	-	-	-	-
- Professional & special services	29,787	35,895	2,411	4,204	5,440	2,500
- Maintenance & repairs	-	-	-	895	920	925
- Other	502	9	2,309	271	1,290	1,483
Unauthorised expenditure	-	-	-	-	-	-
TOTAL CURRENT PAYMENTS	311,642	384,343	407,077	466,563	510,335	539,155
CAPITAL						
Movable capital:	252	477	450	500	837	318
Motor vehicles & other transport	-	-	-	-	-	-
Equipment:	-	-	-	-	-	-
- Computers & software	252	-	250	350	320	152
- Office equipment & furniture	-	477	200	150	517	166
- Other capital equipment	-	-	-	-	-	-
Fixed capital:	54,032	9,900	8,915	2,439	2,542	2,694
- Land	-	-	8,915	-	-	-
- Buildings	-	-	-	-	-	-
- Infrastructure	54,032	9,900	-	-	-	-
- Other	-	-	-	2,439	2,542	2,694
TOTAL CAPITAL	54,284	10,377	9,365	2,939	3,379	3,012
Current payments	311,642	384,343	407,077	466,563	510,335	539,155
Capital payments	54,284	10,377	9,365	2,939	3,379	3,012
TOTAL ECONOMIC CLASSIFICATION	365,926	394,720	416,442	469,502	513,714	542,167

Conditional grants included in programme 3

Conditional Grant (R'000)	Programme Summary of conditional grants					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Housing Fund	258,984	323,872	347,974	421,378	458,406	485,910
Human Resettlement Redevelopment	7,758	12,205	8,915	8,480	11,831	12,541
CMI Programme	-	7,185	2,601	2,439	2,542	2,694
CMIP Capacity Building				6,700		
Housing Capacity Building	1,055	-				
Flood Disaster	4,600					
TOTAL CONDITIONAL GRANTS	272,397	343,262	359,490	438,997	472,779	501,145

Transfer payments included in programme 3 (excluding local governments)

Name of recipient (R'000)	Programme Summary of transfer payments					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Public Entities:						
North West Housing Corporation	-	-	20,000	-	-	-
TOTAL TRANSFER PAYMENTS	-	-	20,000	-	-	-

Additional Departmental Schedules
Summary of departmental conditional grants

Conditional Grant (R'000)	Programme Summary of conditional grants					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Local Government Capacity				21,250		
Disaster Management	6,000					
Flood Disaster	4,600					
Local Government Support Grant	9,781	33,281	21,872		-	-
Infrastructure Grant	4,200	8,100	12,268	15,153	16,108	16,961
Housing Fund	258,984	323,872	347,974	421,378	458,406	485,910
CMI Programme	-	7,185	2,601	2,439	2,542	2,694
Human Resettlement Redevelopment	7,758	12,205	8,915	8,480	11,831	12,541
Housing Capacity Building	1,055	-				
TOTAL CONDITIONAL GRANTS	292,378	384,643	393,630	468,700	488,887	518,106

Summary of departmental transfer payments (excluding local governments)

Name of recipient (R'000)	Departmental Summary of transfer payments					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Public Entities:						
North West Housing Corporation	-	-	20,000	-	-	-
Sub-total	-	-	20,000	-	-	-
Other:						
MULTA	-	-	-	1,200	-	-
TOTAL TRANSFER PAYMENTS	-	-	20,000	1,200	-	-

Note: The schedule of grants to municipalities for 2004/05 to 06/07 is not available, as it has to be approved by National first.

Details of departmental transfer payments to local governments

Name of recipient (R'000)	Departmental Summary of transfer payments to local governments					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Local Economic Development Grant						
Category B						
Mafikeng Local Municipality	50	-	200	-	-	-
Rustenburg Local Municipality	-	-	300	-	-	-
Naledi Local Municipality	-	262	-	-	-	-
Ventersdorp	50	-	-	-	-	-
Setla-Kgobi (now Ratlou Local Municipality)	70	-	-	-	-	-
Schweizer Reneke (now Mamusa Local Mun)	14	-	-	-	-	-
Category C						
Central District Municipality	-	-	700	-	-	-
Bophirima District Municipality	-	-	200	-	-	-
Southern District Municipality	-	-	300	-	-	-
Bojanala Platinum District Municipality	-	-	-	-	-	-
LOCAL GOVERNMENT DEVELOPMENT FUND						
Category B						
Molopo Local Municipality	1,600	-	-	-	-	-
Ratlou (nee Setla-Kgobi) Local Municipality	2,000	-	-	-	-	-
Moshaweng Local Municipality	2,000	-	-	-	-	-
Greater Taung Local Municipality	1,600	-	-	-	-	-
Moretele Local Municipality	2,000	-	-	-	-	-
Moses Kotane Local Municipality	800	-	-	-	-	-
Category B						
Mafikeng Local Municipality	-	1,950	1,000	-	-	-
Ditsobotla Local Municipality	1,954	-	1,500	-	-	-
Ratlou (nee Setla-Kgobi) Local Municipality	-	-	300	-	-	-
Tswaing Local Municipality	1,683	-	600	-	-	-
Moshaweng Local Municipality	1,250	-	-	-	-	-
Gasegonyane Local Municipality	406	-	-	-	-	-
Naledi Local Municipality	1,398	-	-	-	-	-
Greater Taung Local Municipality	4,032	-	-	-	-	-
Lekwa Teemane Local Municipality	2,110	3,280	-	-	-	-
Maquassi Hills Local Municipality	632	1,900	2,550	-	-	-
Madibeng Local Municipality	-	2,500	4,500	-	-	-
Kgetlengrivier Local Municipality	1,615	-	-	-	-	-
Moretele Local Municipality	-	1,500	500	-	-	-
Moses Kotane Local Municipality	920	-	500	-	-	-
Category C						
Central District Municipality	-	450	-	-	-	-
Bophirima District Municipality	-	1,500	5,600	-	-	-
Southern District Municipality	-	550	-	-	-	-
Bojanala Platinum District Municipality	-	1,000	-	-	-	-
Kgalagadi District Municipality	-	1,000	-	-	-	-

MUNICIPAL SUPPORT GRANT						
Kagisano Local Municipality	428	-	-	-	-	-
Greater Taung Local Municipality	428	-	-	-	-	-
Moshaweng Local Municipality	428	-	-	-	-	-
Molopo Local Municipality	428	-	-	-	-	-
Setla-Kgobi Local Municipality	428	-	-	-	-	-
Moretele Local Municipality	428	-	-	-	-	-
Moses Kotane Local Municipality	428	-	-	-	-	-
IDP/PMS GRANT						
Category A						
Tshwane Metro	40	-	-	-	-	-
Category B						
Mafikeng Local Municipality	160	-	-	-	-	-
Ditsobotla Local Municipality	160	-	-	-	-	-
Ratlou (nee Setla-Kgobi) Local Municipality	200	-	-	-	-	-
Tswaing Local Municipality	160	-	-	-	-	-
Zeerust Local Municipality	160	-	-	-	-	-
Moshaweng Local Municipality	200	-	-	-	-	-
Gasegonyane Local Municipality	120	-	-	-	-	-
Naledi Local Municipality	160	-	-	-	-	-
Greater Taung Local Municipality	200	-	-	-	-	-
Kagisano Local Municipality	200	-	-	-	-	-
Molopo Local Municipality	200	-	-	-	-	-
Mamusa (Schweizer Reneke) Local Mun	160	-	-	-	-	-
Lekwa Teemane Local Municipality	160	-	-	-	-	-
Maquassi Hills Local Municipality	160	-	-	-	-	-
Potchefstroom Local Municipality	160	-	-	-	-	-
Klerksdorp Local Municipality	160	-	-	-	-	-
Ventersdorp Local Municipality	160	-	-	-	-	-
Madibeng Local Municipality	160	-	-	-	-	-
Rustenburg Local Municipality	160	-	-	-	-	-
Kgetlengrivier Local Municipality	160	-	-	-	-	-
Moretele Local Municipality	200	-	-	-	-	-
Moses Kotane Local Municipality	200	-	-	-	-	-
Merafong Local Municipality	80	-	-	-	-	-
Pokwane Local Municipality	80	-	-	-	-	-
Category C						
Central District Municipality	120	750	400	-	-	-
Bophirima District Municipality	120	750	200	-	-	-
Southern District Municipality	120	-	200	-	-	-
Bojanala Platinum District Municipality	120	-	-	-	-	-
Kgalagadi District Municipality	160	-	-	-	-	-
West Rand D.M	20	-	-	-	-	-
France Baard D.M	20	-	-	-	-	-
FIRE AND EMERGENCY GRANT						
Category B						
Mafikeng Local Municipality	-	-	6,600	-	-	-
Ratlou (nee Setla-Kgobi) Local Municipality	-	-	150	-	-	-
Naledi Local Municipality	-	-	298	-	-	-
Klerksdorp Local Municipality	-	-	134	-	-	-
Potchefstroom Local Municipality	-	-	300	-	-	-

Category C						
Bophirima District Municipality	-	153	-	-	-	-
Bojanala Platinum District Municipality	-	300	586	-	-	-
Tshwane Metro	-	300	-	-	-	-
DISASTER MANAGEMENT GRANT						
Category B						
Rustenburg Local Municipality	-	-	1,700	-	-	-
Madibeng Local Municipality	-	-	600	-	-	-
Category C						
Central District Municipality	667	200	600	-	-	-
Bophirima District Municipality	809	793	-	-	-	-
Southern District Municipality	-	125	-	-	-	-
Bojanala District Municipality	-	600	-	-	-	-
IMMIS GRANT						
Category C						
Central District Municipality	100	-	-	-	-	-
Bophirima District Municipality	200	-	-	-	-	-
Southern District Municipality	150	-	-	-	-	-
Bojanala Platinum District Municipality	150	-	-	-	-	-
FINANCIAL ASSISTANCE GRANT						
Category B						
Lekwa Teemane Local Municipality	500	-	-	-	-	-
Kagisano Local Municipality	40	1,400	-	-	-	-
Molopo Local Municipality	40	-	-	-	-	-
Moretele Local Municipality	40	-	-	-	-	-
Greater Taung Local Municipality	40	-	-	-	-	-
Setla-Kgobi Local Municipality	400	-	-	-	-	-
Ditsobotla Local Municipality	-	1,331	-	-	-	-
Kgetlengrivier Local Municipality	-	80	-	-	-	-
Category C						
Southern District Municipality	-	1,000	-	-	-	-
Central District Municipality	-	-	4,282	-	-	-
INFRASTRUCTURE GRANT						
Category B						
Mafikeng Local Municipality	-	-	2,148	-	-	-
Ditsobotla Local Municipality	-	4,416	-	-	-	-
Lekwa-Teemane Local Municipality	-	112	-	-	-	-
Kgetlengrivier Local Municipality	-	631	-	-	-	-
Mamusa Local Municipality	-	9,617	-	-	-	-
Maquasi Hills Local Municipality	-	7,626	-	-	-	-
Phokwane Local Municipality	-	1,182	-	-	-	-
Ventersdorp Local Municipality	-	125	-	-	-	-
Category C						
Central District Municipality	9,147	-	-	-	-	-
Bophirima District Municipality	13,200	-	4,000	-	-	-
Kgalagadi District Municipality	-	-	6,120	-	-	-
TOTAL TRANSFER PAYMENTS	59,302	47,383	47,068	37,633	24,793	34,864

Summary of departmental expenditure on training

Training expenditure (R'000)	Departmental Summary of training expenditure					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Training	781	789	977	1,125	1,207	1,345
TOTAL TRAINING EXPENDITURE	781	789	977	1,125	1,207	1,345

Summary of departmental earmarked funds

Earmarked Funds (R'000)	Departmental Summary of earmarked funds					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Disaster Management Fund	-	-	-	15,000	20,000	30,000
TOTAL EARMARKED FUNDS	-	-	-	15,000	20,000	30,000

Summary of departmental personnel cost

Summary of personnel cost (R'000)	Departmental Summary of compensation of employees					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Managers (Directors and above)	2,675	4,065	4,018	4,299	4,600	4,922
Middle management (Deputy & Assistant Directors)	10,027	5,519	11,925	13,737	14,729	16,415
Professional Staff	39,503	43,026	42,823	50,224	56,524	64,470
Other Staff						
Staff additional to the establishment			1,205	1,156	1,091	1,140
Contract employees						
TOTAL PERSONNEL COST	52,205	52,610	59,971	69,416	76,944	86,947

Summary of departmental personnel numbers

Summary of personnel numbers	Departmental Summary of personnel numbers					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Managers (Directors and above)	9	16	17	17	17	17
Middle management (Deputy & Assistant Directors)	42	69	82	82	82	82
Professional Staff	-	-	-	-	-	-
Other Staff	469	380	437	437	437	437
Staff additional to the establishment	-	62	-	-	-	-
Contract employees	-	2	3	3	3	3
TOTAL PERSONNEL NUMBERS	520	529	539	539	539	539

Summary of departmental personnel numbers per programme

Summary of personnel numbers	Departmental Summary of personnel numbers					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
Name of programme						
1. Administration	106	116	141	307	307	307
2. Developmental Local Government	210	211	244	80	80	80
3. Housing Branch	59	61	154	152	152	152
4. DPIS	140	138	-	-	-	-
5. Rural Development	5	3	-	-	-	-
Total personnel numbers	520	529	539	539	539	539
Total personnel cost (R'000)	52,205	52,610	59,971	69,416	76,944	86,947
Unit cost	100.39	99.45	111.26	128.79	142.75	161.31

* Full-time equivalent

PUBLIC ENTITIES

North West Housing Corporation

Classification (R'000)	Programme Summary of Expenditure and Estimates					
	2001/ 2002 Audited	2002/ 2003 Audited	2003/ 2004 Adj Estimate	2004/ 2005 MTEF	2005/ 2006 MTEF	2006/ 2007 MTEF
REVENUE						
Sale of goods & services (non-capital):	11,466	12,498	13,623	14,849	16,185	17,642
Revenue	18,666	20,346	22,177	24,173	26,349	28,720
Cost of sales	(7,200)	(7,848)	(8,554)	(9,324)	(10,163)	(11,078)
Interest, dividends & rent on land:	27,730	30,226	32,946	35,911	39,143	42,666
- Interest	15,928	17,362	18,924	20,627	22,484	24,507
- Other income	795	866	944	1,029	1,122	1,223
- Rent on land	11,007	11,998	13,078	14,255	15,538	16,936
TOTAL REVENUE	39,196	42,724	46,569	50,760	55,329	60,308
EXPENDITURE						
- Compensation of employees	15,081	7,724	10,053	12,674	11,609	11,609
- Administrative expenditure	847	923	1,006	1,097	1,195	1,303
- Rental of equipment	575	627	455	496	541	589
- Stores	631	688	750	817	891	971
- Rental of buildings	171	187	100	109	119	130
- Professional & special services	3,025	3,297	3,594	13,917	15,170	16,535
- Maintenance & repairs	2,268	2,472	8,737	13,315	5,820	7,387
- Interest	11,843	12,908	14,974	16,322	17,791	19,392
- Depreciation	637	694	756	824	899	979
- Loss on fixed property revaluation	7,678	-	-	-	-	-
- Other	1,554	1,694	1,847	2,013	2,194	2,392
TOTAL EXPENDITURE	44,310	31,214	42,271	61,584	56,228	61,287
Surplus/(deficit)	(5,113)	11,510	4,298	(10,824)	(899)	(979)
Add back: depreciation	637	694	756	824	899	979
Sub-total	(4,477)	12,204	5,054	(10,000)	(0)	0
Surplus/(deficit)	(4,477)	12,204	5,054	(10,000)	(0)	0
Transfers received from Provincial Government	-	-	20,000	-	-	-
Other funding measures (NHFC)	-	-	-	10,000	-	-
Other funding measures (specify)	-	-	-	-	-	-
Net surplus/(deficit)	(4,477)	12,204	25,054	0	(0)	0