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**Western Cape  
Department of Local Government and  
Housing**

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**Annual Performance Plan**

**2005/06 – 2007/08**

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## Foreword

We have recently celebrated 10 years of freedom and democracy, and we have had the opportunity to reflect on some of the gains made during our first decade as a free society. As we look ahead to the next decade and beyond, we are, however, mindful of the fact that too many of our people are still experiencing unemployment, underdevelopment and poverty.

This government has been mandated by the people to create work and fight poverty. Working together, municipalities and the province must face the challenges of unemployment, underdevelopment and poverty and meet the President's target of halving poverty and unemployment by 2014. This requires committed and consistent engagement with local communities.

Our Human Resource Development Strategy provides the framework for developing our young people to meet the challenges of the labour market and especially the service sectors of our economy. Youth is and will remain a key target constituency for our Department.

Our Social Capital Formation Strategy provides the framework for unlocking the potential of ordinary people, through interventions of a cadre of Community Development Workers. Such workers will be embedded in communities, enhance dialogue with communities, facilitate community access to services and provide a bridge into government for those so often excluded.

The vision of the Western Cape as 'a Home for All' as espoused by the Premier in his 2005 State of the Province Address requires an urgent and deliberate intervention by Government and its development partners. In the Province we are entrusted with the role of weaving together a provincially relevant development strategy. Implementation of the Provincial Growth and Development Strategy and iKapa Elihlumayo are tools to advance sustainable growth and integration and provide for the restoration of the dignity of our people.

Delivering on the 'Home for All' vision requires a *process* of strategic repositioning in order to bring about developmental local government. The concept of developmental local government includes government being committed and capacitated to improve the lives of poor households through increasing their access to social services, intensifying and integrating development programmes and deepening democracy by ensuring meaningful community involvement in government planning and implementation. It requires improving intergovernmental relations through vertical and horizontal integration and strengthening the capacity of municipalities as the first line of government service delivery.

Unless the lack of adequate shelter, poor access to basic services and marginalisation of the poor on the peripheries of our towns and cities is holistically addressed soon, we are in danger of witnessing poverty overwhelming wealth in our historically advantaged province.

What has become clear over the past decade is that housing delivery is more challenging because it is not just about providing the poor with access to basic services

or bricks and mortar. It is about the creation of sustainable and integrated human settlements where communities live, work and play with dignity. It is for this reason that housing is an integral part of both the economic and social sectors. The construction of housing in itself is also a major contributor to economic growth and job creation, particularly for relatively low skilled people who are most in need of employment.

We intend to deliver on our promises to eradicate poverty, create jobs, and improve the quality of life of the inhabitants of this province in line with the principles of *iKapa Elihlumayo*, so we have begun with a fundamental shift in our approach to the delivery of housing. While we still need robust and rapid housing delivery, we must not only create shelter, but jobs and empowerment opportunities for communities, small and medium contractors, for women and previously disadvantaged entrepreneurs, while improving on the environment in which our people will live in future.

In our quest to respond to the Peoples Contract to eradicate poverty and create work, we have identified the upgrading of informal settlements along the N2 as a major pilot project from which we will learn how to fast track delivery while trying at the same time to introduce new ways of integrating our racially and socially divided communities and to prevent unsustainable urban sprawl forcing the poor to live furthest away from economic opportunity and amenity. The intention with especially job creation is to enable people in poor communities to fulfil their commitments as far as housing is concerned. The imbalances that resulted from lack of employment, i.e. arrears on instalments and municipal services must be dealt with constructively and in a proper manner.

While we are trying to redress historical imbalances and ensure integration of our communities, we are also beginning to respond to the President's call to create rental housing stock for the lower income groups. Above all, the need to fast-track housing delivery within the constraints of limited well-located land, historical apartheid plans and limited budgets remains one of our greatest challenges.

After a thorough strategic planning session with the management of my Department, I have emerged with a revitalised team that is committed to delivery - not in the way in which things have been done for the past ten years- but realigned to meet the challenges for the present and the future.

The strategic plan for 2005 and beyond will ensure the maximum alignment with other provincial and national state departments as well as local government to provide seamless delivery to communities.

To this end, my department and I are committed to the following strategic priorities and interventions:

- Capacitating municipalities to deliver services, especially to the poor in a developmental and sustainable manner with effective legislative, administrative and operational systems. This includes a clear understanding of the external environment and economic reality of their jurisdictional area and making resource allocation choices that support key sectors. It also includes spending of the MIG allocations, provision of free basic services to all those who are currently not serviced and implementation of Project Consolidate
- Promoting socially, economically and spatially integrated human settlements that are economically, socially and environmentally sustainable including the

- identification of well located land for housing the poor and the provision of social and medium density housing connected to economic opportunities and community facilities
- Facilitating excellent inter-governmental relations to ensure integrated service delivery between the spheres of government and between departments
  - Accelerated housing delivery to meet the President's commitment to eradicate all informal settlements by 2010
  - Enhance social capital formation and facilitate active community participation and developmental governance
  - A strategic and coordinate research programme aligned to *iKapa Elihlumayo* and supported by a knowledge management system that equips our Department with the information and monitoring systems to play our role as coordinators of local level delivery
  - Excellent communication both internally and externally
  - A well functioning and motivated department giving expression to Batho Pele and capable of delivery.

I am fully committed to the delivery of the strategies outlined in this Plan. With renewed energy and collective wisdom we shall ensure the implementation of these strategies as they will bring us closer to true developmental government and the vision of the Western Cape as a home for all its people.

Marius Fransman

Minister of Local Government and Housing

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## **Part A**

### **Overview and strategic plan updates**

#### **1 Overview**

The role of the Department of Local Government and Housing is located within the context of the national programme of action, government's 2014 targets and the provincial priorities as outlined in *Ikapa Elihlumayo*.

In his 2005 State of the Nation address the President identified eight key targets for South Africa namely to further entrench democracy, to transform South Africa into a genuinely non-racial and non-sexist society, to eradicate poverty and unemployment within the context of a thriving and growing first economy and the successful transformation of the second economy, to open the vistas towards spiritual and material fulfilment of each and every South African, to secure the safety and security of all our people, to build a strong and efficient democratic state that truly services the interests of the people and to contribute to the victory of the African Renaissance and the achievement of a better life for the peoples of Africa and the rest of the world.

Meeting these challenges requires a developmental state that is people oriented and responsive to the needs of its citizens, cooperative and partnership based, interventionist where necessary but always in an integrated way, globally connected and well managed.

Current capacity and skills are inadequate to meet the challenges and need to be developed as a matter of priority. In particular leadership, strategic, implementation management and financial skills are needed. Along with the need for skills is a need to enhance the financial sustainability of municipalities in the face of shrinking tax bases and increased demands for services.

Historically, there has been a lack of constructive, meaningful, realistic and focused dialogue with communities demanding new innovative mechanisms for interfacing with communities. To this end the Department has initiated the Community Development Worker Programme (CDW) aimed at providing interface between government and citizens, especially in poor areas. In addition, training of ward councillors has been identified as a priority.

The Municipal Infrastructure Grant (MIG) has been made available to expand access and improve the quality of local services in the provision of water, sanitation, roads, solid waste, community lighting, public parks, etc. In his 2005 speech the President lamented the fact that only 56% of the grant had been allocated two-months before the year-end. He prioritised the creation of structures to ensure the optimal utilisation of the Municipal Infrastructure Grant (MIG) and called for an increase in capacity.

In addition to addressing the capacity and mechanisms for dialogue a new holistic vision that actively redresses apartheid and colonial planning and development is needed. Although government has over the past 9 years delivered over 1,4 million houses, and through this process provided access to basic services and security of tenure to



approximately 8 million poor people, the need to improve the quality of human settlement remains one of the greatest challenges of government. The Breaking New Ground Human Settlements Plan aims to fast-track housing delivery and the upgrading of informal settlements. In addition Project Consolidate has been identified as a key programme by the Department of Provincial and Local Government in support of Housing and municipalities capacity to deliver social services.

In 2004 the President invited the housing sector through the National Minister of Housing: Dr Lindiwe Sisulu to develop and submit a Comprehensive Programme dealing with human settlement and social infrastructure, including rental housing stock for the poor. The significance of this call by the President is that it confirms the international trend of conceptualizing housing not only in terms of shelter, but of sustainable and integrated human settlements. It also implicitly suggests that people should be provided real choices including rental housing. In the past nine years housing delivery in the country including our province has focused more on homeownership on one-plot-one-house contributing significantly towards unsustainable urban sprawl with the poorest people increasingly marginalised and excluded from economic and social opportunity. The Western Cape's *iKapa Elihlumayo* strategies offer real opportunities for this Province to turn this legacy around. The Provincial Spatial Development Framework (PSDF) based on the National Spatial Development Perspective (NSDP) and the strategies for building social capital are both informing and contributing to our new approach to housing delivery.

We have a unique opportunity to use our own assets to bring about redress. Having identified our land and properties we are now examining them strategically to see which should be disposed of and which should be targeted for redevelopment to enable mixed income and racially mixed areas to thrive once more. A constructive plan is needed to address historical backlogs in respect of arrear instalments and municipal services.

As another building block towards creating integrated and sustainable human settlements, the N2 pilot project is aimed at upgrading the informal settlements along the N2, from the Borchards Quarry Drive (next to the Cape Town International Airport) to Bunga Avenue in Langa and includes District 6. The scope of the project is to provide accommodation for some 22 000 households. But this is just the beginning as the housing backlog in the City alone is estimated at some 170 000 families residing in informal areas. This figure excludes backyard shacks and people who live in overcrowded circumstances in the formal townships. On 18 August 2004 the national Cabinet approved the principles of Informal Settlement Upgrading and endorsed the N2 Informal Settlement Upgrading pilot as one of the national priority projects.

The Informal Settlement Upgrading Programme is presently not sufficiently accommodated in the budget programmes. It is estimated that the cost of shelter for the 170 000 families in informal settlements will be more than R6bn. The N2 project alone is estimated to cost at least R2 billion. Detailed planning and discussions between the national, provincial and local spheres of government including their treasury components are underway to find ways of funding the upgrade of informal settlements. Now that this province is at last demonstrating its ability to deliver on its housing budget, we feel confident that the resources will be forthcoming soon, but at least in the outer medium term expenditure framework (MTEF) years.

The current political mandate and the developmental realities facing local government are key determinants of our strategic repositioning for the next five years and beyond. Faced with the reality of poverty, unemployment and pockets of underdevelopment within the Western Cape, and the need for an interventionist response, the department took a hard look at itself and specifically its value or relevance to municipalities as the primary service delivery mechanism of government.

As a direct result of this introspection, a new vision and mission statement were developed, reflecting an emphasis on good governance, developmental local government, and a people-centred approach.

An analysis of our internal and external environment, gave us an indication of the many challenges that have to be confronted and left us with a sense that the next five years cannot be regarded as 'business as usual'. We have the benefit of a firm political mandate redefining the department's important participatory role in developmental local government and strong political leadership in support of our planned undertakings and should ensure that plans are translated into implementable actions benefiting those in greatest need.

The key challenges identified included the lack of skills/personnel, the need to know our clients, having a developmental approach, service delivery issues, IGR and communication.

The department has significant technical ability, an excellent track record in managing programmes as well as some limited strategic management ability. It is acknowledged that the ultimate client is the people of the Western Cape and the department should serve this client through its engagement with municipalities, other provincial departments and other spheres of government.

Although the housing component has been redesigned and new skills recruited, there is, however, acknowledgement that the rest of the department does not have all the skills and resources required to meet its obligations in terms of developmental local government. This is especially evident in strategic management abilities. A fundamental change is required in how the department functions and operates internally, how it is managed as well as the nature of the interaction between top management and other levels of staff. Additional skilled staff and retraining of existing staff are needed to significantly increase the department's strategic planning and management competence.

Change is therefore underway within the department in order to retain and strengthen its relevance to the Western Cape Citizens in general and municipalities in particular. The latter is of particular importance, given the department's loss of direct control over significant management support programme funding. This necessary change provides the opportunity to reposition the department's potential strategic role as an important player in developmental governance. This requires initiating a process of strategic dialogue through becoming a learning and information-sharing organisation.

Within this context, the first category of priorities include building organisational skills and capacity of municipalities, promoting socially, economically and spatially integrated human settlements, improving co-operative and intergovernmental relations, accelerating housing delivery, delivering all anchor projects on time and within budget, developing a strategic and coordinated research programme supported by a knowledge

management system, communication and ensuring a well functioning department. The second category of priorities includes Infrastructure development, asset management, monitoring as well as disaster management strategies.

At an organizational level, the Department is finalizing its new organizational structure for the amalgamated Department. This builds on the restructuring work of the two individual departments in 2004. The new structure has been organised around four strategic areas, as follows:

- Governance and Institutional Support: At the forefront of championing excellent inter-governmental relations (IGR) this arm will focus on providing support to municipalities to enable them to improve their strategic positioning, service delivery, and targeted interventions aimed at halving poverty and unemployment.
- Municipal Infrastructure and Disaster Management: Responsible for the bulk infrastructure which underpins most of the rest of development the section will also be the responsive hub of the Department focused on mitigation, preparation and recovery from disasters.
- Planning, Policy and Research for sustainable and integrated human settlements. This will be the “think tank” of the Department closely linked to the *iKapa Elihlumayo* work. The major areas of focus will be to develop policies and strategies relating to developmental local government, functional, racial and social integration and environmental, economic and social sustainable human settlements. Furthermore, establishing critical linkages between this and other Departments through the Strategic Infrastructure Plan, Provincial Spatial Development Framework and at the local IDPs will be emphasised. The work of this part of the Department will be integrally influenced by the Social Capital strategy and will contribute significantly to the building of social capital in the province.
- The Delivery of Integrated Sustainable Human Settlements: This arm will deal mainly with project facilitation, support for local government and community housing delivery, upgrading of informal settlements, monitoring and intervention in housing projects where necessary. In addition, it will administer and manage the national housing programmes including providing capacity support to municipalities.

I would like to thank my staff for their participation and ongoing support in the development and implementation of this strategic plan.

**ACCOUNTING OFFICER**

**(S MAJIET)**

## 2 Strategic plan update analysis

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

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

#### *Strategy*

The strategy to enhance municipal capacity has three components namely:

- Building the analytical, interpretive and evaluative capabilities of the Province. This is needed to enable it to understand issues and trends and proactively intervene and support municipalities with appropriate programmes of action
- Developing a flexible basket of capacity building programmes aimed at enhancing local capacity
- Developing a comprehensive monitoring programme will assist the Department to adjust its programme of support to maximise impact.

#### *Key focus areas*

- Relations with municipalities
- Municipal capacity development
- Disaster management
- Strategies to enhance the financial sustainability of municipalities
- Municipal Infrastructure Grant (MIG) programme
- Effective service delivery models.

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

- Regular joint planning and information sharing sessions with local government in place
- An informed and accepted champion for every municipality operating within the provincial department
- Municipal capacity audit completed and comprehensive capacity development programme for municipalities implemented with a resultant increase in local government capacity
- Municipalities prepared for the 2005 local government elections and the delivery challenges post the elections
- Improvement of inter-governmental cooperation in respect of disaster management services
- Women and youth targeted as key sectors in all programmes, especially housing construction, community development workers and other programmes focused on creating economic opportunities
- 50% of the current services and housing backlogs addressed
- Municipal Infrastructure Grant Programme 100% utilised in all allocated municipal areas to provide bulk services and create employment opportunities
- A 30% reduction in the number of local authorities requiring support to be financially sustainable.

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

### *Strategy*

The Department is providing a new approach to housing delivery through the Human Settlement Redevelopment Programme that is aimed at addressing the dysfunctionalities of colonial and apartheid planning and development. Facilitating mixed use developments, located close to economic opportunities, accessible to public transport and that are environmentally sustainable will be the priority in this period.

### *Key focus areas*

- Working with municipalities and provincial and national government departments to ensure integrated planning and aligning development programmes and public sector investment with the provincial spatial development framework and IDPs
- Further work on the Urban renewal (URP) node and tying up work on the integrated sustainable rural development programme (ISRDP) node
- Identification and release of well located and suitable land for mixed use and mixed income settlements
- Facilitating agreements with municipalities to provide services to state-owned land as a mechanism to unblock land reform projects
- Alignment of Municipal Infrastructure Grant inputs with integrated human settlement plans
- The promotion of innovative housing typologies and urban design of project areas
- Promoting environmentally sustainable approaches to housing and layouts
- N2 Gateway project to deliver housing in integrated human settlements
- Promoting skills delivery, job creation and empowerment in the delivery of services and housing.

### *Targeted outputs over the medium term*

- N2 Gateway project has provided housing for more than 100 000 people and has been used to promote job creation
- New approach to human settlements institutionalised across province
- Integrated planning processes and institutional arrangements in place
- 10 sites of well located land and/or government owned properties released for housing
- 20% of housing provided is social or medium density housing.

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

### *Strategy*

The role of the Department is to facilitate the creation and maintenance of structures to facilitate a system of intergovernmental relations. The aim is to increase coordination, communication and horizontal and vertical integration with the City of Cape Town, district and local municipalities, organised local government, provincial line department and the National Departments of Provincial and Local Government and Housing

#### *Key focus areas*

- IGR forums
- Integrated planning both vertically and horizontally
- Provincialisation of municipal-rendered services
- Alignment of policy, planning and budgets.

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

- Establish the Department as the primary supporting department for liaison structure in relation to IGR with local government and other government departments, especially the Office of the Premier
- Alignment of planning processes and budgets
- Alignment of all legislation and policy local government and human settlements
- Regular interaction between senior management at the provincial level in place
- Active inter-governmental coordination forum operating as the vehicle for dialogue and coordination
- Coordinated delivery between departments and between different spheres of government.

#### **4. *Housing delivery is accelerated to meet the needs of un-housed communities and enable every resident to have a home.***

##### *Strategy*

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

#### *Key focus areas*

- Project Consolidate
- Accelerated delivery of housing to the homeless and inadequately housed
- Building the capacity of local governments to be developers
- Sound management of provincial housing assets and maximisation of the strategic use of existing housing assets to redress the marginalisation of the poor
- Development of a fair rental housing market
- Provision of social and higher density housing close to the existing centres of economic and social activity.

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

- Housing delivered in 80% of project consolidate target areas.
- Upgrade or formalisation of shelter for current residents in informal settlements
- Accreditation of several municipalities to render the housing function
- Disposal and maintenance of existing housing assets that maximally redresses the marginalisation of the poor in place according to published framework
- Rental housing increasing available, according to national regulatory framework

- 2 500 social housing units developed
- 80 000 higher density housing units developed.

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

*Strategy*

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

*Key focus areas*

- Community Development Worker (CDW) programme
- Training of ward councillors
- Review of service delivery models
- Review of community development methodologies.

*Targeted outputs over the medium term*

- CDW programme operational in every municipal area
- Programme for ward councillors implemented across the region
- Social capital strategy developed and implemented.

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

*Strategy*

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

*Key focus areas*

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

*Targeted outputs over the medium term*

- An operational knowledge management system servicing the department and *iKapa Elihlumayo* strategies
- A consolidated and updated departmental database, linked to provincial data

bases

- Departmental analysis of all key policies completed and accessible to all provincial staff
- Participation of the province, local authorities and the social partners in the Western Cape in all key policy dialogues
- Provincial policies to support developmental local government and sustainable human settlements developed
- A strategic research agenda defined and research project initiated in each focus area and linked to provincial priorities
- All plans aligned to the new policy imperatives and the provincial spatial development framework
- IDPs response to local community needs and aligned to national, provincial and local priorities.

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

*Strategy*

Communication is the key to the successful roll-out of any programme. Firstly, internally within the department - between different directorates, between management and staff and between the Ministry and the department – effective communication is required to ensure all staff are informed and capacitated to make the required linkages needing to be addressed. Secondly, effective communication mechanisms between the department and other spheres of government – provincial departments, local municipalities and national departments – are required. Thirdly, communication with the public through the existing Cape Gateway channels and the customer help desk. Accessible customer care and training of all staff in the principles of customer relations and Batho Pele requires continual updating.

*Key focus areas*

- Internal communications
- Inter-governmental communications
- Customer relations and public interface
- Community engagement process.

*Targeted outputs over the medium term*

- An effective internal system of communication including the regular production of an internal newsletter providing timely, relevant and meaningful information
- Regular communication between the department and other provincial departments, national departments and local authorities
- Coordinated information dissemination to local authorities
- Improved customer help desk and all queries responded to within 14 days
- Functional community engagement process in place utilising CDWs and Ward Councillors
- Housing and human settlement rights, responsibilities and choices understood by the broad public.



## **8. A well functioning amalgamated department capacitated to deliver.**

### *Strategy*

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

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

### *Key focus areas*

- Amalgamation
- Work processes with a view to speeding up delivery
- Working culture of willing ness, tolerance and commitment
- Organisational structure
- Information systems and architecture
- HRM systems and architecture.

### *Targeted outputs over the medium term*

- All posts filled with competent and willing staff
- A performance management system operating at all levels of the organisation
- Costs and benefits of all work is managed as an integrated whole
- Processes are continually redesigned to eliminate non-value adding activities
- A staff and skills development strategy in place and being operationalised
- Social capital strategy implemented to demonstrable changes in the norms and networks within the Department
- A project based inter-directorate team based approach, structure and culture in place
- The culture of the department transformed in line with Batho Pele values and principles
- PFMA and DORA compliance
- 100% of budget efficiently and effectively spent each year.

## Part B

### Programme and sub-programme performance targets

#### 3 Programme 1: Administration

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

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

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

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

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

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

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

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

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

###### **HR & Administration:**

- To match and place and fill all vacant posts timeously
- To facilitate targeted training for a well-developed personnel corps
- To develop and implement the appropriate policies and provide logistical support

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

- To ensure adequate resources for the delivery of developmental local government and housing
- To ensure good and transparent governance

###### **Communication:**

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

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

The support to line functions has been regarded as one of the critical areas that need to be prioritised by this programme. In this regard the Department is presently undergoing a process of organisational transformation, which requires strategic support and guidance from this programme in terms of change/ diversity management and human resources development. This programme, due to capacity constraints and the departmentalisation process, has not been very active in coordinating transformation programmes such as

gender issues, leadership development, organisational development and change. It intends in the future to play a more effective role in this regard. The immediate responsibilities that this programme has to execute include:

- The implementation of the newly amalgamated departmental structure
- To coordinate the matching and placement of staff to positions
- To coordinate the development and implementation of the strategic human resource plan
- To ensure effective and efficient implementation of the performance management plan
- To ensure effective implementations of the employment equity plan.

With regard to financial administration, the need for fraud prevention and a risk management plan has been emphasised. The need for this programme, with regard to the budget process, to provide more support to line functions has been expressed. There is also a need for facilitative interpretation of financial requirements.

The debtor system and administration of debtors need to be streamlined and properly coordinated between this programme and programme 2.

### 3.3 Specification of measurable objectives and performance indicators

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

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>Sub-programme 1.2: Corporate services</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2003/04 (actual)</b>	<b>Base year * 2004/05 (estimate)</b>	<b>Year 1 2005/06 (target)</b>	<b>Year 2 2006/07 (target)</b>	<b>Year 3 2007/08 (target)</b>
A fully staffed organisational structure.	Number of posts filled (%).			85%	95%	100%
A department representative of the provincial demography.	Filled posts as a percentage of various population groups and gender.			Coloured 58% White 24% Black 17% Indian 1%.	Coloured 56% White 23% Black 20% Indian 1%.	Coloured 54% White 23% Black 22% Indian 1%.
Skills profile per individual.	Number of profiles completed (%).			98%	98%	98%
Keep the public and the staff informed on the policies, services and performance of the department.	Number of information sessions and visits to web page.			1 Road-show for the public.  1 Strategic Plan information session	1 Road-show for the public.  1 Strategic Plan information session	1 Road-show for the public.  1 Strategic Plan information session

## PROGRAMME 1: ADMINISTRATION

### Sub-programme 1.2: Corporate services

Measurable objective	Performance measure or indicator	Year-1 * 2003/04 (actual)	Base year * 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
				for the staff.	for the staff.	for the staff.
Develop and implement a Human Rights Plan.	Yearly reports on gender, youth and disability to the Directorate Human Rights Programmes.			Gender: 2 Youth: 1 Disability: 2	Gender: 2 Youth: 1 Disability: 2	Gender: 2 Youth: 1 Disability: 2
Spend budget appropriately.	No over/under expenditure within 2%. Attainment of all prescribed due dates (budget management).			98% 100%	99% 100%	99% 100%
Effective and efficient record keeping.	% files tracked. % of files immediately available.			90% 85%	95% 90%	98% 95%
Well equipped and accommodated personnel.	% computers, printers, cell phones (where necessary), etc. % clean uncluttered attractive offices			95% 92%	98% 94%	98% 96%
Ensure proper financial accounting and risk management	Auditor-General Report and Audit Committee Report. Number of fraud cases, losses. % norms and standards met. Submission of financial statements and other reports on prescribed dates.			Unquali- fied. Nil 100% 100%	Unquali- fied. Nil 100% 100%	Unquali- fied. Nil 100% 100%

\*Note: Due to the amalgamation of the Departments of Local Government and Housing into one department, the comparative figures are distorted

### 3.4 Reconciliation of budget with plan

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

Sub-programme	Year – 2 2002/03 (actual)	Year - 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (budget)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
1. Office of the MEC	4 283	6 301	4 788	5.73	5 045	4 795	4 995	1.42
2. Corporate services	17 345	20 418	34 310	40.64	45 498	44 410	47 572	11.51
<b>Total programme</b>	<b>21 628</b>	<b>26 719</b>	<b>39 098</b>	<b>34.45</b>	<b>50 543</b>	<b>49 205</b>	<b>52 567</b>	<b>10.37</b>

## 4 Programme 2: Housing

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

### 4.1 Specified policies, priorities and strategic objectives

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

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

#### **STRATEGIC OBJECTIVES:**

##### **Planning:**

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

##### **Research:**

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

##### **Policy:**

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

##### **Housing delivery**

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

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

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

- Capacity issues (Provincial and Municipal)
- Ineffective and limited integrated planning
- Funds shortage
- Housing programmes backlog
- Land purchase (land audit)
- Special programmes (farm-worker, child, consumer, education, human rights)
- Poverty of beneficiaries.
- Lack of consumer education and awareness.
- Constant policy changes without a phase-in period results in crisis management and overload.
- Outdated establishment cannot cope with new demands: “Lean establishment”
- Institutional change too slow
- Skills gap.

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

- Provincial: implement new structure, up-skill staff, define responsibilities and eliminate gaps
- Municipal: build and nurture co-operative governance through the Provincial Advisory Forum Technical Committee (PAFTECH), clusters, workshops and meetings. Supplement capacity and build multi-skilled task teams.
- Be proactive rather than reactive
- Deliver innovatively
- Identify strategically located publicly owned land
- Research and revisit existing policies and delegations
- Research housing demand
- Separate housing EIA section at DE&DP
- Finalisation of land audit
- GIS (interlinking relevant operational areas)
- Access to additional funding (Programme 5).
- Consumer education and awareness.

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

- Client satisfaction survey (fits in with communication)
- Measures to improve service standards (responses – telephone etc.)
- Marketing of department
- Accessibility of services to client (satellite service units)
- One-stop information
- Portal update (website)
- Capacity building (Client Care)

- Revisit values and develop change of attitudes.

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

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

<b>Sub-programme 2.1: Housing planning and research</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 2003/04 (actual)</b>	<b>Base year 2004/05 (estimate)</b>	<b>Year 1 2005/06 (target)</b>	<b>Year 2 2006/07 (target)</b>	<b>Year 3 2007/08 (target)</b>
To revise the provincial multi year settlement plan.	Aligned with the Provincial Spatial Development Framework (PSDF), Strategic Infrastructure Plan (SIP) and reflecting municipal Integrated Development Plans (IDP's).		70%	80%	85%	90%
To advocate integrated and sustainable planning methodology in the Housing chapters of municipal IDP's.	Quality of Housing chapters of IDP's.	Unacceptable	Unacceptable	Fair	Good	Good
To promote integrated and sustainable development approaches to settlement planning within municipal IDP's.	Extent to which economic viability, social equity and ecological integrity is addressed ("triple bottom line" approach).	Unacceptable	Unacceptable	Fair	Good	Good
To facilitate strategic use of housing / or public (and private) assets for integrating settlements.	Number of hectares identified.			250	250	250
To undertake settlement research including innovative design of housing typologies and to develop policies for integrated and sustainable human settlements.	Alignment with iKapa Elihlumayo and "breaking new ground". Clear agenda and quality database. Diversity and range of typologies.			100%	100%	100%
To promote social and higher density housing.	Number of households per hectare.		40	50	60	65
<b>Sub-programme 2.2: Housing performance/subsidy programmes</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 2003/04 (actual)</b>	<b>Base year 2004/05 (estimate)</b>	<b>Year 1 2005/06 (target)</b>	<b>Year 2 2006/07 (target)</b>	<b>Year 3 2007/08 (target)</b>
To provide subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	12 113	20 100	10 000*	15 000	15 000

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

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide economic opportunity through housing projects.	Number of jobs created, including through Expanded Public Works Programme (EPWP).		35	1 036	1 726	1 726
	% value of project value undertaken by emerging contractors			10%	15%	20%

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

**2.2.1 Subsidy administration**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide support to the core function.	A fully staffed, appropriately skilled and equipped unit.		70%	90%	95%	98%
	Compliance to applicable policies, legislation, norms and standards and plans.	90	92	95	98	99

**2.2.2 Individual**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Individual subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	323	2 400	3 500	3 500	3 500
	Number of people housed.	2 000	12 000	14 000	14 000	14 000
	Value of subsidies paid.	R12.5m	R68m	R99m	R99m	R99m

**2.2.3 Project linked**

Measurable objective	Performance measure	Year-1 * 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Project linked subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	11 281	5 000	9 000	8 000	7 000
	Number of houses completed/ under construction.		9 272	9 000	8 000	7 000
	Number of projects approved within the defined urban edge.		20	18	16	16

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

Measurable objective	Performance measure	Year-1 * 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide PHP subsidies to	Number of subsidies approved.	3 916	2 000	2 000	2 500	2 500



## 2.2.4 People's housing process (PHP)

Measurable objective	Performance measure	Year-1 * 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
qualifying beneficiaries in accordance with the housing policy.	Number of housing units completed/under construction.		1 500	2 000	2 500	2 500
	Number of housing support centers funded.		31	10	10	10
	Number of projects approved within the defined urban edge.		31	10	10	10

## 2.2.5 Consolidation

Measurable objective	Performance measure	Year-1 * 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Consolidation subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.	114	25	1000	2000	3000
	Number of subsidies emanating from informal settlement upgrades.			1000	2000	3000

\* Note: Previously kept record and reported on the number of subsidies approved only.

## 2.2.6 Institutional

Measurable objective	Performance measure	Year-1 * 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Institutional subsidies to qualifying beneficiaries in accordance with the housing policy	Number of Housing institutions registered.			1	1	1
	Number of approved subsidies.	45	158	500	1000	1000
	Number of rental agreements signed.			500	1000	1000

## 2.2.7 Hostels

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide subsidies for the redevelopment of hostels in accordance with the housing policy.	Number of hostels upgraded.	4	6	7	5	4
	Number of units upgraded.	458	1 040	1 300	900	500

## 2.2.8 Relocation (In Situ)

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Relocation subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of relocation subsidies approved.	12	1200	35	35	35

## 2.2.9 Disaster management/Emergency programme

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To support disaster relief in accordance with the housing policy and building integrated and sustainable human settlements.	Number of families assisted. Number of projects approved.		10 000 12	12 000 20	10 000 15	8 000 10

## 2.2.10 Rural housing stock

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Rural housing subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of rural housing subsidies approved.	0	49	35	35	35

\* Note: Previously kept record and reported on the number of subsidies approved only.

## 2.2.11 Savings linked

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide Savings linked subsidies to qualifying beneficiaries in accordance with the housing policy.	Number of subsidies approved.			100	200	300

## 2.2.12 Upgrading of Informal Settlements Programme (UISP)

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To upgrade informal settlements	Number of settlements upgraded.			10	10	10

## Sub-programme 2.3: Urban renewal and human settlement development

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Co-ordinate/facilitate/promote the upgrading of informal settlements.	Number of job creation and skills development via Expanded Public Works Programme (EPWP) on housing projects.		35	1 036		
Provision of social/community facilities to communities in	Number of social/community facilities to communities.	5	6	5		

**Sub-programme 2.3: Urban renewal and human settlement development**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
informal settlements						
To facilitate the provision of social and higher density housing to promote sustainable and integrated human settlements.	Number of units.			1 000		

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

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Strategic use of public assets	Number of poor people accommodated in well-located housing (rental units).		8 440	7 896	7 896	7 896
	Number of occupants by race:					
	Black		5 064	4 737	4 737	4 737
	White		3 376	3 158	3 158	3 158

**2.4.2 Maintenance**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To ensure that housing units are maintained in line with the maintenance plan.	Number of housing units.	2 314	2 455	2 353	2 160	2 160

**2.4.3 Transfer of housing assets**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide strategically for the transfer of housing assets.	Number of properties transferred:					
	Residential	75	300	300	300	300
	Non-residential		83	500	500	500

**2.4.5 Management of housing assets**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To ensure effective and efficient rental collection/debt management processes	Potential income received (%).	20%	25%	40%	45%	50%
	Debt collection rate (%).	20%	25%	30%	35%	35%

#### 2.4.5 Management of housing assets

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
management processes.	Reduction of debtor days (days outstanding).	120+	120+	90+	90+	60+
	Reduction of bad debts (% not recoverable).	85	77	70	70	60

#### 2.4.5 Devolution of rental stock

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Strategic devolution of housing assets.	Number of houses and properties devolved to municipalities.	671	12	197	500	100

#### 2.4.6 Rental tribunal

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To promote, facilitate and regulate rental housing within the Province.	% of registered cases resolved.	98%	99%	100%	100%	100%

#### 2.4.9 Discount benefit

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To promote strategically ownership of state financed rental housing.	Number of residential properties transferred to households.	125	75	300	500	500
	Number of discounts provided.	120	120	200	500	700

#### 2.4.10 Subsidy (4 of 1987)

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To provide subsidies to qualifying debtors in respect of repayment of loans of previous dispensation housing.	Value of subsidy (R'000).	638	1 500	8 000	6 000	4 000

## 4.5 Reconciliation of budget with plan

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

Sub-programme	Year – 2 2002/03 (actual)	Year - 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (budget)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
1. Housing planning and research	10 385	11 422	18 181	32.31	6 315	7 006	8 233	(23.21)
2. Housing performance/subsidy programmes	387 549	292 728	448 179	7.54	475 040	552 515	671 394	14.42
3. Urban renewal and human settlement redevelopment	7 777	12 375	19 389	57.89	14 352	5 194	5 455	(34.47)
4. Housing asset management	11 174	36 667	34 708	76.24	32 658	32 656	33 028	(1.64)
<b>Total programme</b>	<b>416 885</b>	<b>353 417</b>	<b>520 457</b>	<b>11.73</b>	<b>528 365</b>	<b>597 371</b>	<b>718 110</b>	<b>11.33</b>

## 5 Programme 3: Local Governance

**Purpose:** To promote and facilitate viable and sustainable local governance through the monitoring and support of municipalities, the facilitation of municipal infrastructure development, the provision of legislative clarity, institutional services and support with municipal valuations to municipalities and the creation of an effective disaster management system for the Province as well as the promotion of the development of an acceptable fire brigade service.

### 5.1 Specified policies, priorities and strategic objectives

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

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

#### **STRATEGIC OBJECTIVES:**

- To provide management and support services to local government within a regulatory framework
- To understand the needs of municipalities and other departments
- To monitor and support municipalities to ensure financially viable and socially and economically sustainable municipalities
- To improve access to the social safety net by poor households through the monitoring and support of the implementation of free basic services

- To facilitate and monitor infrastructural development within municipalities to ensure sustainable municipal infrastructural development and optimum local economic benefits
- To establish and promote the department as the principal liaison structure in relation to IGR with local governments
- Facilitating the establishment of technical forums
- Ensuring horizontal and vertical integration through information sharing and strategic dialogue
- To manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms

## **5.2 Progress analysis**

Municipalities will be supported with the implementation of the free basic service and also with the implementation of alternative sources of energy. Due to the implementation of the MFMA, the monitoring of municipal finance will be done by the provincial treasury and the department will expand its monitoring tool to focus more on non-financial monitoring as well as the levels of services rendered by municipalities to communities. This will enable the Department to identify focused informal interventions in specific areas of municipal service delivery.

The monitoring and facilitation with regard to sustainable infrastructure development will be done on an ongoing basis. Municipalities will also be supported with the development of sustainable infrastructure. The competencies of municipal personnel to tackle their infrastructure challenges will also be monitored. Informal interventions will take place to enhance the usage of EPWP principles when MIG infrastructure projects are implemented to turn around the loss of downstream opportunities for communities.

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

- Shortage of strategic management and other skills
- Legal uncertainty regarding the performance of the disaster management function between the three spheres of government.
- Obtaining funding for the establishment and running costs of the provincial disaster management centre.

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

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

- the establishment of a well developed and effective personnel corps
- implementation of various aspects of the Disaster Management Act, and
- the creation of sufficient personnel capacity to advise municipalities regarding fire fighting services.

## 5.5 Specification of measurable objectives and performance indicators

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

<b>Sub-programme 3.1: Local governance</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 2003/04 (actual)</b>	<b>Base year 2004/05 (estimate)</b>	<b>Year 1 2005/06 (target)</b>	<b>Year 2 2006/07 (target)</b>	<b>Year 3 2007/08 (target)</b>
<b>Municipal administration</b> To maintain the institutional integrity of municipalities.	Implement, monitor and evaluate the ward committees in 23 municipalities.		20	23	23	23
To provide legislative support to municipalities.	To provide standard by-laws as needed.		1 standard by-law.	1 standard by-law.		
To develop new provincial local government legislation and rationalise redundant national and provincial legislation.	A Green and White Paper on a proposed provincial local government act. Legislation to rationalise redundant provincial legislation.	Green Paper (draft). 1 Provincial act.	Green Paper reviewed. 1 Draft Bill reviewed.	1 Act 1 Act		
Revision of Congo Caves Ordinance	Establish proper constitutional basis for review.		Basis determined.	Ordinance reviewed.		
To administer councillor matters i.e. remuneration and the Code of Conduct.	Number of inputs on remuneration and number of municipalities complying with prescripts. Number of Code of Conduct cases dealt with.	1 input. 8	1 input. All municipalities complying.	1 input. All municipalities complying. As required.	1 input. All municipalities complying. As required.	1 input. All municipalities complying. As required.
To co-ordinate certain land transactional matters	Land transactional matters executed.			On application.	On application.	On application.
To coordinate and ensure legal compliance of provincial interventions at municipalities.	Interventions when needed in terms of Section 106 of the Municipal Systems Act; Section 139 of the National Constitution and Sections 137 and 139 of the MFMA coordinated and legally complied with.	Formal section 106 intervention: Kannaland	Formal section 106 intervention: Kannaland	As necessary.	As necessary.	As necessary.
To establish and promote the Department as the principal provincial liaison structure in relation to intergovernmental relations with local government, in terms of the Intergovernmental Relations (IGR) legislation.	Implementation of the structures in terms of the IGR Act.			Structures implemented and maintained.	Structures maintained.	

### Sub-programme 3.1: Local governance

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
<b>Municipal monitoring and support</b> To monitor: Statutory compliance Municipal governance Special projects and policies	% Progress made in respect of the development and maintenance of a flexible monitoring tool.  Maintained database. Number of reports to HOD, Minister, municipalities and line functionaries.	50%  1 4	90%  1 4	80%  1 4	90%  1 4	100%  1 4
To conclude the implementation of approved management support programmes.	Number of management support programmes concluded.	11	8	8		
To provide targeted intervenative supporting initiatives to identified municipalities.	Targeted supporting initiatives at municipalities that is identified and solved.	2	2	0	0	0.
To provide pro-active general support to municipalities to enhance functioning and adherence to statutory requirements.	Number of initiatives initiated. Number of guideline documents issued. Number of workshops facilitated.	2 1 2	2 1 2	2 1 2	2 1 2	2 1 2
To support municipalities with the implementation of free basic services.	Number of supporting actions initiated with regard to:  Free basic water. Free basic electricity. Free basic sanitation. Free basic refuse removal.	1    1	 2   	 2 1  	  1 1	   1
<b>Municipal infrastructure</b> To facilitate the management of the Municipal Infrastructure Grant (MIG) programme in the Province.	% of provincial MIG allocation spent by municipalities. Monthly progress reports to national department.	100% 12	80% 12	100% 12	100% 12	100% 12
To influence the creation of economic opportunities associated with the MIG programme.	Number of joint initiatives between the MIG, Expanded Public Works Programme (EPWP) and other municipal infrastructure projects.  Number of initiatives undertaken to influence municipal project prioritisation.	   2	2  2	10  4	10  4	10  4
To monitor the condition and maintenance of municipal infrastructure.	Number of studies undertaken with regard to municipal services.		1	1	1	1



**Sub-programme 3.1: Local governance**

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To monitor the competencies of municipal personnel to tackle their infrastructure challenges. To monitor municipal infrastructure backlogs. To monitor municipal expenditure on infrastructure development. To monitor municipal expenditure on the maintenance of existing municipal infrastructure.	% Progress made in respect of the development and maintenance of a flexible monitoring tool.  Maintained database. Number of reports to HOD, Minister and municipalities.	50%  1 4	90%  1 4	80%  1 4	90%  1 4	90%  1 4
<b>Disaster management</b> To facilitate effective and efficient disaster management mechanisms at provincial and local level.	The development of a provincial disaster management framework and institutional structures.	Risk and vulnerability assessment.	Commence work on framework.	Finalised framework.		
To ensure compliance with the provisions of the Disaster Management Act.	Initiate the establishment of the Inter-governmental Disaster Management Committee. (IGDMC). Initiate the establishment of the Provincial Advisory Forum.  Progress towards the implementation of the disaster management framework Initiate the establishment of an Emergency Management Centre as an inter-departmental project.			Established IGDMC.  Established Advisory Forum. Finalised framework. Identify site and commence work.	Operational IGDMC.  Operational Advisory Forum. 25 %  Continue with work on Emergency Management Centre.	50 %   Finalise Emergency Management Centre.
To ensure compliance to the Fire Brigade Act.	Initiate the establishment of a provincial fire brigade forum.			Operational provincial fire brigade forum.		

## 5.6 Reconciliation of budget with plan

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

Sub-programme	Year – 2 2002/03 (actual)	Year - 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (budget)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
1.Municipal Administration	3013	2 837	4 472	21.83	5 786	4 894	5 091	4.42
2.Municipal Finance	18 406	22 830	30 228	28.15	9 293	6 000	6 442	(40.27)
3.Municipal Infrastructure	10 422	11 701	13 711	14.70	8 832	9 002	9 312	(12.10)
4.Disaster Management	5 544	5 024	4 471	(10.20)	9 797	5 497	5 348	6.15
<b>Total programme</b>	<b>37 385</b>	<b>42 392</b>	<b>52 882</b>	<b>18.93</b>	<b>33 708</b>	<b>25 393</b>	<b>26 193</b>	<b>(20.88)</b>

## 6 Programme 4: Development and Planning

**Purpose:** To promote integrated development and planning through the promotion of developmental local government.

### 6.1 Specified policies, priorities and strategic objectives

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

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

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

#### **STRATEGIC OBJECTIVES:**

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

- Providing leadership in building and implementing developmental local government
- To understand the regions and thereby maximise the developmental opportunity
- Constructive management of community focused matters
- To promote effective and efficient integrated development planning
- To liaise and build relationships with national and international organizations
- Effective co-ordination and intensifying of the Provincial input towards the ISRDP and the URP
- To focus on the linkages between and developmental impact of programmes
- Effective development and co-ordination of local government training initiatives

- To obtain clarity on the functional division between the provincial and local spheres

**CDW:**

- To understand the needs of communities through various mechanisms
- To design and implement a CDW programme to enhance the relationship between government and local communities

**Research:**

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

**Knowledge management:**

- To design, implement and maintain a comprehensive knowledge management system for the Department
- To regularly inform staff of new policies, debates and information
- To provide an information service to various directorates to assist them with planning and integration both vertically and horizontally.

## **6.2 Progress analysis**

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

The proposed project will enable the municipalities in the province to formulate and develop meaningful mechanisms for public participation in local government. It will also assist the Provincial Government to fulfil a critical support role to the municipal level in the province. It will be a learning-by-doing exercise (by involving community stakeholders as well as municipal councillors), resulting in formalised community participation frameworks for at least five local municipalities in the Western Cape. The goal is to promote developmental local governance by way of sustainable public participation.

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

The introduction of Community Development Worker (CDW) is designed to address the institutional gaps in service delivery and investment programmes of government with a specific focus on the poor and vulnerable communities. The CDW should act as resourceful, dedicated agent at community level by improving accountability to, and contact with all levels of government in order to address the challenges facing development and service delivery. The programme consists of two phases, (1) the roll-out of a learnership of 12 months for 330 learners in the Province over a three year period and (2) the deployment of the CDW learners within the personnel structure of the department.

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

A well developed and effective personnel corps will have to be established in terms of the Department of Local Government's restructuring programme, to realise the strategic objectives of the Programme.

### 6.4 Description of planned quality improvement measures

The main intervention will be the establishment of a well developed and effective personnel corps.

### 6.5 Specification of measurable objectives and performance indicators

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

Sub-programme 4.1: Integrated development and planning (IDP)						
Measurable objective	Performance measure or indicator	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To support the drafting, review and implementation of municipal IDPs.	Number of IDPs reviewed and assessed.	30	30	30	30	30
	Annual Provincial IDP Conference.	1	1	1	1	1
	Number of Planning and Implementation Support (PIMS) centres support per district.	3	5	5	5	5
To improve provincial-municipal planning and budgeting engagement in IDPs.	% establishment of an approved annual provincial-municipal engagement process.			100%		
	Number of provincial departments with service delivery boundaries aligned to municipal boundaries.			10	10	10
To promote effective and efficient integrated development planning.	Number of municipal performance management system facilitated.			30	30	30
	Annual report on municipal performance ( S47 of the Municipal Systems Act) submitted by the MEC timeously.			Timeously	Timeously	Timeously

#### 4.1.1: Policy and strategy

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To facilitate the re-alignment of functions between province and municipalities.	Intergovernmental task team to advise on function shifts and funding arrangements.			Operational task team.	Draft policy.	Policy implementation.
To consolidate information on housing and local government together with other stakeholders.	Operational knowledge management system.			50%	100%	100%

#### 4.1.2: Research

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To identify key indicators to measure the development impact of departmental programmes.	Progress toward a generic measurement tool in co-operation with other departments.			50%	100%	100%
To conduct research into sustainable human settlements.	Research and policy reports.			5	10	15
To assess service delivery levels to former rural settlements (Act 9 of 1987) and farm workers.	An assessment of service delivery levels to rural settlements and farm workers.			An assessment		

#### 4.1.3: Governance and institutional development

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To facilitate urban and rural development in the development nodes.	Number of integrated projects identified by all 3 spheres of government in the nodes.  A dedicated provincial multi-disciplinary implementation team.  Establish a web-based monitoring and evaluation framework		5  1	5  1  1	5  1  1	5  1  1
To implement public participation mechanisms.	Number of municipalities supported in implementing public participation programmes.			9 pilot municipalities	30	30
To provide management training to municipal officials.	Number of training programmes. Number of officials trained. Number of bursaries awarded (minimum).	4 90 1	3 60 4	3 60 1	3 80 1	3 100 1
To undertake an international benchmarking visit in local government practice	Number of municipal participants involved in international visit.		12	15	15	15

#### 4.1.3: Governance and institutional development

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To facilitate the incorporation of communities on state land in municipalities	Number of processes facilitated.	3	5	5	5	5

#### Sub-programme 4.2: Community development worker programme (CDW)

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To create a cadre of Community Development Workers to address gaps in governmental service delivery through a learnership programme.	Establishment of a provincial support unit.			1		
	Number of metropolitan and district support units.			6	6	6
	Number of learners in CDW learnership programme.			400		
To deploy community development workers in priority areas.	Number of posts established on staff structure.			150	150	150

#### Sub-programme 4.3: Project Consolidate

Measurable objective	Performance measure	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
To ensure successful implementation of capacity support initiatives to target municipalities in terms of Project Consolidate (PC).	Number of support initiatives at municipalities.		11	11	11	
To identify projects for implementation to improve service delivery.	Number of projects identified for implementation.			45	45	

## 6.6 Reconciliation of budget with plan

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

Sub-programme	Year - 2 2002/03 (actual)	Year - 1 2003/04 (actual)	Base year 2004/05 (estimate)	Average annual change (%)	Year 1 2005/06 (budget)	Year 2 2006/07 (MTEF projection)	Year 3 2007/08 (MTEF projection)	Average annual change (%)
1.Integrated development and planning	6 656	4 164	8 074	10.14	8 969	9 781	10 025	7.48

2. Community development worker					10 000	20 000	22 000	
3. Project Consolidate					1 220	2 052	2 175	
Total programme	6 656	4 164	8 074	10.14	20 189	31 833	34 200	61.80

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

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

Included in Maintenance is an amount of R300 000 earmarked for maintenance/rehabilitation previously covered by the insurance. Insurances on bonded property were previously paid by the Department and recovered from owners. Their unpaid bond payments were thus not recovered. The potential net saving of R1,2 million will be utilised for upgrading of existing properties which will further lead to a decrease in maintenance.

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

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

Upgrading	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Programme 2	7 000	7 000	7 000	7 000	7 000	7 000
<b>Total upgrading and rehabilitation</b>	7 000	7 000	7 000	7 000	7 000	7 000

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

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

## 8 Medium-term revenues

### 8.1 Summary of revenue

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

R 000	2002/03 (actual)	2003/04 (actual)	2004/05 (estimate)	2005/06 (budget)	2006/07 (MTEF projection)	2007/08 (MTEF projection)
Voted by legislature	63 410	(62 585)	118 029	131 202	144 979	153 618
Conditional grants	417 453	460 803	483 903	466 113	533 733	652 362
Departmental receipts	1 691	28 474	18 579	25 090	25 090	25 090
Financing				10 400		
<b>Total revenue</b>	<b>482 554</b>	<b>426 692</b>	<b>620 511</b>	<b>632 805</b>	<b>703 802</b>	<b>831 070</b>

### 8.2 Departmental revenue collection

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

R 000	2002/03 (actual)	2003/04 (actual)	2004/05 (estimate)	2005/06 (budget)	2006/07 (MTEF projection)	2007/08 (MTEF projection)
<b>Current revenue</b>						
Tax revenue						
Non-tax revenue	79	26 492	3 045	3 090	3 090	3 090
<b>Capital revenue</b>						
Financial transactions in assets and liabilities	1 612	1 982	15 534	22 000	22 000	22 000
<b>Departmental revenue</b>	<b>1 691</b>	<b>28 474</b>	<b>18 579</b>	<b>25 090</b>	<b>25 090</b>	<b>25 090</b>

### 8.3 Conditional grants

**Table 9: Summary of Conditional Grants**

Name of Conditional Grant	2002/03 (actual)	2003/04 (actual)	2004/05 (estimate)	2005/06 (budget)	2006/07 (MTEF projection)	2007/08 (MTEF projection)
CMIP/MIG	8 475	3 281	3 584			
LG Capacity Building Fund	9 902	23 832	31 767			
Human settlement and redevelopment	5 806	10 379	13 350	9 373		
Integrated housing & human settlement development	387 549	281 865	476 003	456 740	533 733	652 362
<b>TOTAL</b>	<b>411 732</b>	<b>319 357</b>	<b>524 704</b>	<b>466 113</b>	<b>533 733</b>	<b>652 362</b>



#### **8.4 Donor funding**

None

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

#### **9.1 Interdepartmental linkages**

- The Department has linkages with the National Department of Provincial and Local Government and the Department of Housing. In addition it liaises with sister national Departments including: Land Affairs, Social Development and Treasury
- The Department is delivering programmes on behalf of the National Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government capacity building fund grant carry-through, MIG and LED funds, as well as other programmes such as URP and ISRDP
- The Department works within the provincial frameworks of *Ikapa Elihlumayo* and the Provincial Spatial Development Framework
- The Department has links with every Provincial Department in relation to their municipal interface. Particularly strong links exist in relation to those departments that have agency/contractual service relationships with local government. The Department leads the process towards regularizing and resolving service relations with municipalities
- The Department also coordinated the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews
- The Department formulates legislation and policy within the national legislation and policy guidelines set by the national department.
- The Department performs its disaster management responsibilities in close co-operation with the national Disaster Management Centre situated in the Department of Provincial and Local Government. A similar relationship will exist with District Municipalities through the gradual implementation of the Disaster Management Act.

## **9.2 Local government linkages**

- The Department works very closely with municipalities in three ways; as partners, providing capacity and other forms of support and providing funding for housing
- Through notices in terms of the Municipal Structures Act a series of structures has been created at both a district level for inter-municipal coordination and provincial level for regular inter-governmental contact with districts and municipalities. Although such notices are not valid any longer, the structures continue to function; subject to new arrangements in terms of the, to be promulgated, national IGR Bill. These structures are mirrored by technical committees that function in support. These structures are respectively called District Advisory Forums (DAF), Provincial Advisory Forum Technical Committee (PAFTECH) and the Provincial Advisory Forum (PAF). The key financial link over and above the distribution support of scheduled grants relates to the resolution of payment and finalizing of contracts for the rendering of services on behalf of the Province by municipalities.
- The Department is delivering programmes on behalf of the national Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government capacity building fund grant carry-through, MIG and LED funds, as well as other programmes such as URP and ISRDP.
- The Department has links with every Provincial Department in relation to their municipal interface. Particularly strong links exist in relation to those departments that have agency/contractual service relationships with local government. The Department leads the process towards regularizing and resolving service relations with municipalities.
- The Department also coordinated the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews.
- No direct financial linkages do however exist, with the notable exception of co-operation between the Provincial Treasury and the Department in relation to the monitoring of Municipal Finances.
- The Department executes its disaster management responsibilities in close co-operation with the municipalities in the Province, as the primary implementation agent of disaster management.

## **9.3 Public entities**

The Department is responsible for the Western Cape Housing Development Board.

**Table 10: Details of public entities**

Name of public entity	Main purpose of public entity
Western Cape Housing Development Board	To consider and approve applications for housing projects and beneficiaries To manage housing board assets To consider housing policy

#### 9.4 Public, private partnerships, outsourcing etc

None

## 10 Financial Management:

### 10.1 Strategies to address audit queries

**Table 11: Auditor-General report emphasis of matter on 2003/04 annual financial statements**

Number	Emphasis of matters	Medium strategy to address
1.	Agency services agreement with Department of Housing	The departments of Local Government and Housing are merging on 1 April 2005. This matter will no longer be valid.
2.	Asset management	This is a national/provincial transversal problem. PT is consulting with NT to address this problem.
3.	Housing loan guarantees	This is a provincial transversal problem. PT must formally delegate this authorisation to MEC's.
4.	Internal audit	This department is fully reliant on the centralised internal audit unit.

### 10.2 Implementation of PFMA

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

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

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