

**Department of Housing and Local Government**

**Northern Cape Province**

**Strategic Plan**

**1 April 2005 - 31 March 2009**

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## Foreword

We are now firmly poised to advance our strategic goals of creating sustainable livelihoods and a better life for the people of the Northern Cape. The second decade of freedom, which we have just entered, is posited on the creative and challenging lessons of the past decade; we are now positioned to successfully-straddle the firm foundations we have laid and accelerate social transformation. Our work is ongoing, its roots are firmly located within the achievements of the first decade of freedom, what we do today must be seen as part of the unbroken chain of Reconstruction and Development.

We will continue to increase the capacity of Municipalities to improve service delivery and meet the needs of communities particularly the poorest of the poor. In this regard this department, Housing and Local Government will continue to support municipalities, particularly through project consolidate, to strengthen service delivery, community participation and the delivery of free basic services to address issues of social distress occasioned by poverty and unemployment.

Through the progressive introduction of the new comprehensive housing plan, unblocking of the remaining blocked projects and integrated planning and spatial development we shall facilitate sustainable housing delivery. Towards this effort's greater coordination between installation of services and housing delivery will improve the quality of life of the recipients of government low cost housing especially the poor. We will strive towards all of the above within the context of the Expanded Public Works Programme, this will enable us to create Jobs and eliminate poverty amongst our people.

The mobilization of our collective strengths is central to the notion of good governance. To this end we will strive to improve the capacity of people and solicit the kind of skills required to meet our said objectives. The confluence of possibilities and our knowledge that our mandate is straddles the thin line of a life of despair and a future full of hope and human fulfilment motivates all of us to work hard to reach the strategic intent of this strategic plan. Its overall vision is located within the Provincial Growth and Development Strategy (PGDS) of our province whose objective is to create a people centred society.

MEC J.S Van Wyk  
Housing and Local Government

## **1. Overview of Strategic Plan**

During the strategic planning process, the department has re-aligned itself and arrived at a structure, informed by its functions, which is better suited to deliver on our legislative mandates. This is reflected in the strategic plan that aims to set out the way in which the department will allocate its resources in order to maintain and improve the high levels of service to which it has aspired.

There is an old Chinese saying, “ may you live in interesting times” and now, more than ever, this is appropriate. The realignment of the department will bring about an unprecedented amount of change in the way that the department intends to deliver on its mandates and there are signs that this change will mean better, more efficient and effective service delivery.

In this climate of change, our responsibility both to Government and to the people of the Northern Cape becomes greater than ever before. We are reliant upon Government for funding and with the need to support its priorities and objectives. With this in mind, the plan shows at each opportunity what we are doing to support national initiatives.

On the other hand, we are always mindful of our primary focus being the support to municipalities to become financially and institutionally viable. It is imperative that this centre of attention gains impetus in years to come, since it is reflected in the strategic plan for the financial years 2004 – 2009.

**S G Thina**

**Head of Department**

## **VISION, MISSION AND VALUES**

The Department of Housing and Local Government has set for itself the following vision and mission.

### **2. Vision**

***AN IMPROVED QUALITY OF LIFE FOR ALL THROUGH SUSTAINABLE INTEGRATED DEVELOPMENT.***

### **3. Mission**

***TO PROMOTE, PARTNER AND MONITOR SYSTEMS AND STRUCTURES GEARED AT MEETING SOCIO ECONOMIC AND SERVICE DELIVERY NEEDS OF THE CITIZENS OF THE NORTHERN CAPE.***

### **4. Values**

The department is guided by the founding values on which its legislative framework, and more specifically, the following legislation is based: The Constitution of South Africa, Batho Pele Principles, Public Service Code of Conduct, Employment Equity Act, Public Financial Management Act. These relate to:

Recognition, Fairness, Objectivity, Respect, Equity  
Integrity, Honesty, Trust, Consistency  
Co-operation, Team work, Partnership  
Diplomacy, Courtesy,  
Patience, Tolerance, Empathy  
Responsiveness, Professionalism, Accountability  
Commitment, Action, Redress  
Accessibility

## 5. Sectoral Situation Analysis

### Summary of Service Delivery Environment and Challenges

Delivery of housing continues to be a core objective of the department. According to Census 2001, the total backlog of housing and associated needs in the Northern Cape is 26 736 units. The backlog distribution by district municipality is:

- Kgalagadi 6,2% (Cross border area in North West excluded)
- Siyanda 23,2%
- Namakwa 8,8%
- Karoo 15,2%
- Frances Baard 46,6% (Cross border area in North West excluded)

The decrease in the population of the Northern Cape according to Census 2001 may result in a decreased grant from national for housing delivery. This together with the housing beneficiary contribution of R2,479 will hamper the delivery process since many people are unemployed and cannot afford the initial down payment before the building process starts. The department has therefore targeted an increase in the number of subsidies afforded to the PHP mode of delivery. In this case, beneficiaries contribute through sweat equity to the delivery process.

A Multi -Year Provincial Housing Plan has been finalised to improve the co-ordination of housing delivery, and will be an integral part of the Provincial Spatial Development Framework. A Three Year Housing Spending Plan has also been prepared in support of the multi-year spending plan and is directed finalising housing allocations to municipalities, in compliance with the Division of Revenue Act.

Housing is an issue that needs to be addressed more acutely in the next IDP review process so that the IDP's of municipalities can be used in the following project selection phase.

### Summary of Organisational Environment and Challenges

The department has re-aligned itself, informed by the functions that are derived from its legislative mandates, according to the customised budget structures as prescribed by National Treasury.

Learnerships/Gender equity/ safety worker/Growth and development units

## 6. Legislative and Other Mandates

The Northern Cape Department of Housing and Local Department derives its mandate mainly from the Constitution of the Republic of South Africa Act.

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (Act 108 of 1996). Section 26 of the Constitution of the Republic of South Africa provides that everyone has the right to have access to adequate housing, and it further provides that the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Adequate housing is measured in terms of key factors including legal security of tenure, availability of services, materials, facilities and infrastructure, affordability, accessibility and location.

Furthermore, Chapter 3 of the Constitution defines the principles of co-operation that binds all

spheres of government, national, provincial and local. More specifically it defines the functions of national and provincial government for co-operation with municipalities in Section 154(1) of the Constitution. It states that "by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions." In Section 155(6), the role of provincial government is explicitly defined in relation to the establishment of municipalities and it must:

- "Provide the monitoring and support of local government in the province; and
- Promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs."

THE PUBLIC FINANCE MANAGEMENT ACT (Act 1 of 1999) promotes the objective of good financial management in order to maximize delivery through the efficient and effective use of limited resources. The key objectives of the Act may be summarized as being to:

- Modernize the system of financial management;
- Enable public sector managers to manage, but at the same time be more accountable;
- Ensure the timely provision of quality information;
- Eliminate waste and corruption in the use of public assets.

### THE HOUSING ACT (ACT NO. 107 OF 1997)

Through its legislation, existing and future, and the Housing Code, the Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1)(a)). In addition all 3 spheres of government must ensure that housing development –

- (i) provides as wide a choice of housing and tenure options as is reasonably possible;
- (ii) is economically, fiscally, socially and financially affordable and sustainable;



- (iii) is based on integrated development planning; and
- (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1)(c)).

#### PREVENTION OF ILLEGAL EVICTION FROM AND UNLAWFUL OCCUPATION OF LAND ACT (1998)

The prevention of Illegal Eviction from and Unlawful occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act no. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.

#### THE HOUSING CONSUMERS PROTECTION MEASURES ACT OF 1998

The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

#### THE RENTAL HOUSING ACT OF 1999

This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, it lays down general requirements for leases and principles for conflict resolution in the rental housing sector. It also makes provision for the establishment of Rental Housing Tribunals and defines the functions, powers and duties of such Tribunals. Provincial housing departments are establishing Rental Housing Tribunals.

#### HOME LOAN AND MORTGAGE DISCLOSURE ACT OF 2000

The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identifies discriminatory lending patterns. The act will come into operation during 2003.

- **DISESTABLISHMENT OF SOUTH AFRICAN TRUST LIMITED ACT,(Act 26 of 2002)**  
The winding down of the South African Housing Trust and the transfer of the functions relating to financial obligations were completed during the end of 2002 and the beginning of 2003 in terms of the of Act 26 of 2002: Disestablishment of South African Trust Limited Act, 2002
- **NATIONAL HOUSING CODE (2000).** The Code outlines the fundamental principles guidelines and procedures that govern housing policy in South Africa namely: partnerships and people centred development; skills transfer and economic

empowerment; fairness and equity; choice; quality and affordability; innovation; transparency, accountability and monitoring; and sustainability and fiscal affordability.

- THE URBAN AND RURAL FRAMEWORKS (1996), the key focus of which is to ensure the provision of security of tenure, involvement of communities and beneficiaries and the social, economic and physical integration of areas.
- MUNICIPAL STRUCTURES ACT (Act 32 of 2000) provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality and to provide for an appropriate division of functions and powers between categories of municipality.
- THE MUNICIPAL SYSTEMS ACT focuses on the internal systems and administration of a municipality. The Act introduces the differentiation between the function of an authority and that of a provider. It also identifies the importance of alternative mechanisms for providing municipal services and sets out certain requirements for entering into partnerships.
- THE MUNICIPAL FINANCE MANAGEMENT ACT/BILL is directed at securing sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.
- THE DISASTER MANAGEMENT ACT (2002) provides for an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, effective response to disasters and post disaster recovery at national, provincial and municipal level.
- THE DIVISION OF REVENUE ACT, which is enacted annually, gives effect to Section 214(1) of the Constitution that provides for the equitable division of nationally raised revenue among the three spheres of government.

## **7. Broad Policies, Priorities and Policy/Strategic Goals**

The Social Housing Policy has been amended to be in line with international Social Housing Policies. The implication of this is that all social housing companies are to be accredited through a social housing association.

The national Savings Programme has been changed from a subsidy scheme to a programme that is to include both People's Housing Process and Project linked subsidies.

An amendment to include some housing programmes in the warranty scheme of the NHBRC is also on the cards. Subsidy schemes that are impacted by this are institutional, consolidation, developer driven ( individual ) and relocation assistance ( developer driven ).

The enactment of the Disaster Management Act has brought new provincial imperatives. This includes setting up a provincial disaster management centre, appointing a head and staff for the centre and developing a provincial framework and plan. These have financial implications.

The Municipal Finance Management (MFM) Bill is to be enacted shortly and will bring about a policy imperative to ensure that municipalities are compliant.

IGRF

Improvement of sanitation by removing the bucket system in formal housing areas

## **7.1 Policy/Strategic Goals**

The Department of Housing and Local Government has determined for itself the following policy goals (or core objectives):

1.	A commitment to continuous service delivery improvements and meeting customer needs.
2.	Effective, efficient, economical planning and management of department resources.
3.	Transformation of local governance through participatory democracy and strong developmental local government.
4.	Facilitation of a sustainable housing delivery process and its related municipal services.

## **7.2 Key Focus Areas**

The key focus areas of the Department of Housing and Local Government are:

- Strengthening the institutions of local government to ensure capacity, viability, transparency and good governance practice.
- Facilitate the disaster management readiness of local government institutions.

- Facilitate that local government institutions prepare local development objectives and integrated development plans within the context of a provincial framework.
- Processing, for approval, applications relating to IDP's, land use and infrastructure and housing projects.
- Implementation and quality control of infrastructure and housing projects and, in the longer term, to enable local government institutions to undertake some of these tasks.
- Providing a valuation service to local authorities and other departments in the Provincial Government.
- Preparing and implementing provincial bills and regulations pertaining to the development and functions of local government institutions.
- Monitor performance and, where necessary, intervene and enforce compliance.

The Department of Housing and Local Government has adopted for itself a strategic management framework to assist in designing, implementing, co-ordinating and monitoring the effectiveness of its operations. The strategic management framework is illustrated in Figure 6.1 on the following page.

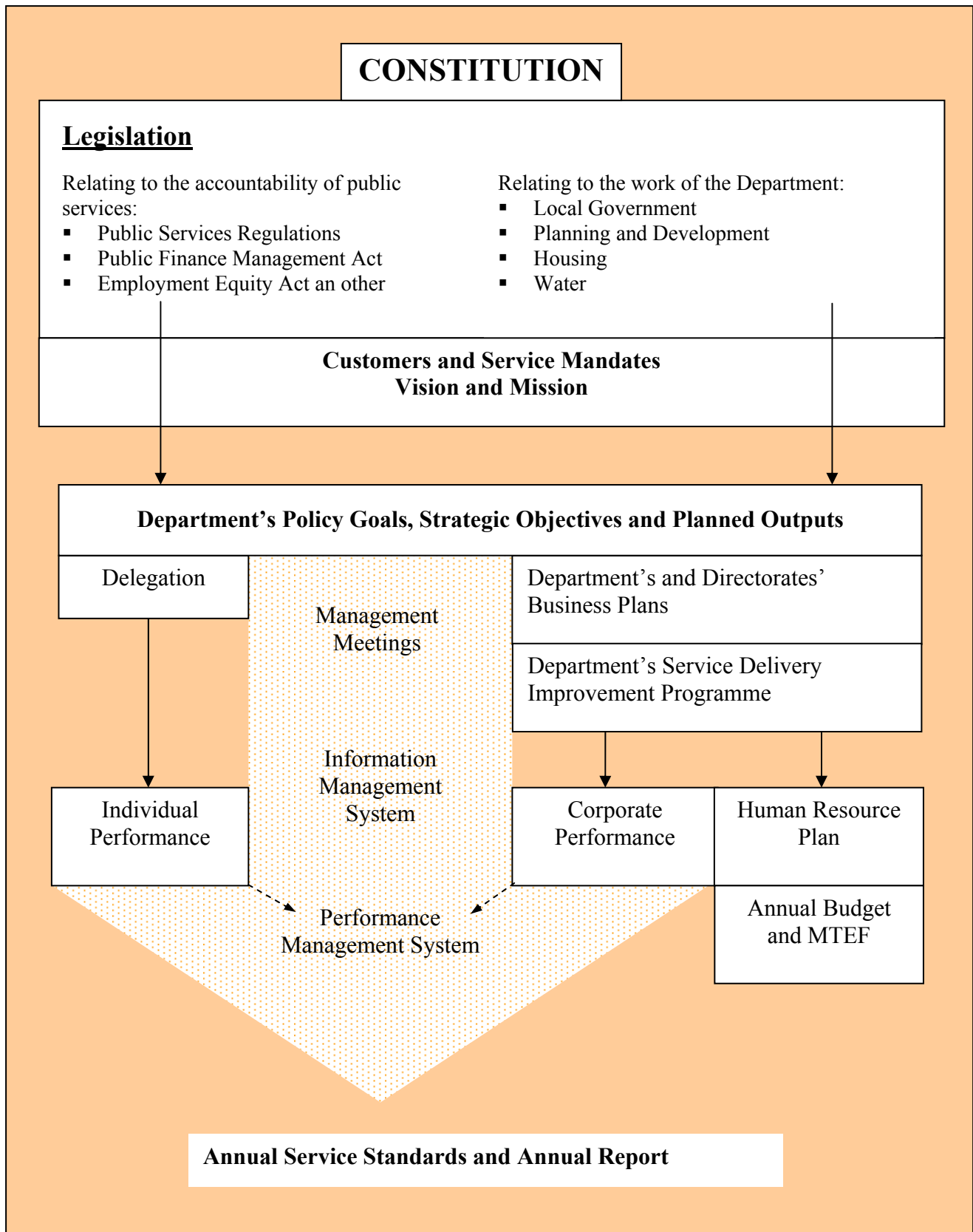


Figure 6.1 Strategic Management Framework

## **8. Information Systems to Monitor Progress**

- **BASIC ACCOUNTING SYSTEM (BAS):** A financial recording system for all transactions effected by the Department.
- **LOGISTICAL INFORMATION SYSTEM (LOGIS):** A computerised provisioning administration system, linked to BAS, directed at capturing data regarding the ordering, purchasing and issuing of goods and services.
- **PERSONNEL AND SALARY ADMINISTRATION (PERSAL):** The computerised system for dealing with all personal details of employees related to their post e.g. salary level, salary and deductions, leave credits etc
- **VULINDLELA:** The management tool that has BAS and PERSAL interfaced with it and therefore provides both financial and personnel information.
- **HOUSING SUBSIDY MANAGEMENT SYSTEM (HSMS):** Directed at capturing and processing the granting of housing subsidies. It is independent of all computerised systems in the department but is linked to other databases. These are:
  - National Deeds Offices – to check for previous property owned by applicants
  - National Population database – to ensure that applicants are South African citizens
  - National subsidy database – to ensure that applicants did not receive a previous subsidy

## **9. DESCRIPTION OF THE STRATEGIC PLANNING PROCESS**

Based on the above strategic management framework the department has set out the following process to review its strategic plans and business planning operations. Good Strategic Planning provides the basis on which an effective performance measurement and reporting structure can be built. Strategic plans developed are not only for external enlightenment but also to provide a framework for focussing Departmental activities on achieving Departments expectations, intentions and desired outcomes.

### **OUTCOMES OF GOVERNMENT INTENTIONS**

- The process of determining objectives, setting outputs and outcomes for the Department begins with a clear understanding of the Government's intentions, programmes and functions.
- Enabling legislation gives the mandates, roles and responsibility, functions and the specific requirements that National and Provincial Government require the

Department to undertake.

- Legislation sets groundwork for the Department to undertake but does not dictate the actual methodology to be used to achieve the Government desired outcomes.
- This is developed by the Department after considering the views of:
  - Stakeholders
  - Needs of customers
  - Recipients of the program activities etc.
  - Constraints on environment, technology and resources

The above factors influence the manner in which the Department delivers its service.

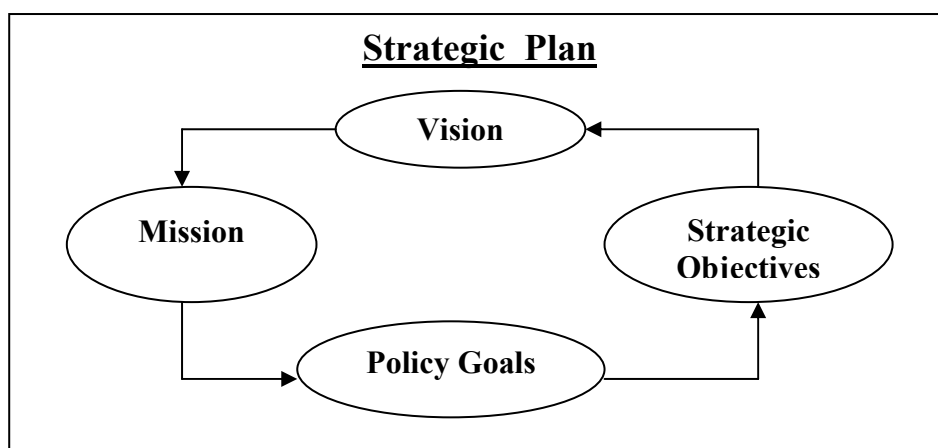
The Government decides the desired outcomes that it requires and a common understanding of the broad objectives for the Departments policies functions and activities are developed between the MEC and the Head of Department. The Parliament will hold the Government accountable (through relevant Minister) for the desired outcomes that the Government has set for the Department and the Department head will be accountable to the MEC for outcomes achieved.

The Department may not be able to achieve directly the outcomes intended by Government, but may provide an output that is an intermediate step in achieving that outcome. There may be several intermediate outputs and outcomes before the desired ultimate outcome is achieved. Department may not have full control over the ultimate outcome but may only influence towards that outcome.

## **STRATEGIC PLAN**

The visible output of the Department strategic planning is the Corporate Plan. The Corporate Plan expounds the role and responsibilities of the Department distilled from its analysis of Government requirements and that of other stakeholders.

The Corporate Plan comprises of several segments which is shown below.



The vision, mission and policy goals is determined through a consultative process with all staff and during the review process feedback is given by all staff members on the strategic plan. Policy Goals are general ends towards which the Department directs its efforts. They are the components that make up the mission of the department and enable it to move towards its vision.

Measures allow management to translate strategy into a clear set of strategic

objectives. Strategic objectives included in the Corporate Plans are part of a process of ranking prioritising and analysis before agreed upon. Strategic objectives and strategies in the corporate plans represent departments considered opinion of the best method to achieve its policy goal, mission and ultimately the vision.

Strategic objectives are set by the Senior Management Team, which sets out the direction of the Department's strategic plan for 5-year period. Each strategic objective has an output or outcome. The review process held annually in May analyse the performance of the department as to progress made in achieving the strategic objective out/put/outcomes and how we are achieving the Policy Goal – Aim of the programmes, the department's mission and ultimately the vision.

## **SUBSIDIARY PLANS (DIRECTORATES AND REGIONAL OFFICES)**

The corporate plan is based on a time-period of 5 years, which is reviewed annually. Intermediate results must occur to achieve the strategic objectives. A number of subsidiary plans must be developed to support the corporate plan.

Subsidiary plans are :

- 1) Transversal Strategies
- 2) Annual Business Plans (Directorate and Regional Offices)
- 3) Annual Action Plans (Section Heads and Regional Offices)/ Functional Plans
- 4) Monthly Work Plans/Operational Plans

### **1) Transversal Strategies**

These strategies are outlined in this document as appendices. This is reviewed annually.

### **2) Annual Business Plans (Directorate and Regional Offices)**

A Business Plan is developed for each programmes in each Directorate. Directors determine Key Annual Priorities. Outputs/Outcomes are determined for each Annual Priority and Service delivery Indicators or Performance Measures are determined for each output. Each Directorates Business Plan includes service standards an overview of the Directorate, Key Responsibilities, Key Annual Priorities, Outputs/Outcomes, Service Delivery Indicators / Performance Measures. Key Annual Priorities are at a lower level than the strategic objective and are essentially steps leading to the strategic objective year on year and not activities. The key annual priorities are set over the MTEF period together with outputs and Service delivery indicators/ Performance Measures. This process involves the entire staff of the Directorate. Based on the key annual priorities each sub-programme unpacks these into activities and determines the cost drivers. The departmental budget is determined from this and each output is costed. This should be completed during the month of June.

### **3) Annual Action Plans (Section Heads and Regional Offices)/ Functional Plans**

The unpacked activities determine quarterly milestones that will be needed to achieve the Key Annual Priorities for the year. Quarterly Milestones are set that will enable us to achieve the output/outcomes of the Key Annual Priorities. This forms the

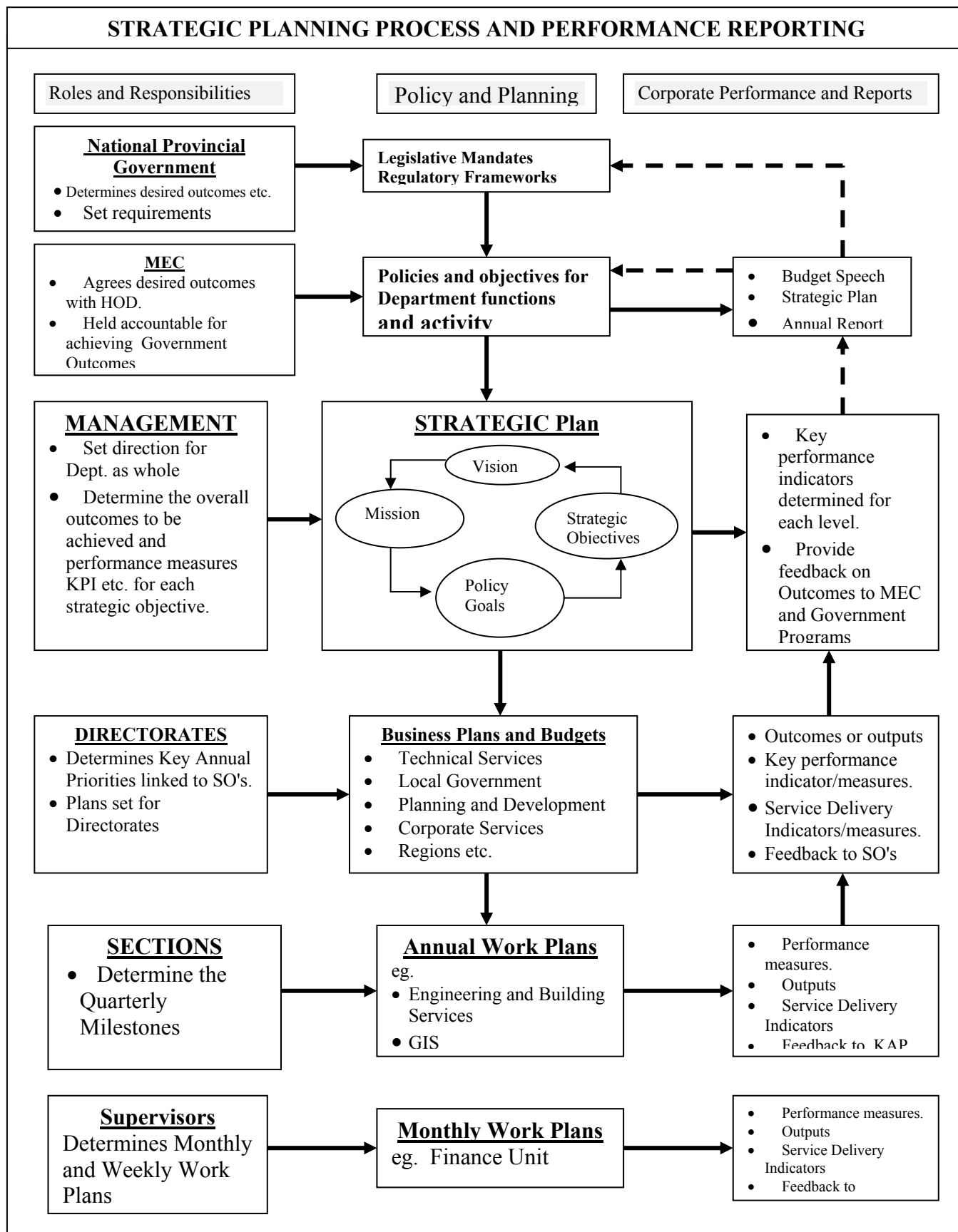


annual performance contract for the director and assists to complete the accomplishment matrix, which sets out each individual performance and development plan.

#### **4) Monthly Work Plans/Operational Plans**

Each sub-unit for work groups and teams develops these plans e.g. Finance Section etc. The aim of the subsidiary plans is to identify each significant element of Department and that elements contribution towards achieving the Departments objectives. This planning is at micro-level. They are the means by which Department implement broad strategies or strategic objectives contained in their corporate plan. Subsidiary plans generally contain more detailed specific strategies or accomplishments and may include individual functions and tasks.

The figure 2 below sets out the strategic planning process and reporting for the department





**PART B**

**PROGRAMME**

**AND**

**SUB-PROGRAMME**

**BUSINESS PLANS**

**PART B**

## PROGRAMMES OBJECTIVES AND OUTPUTS

### 10. PROGRAMME 1: Administration

#### 10. 1: STRATEGIC OBJECTIVES FOR PROGRAMME 1

#### 10.2 Specification of Strategic objectives

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVE	PERIOD
A commitment to continuous service delivery improvements and meeting customer needs.	To carry the political mandate of government	Oversee overall formulation and implementation policies and legislation.	2005-2009
Effective, efficient, economical planning and management of department resources.	To provide a comprehensive capacity building service to the department through multi-skilling opportunities.	Sound financial management	2005-2009
	To improve financial management and promote efficient ,effective and value for money service delivery	Sound financial management	2005-2009
	To provide support to the department in strategic planning, policy research, monitoring and evaluation	Effective administration and management system in place	2005-2009

### 10.3 Reconciliation of budget with plan

#### Programme 1 : Administration: Programme budget by Sub-Programme

Table 6.1: Summary of payments and estimates: Programme 1 Administration

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	R thousand	2000/01	2001/02	2002/03	2003/04		2004/05	2005/06	2006/07
	Sub-programme 1: Office of the MEC	2,121	2,410	2,838	2,968	3,000	3,000	2,840	3,009
Sub-programme 2: Corporate Services	12,230	13,154	18,009	23,730	21,096	21,096	24,259	25,801	26,319
Total payments and estimates: Programme	14.351	15.564	20.847	26.698	24.096	24.096	27.099	28.810	29.409

## 11. PROGRAMME 2: HOUSING

The program is geared to focus on the delivery of houses through the normal subsidy programmes. With the legislation and policy changes as discussed in part 1, the options in housing will increase. The focus will in future move from delivery of top structures and services toward better quality. Instead of a top down approach the new approach asks for a bigger involvement of municipalities. The programme must get involve in the facilitation process but must however still focus on addressing the backlog through more options to the beneficiary. In order to achieve this the programme will be re-aligned into four sub-programmes:

- Sub-Programme 1 - Office The Executive Manager
- Sub-Programme 2 - Housing Planning & Research
- Sub-Programme 3 - Housing Performance/Subsidy Programme
- Sub-Programme 4 - Urban Renewal and Human Settlement Redevelopment
- Sub-Programme 5 - Housing Asset Management

The Program Housing will be rolled out through four sub-programmes which will deal will all the functions in the programme.

#### Sub-Programme 1: Office The Executive Manager

The Housing Executive Manager (HEM) will be responsible for co-ordination and the smooth running of the Housing Programme, which consists of three sub-directorates.

#### Sub-Programme 2: Housing Planning & Research

The sub-programme will do all long and medium term planning and will ensure that the planning is aligned with IDP's, other programmes within the Department and with the programs of other Departments. They will also be responsible for all financial planning and control based on cash flows and proper internal financial systems.

The sub-sub-programmes, Housing Policy and Capacity Building are situated in this

sub-programme and will have units to support municipalities through capacity building and policy interpretation.

The Sub-sub programme, Administration will render administrative support to the programme and will also include the secretariat of the Housing Advisory Committee to the MEC.

### **Sub-Program 3: Housing Performance / Subsidy Programmes**

The sub-programme will be the implementation leg of the programme. All project implementation will be facilitated and controlled by this sub-programme. It will consist of five sub-sub programmes of multidiscipline teams, which will be able to deal with any housing project in a holistic way. A team of skilled officials will handle the total process (from approval to completion) in order to ensure success.

The sub-sub programme Housing Subsidy Management System will be responsible for IT support to the entire programme.

### **Sub-Programme 4: Urban Renewal and Human Settlement Redevelopment**

This sub-programme will provide for all transfer payments from National in terms of Urban Renewal and Human Settlement Redevelopment. The execution of projects under this programme will however be dealt with under the sub programmes of Housing Planning and Research and Housing Performance/Subsidy Programmes.

### **Sub-Programme 5: Housing Asset Management**

The Housing Asset Management sub-programme will have to establish an inventory of all provincial housing properties and advise the MEC and the Department on decisions to manage these properties. They will also deal with the Phase-out program, the acquiring of land for housing and existing rental properties. This unit will also be responsible for the administration of the Rental Housing Tribunal, for all special investigations done on behalf of the RHT as well as the compilation of related reports and valuation reports for submission to the RHT.

## **Situation Analysis**

### *Housing Policy & Municipal Support*

There are constant Housing Policy changes initiated by National, which has to be implemented by Provincial Government. In regard to this, the aim is to establish a policy unit to deal directly with this situation as to ensure that the information reaches the target groups.

The aim of the municipal support unit is then to ensure that officials employed in the Housing Programme as well as Municipal officials, consumers and contractors are

well informed and trained in regard to Housing Policy and other relevant Housing concerns.

### *Housing Finance & Planning*

There are continuous changes in housing policy, national housing programmes and enhancements to subsidy instruments, which impact directly on the management of housing funds. The capacity, which currently exists in the housing finance section, is inadequate to cope with the demands of current situation. There are numerous functions that are not receiving proper attention, which ultimately impact negatively on the opinion expressed by the Auditor-General in his report.

In terms of the Housing Act, 1997 (Act No.107 of 1997) it is the responsibility of the Provincial Housing Department to prepare and maintain a multi-year housing development plan, which must outline the execution of housing development in the Province in line with the National Housing policy and programmes. This function has never received the attention it deserved, because there is not a dedicated unit that is attending properly to the future development plans of housing in the province. These must address.

### *Housing Administration*

This section will render administrative support to the programme and will also include the secretarial functions of the Housing Advisory Committee to the MEC.

### *Housing Advisory Committee*

In terms of the Housing Amendment Act, 2001 (Act No. 4 of 2001) the Provincial Housing Development Board was abolished and a Housing Advisory Committee was appointed to advise the MEC on all future housing development in the province in accordance with the changes in policy and in line with the National Housing Policy Framework. Although the Committee was established, they have not yet been operational due to a lack of human resource capacity to support and render secretarial functions to the Housing Advisory Committee.

## **Analysis of Constraints and Measures Planned to overcome them**

The major constraint that the programme is faced with is the availability of funds in order to appoint staff to fill the posts on the proposed structure in order to realize the policies, priorities and strategic objectives of the Department as well as those of the Housing Programme according to legislative mandates.

The lack of proper financially skilled and knowledgeable people in the department specifically to deal with project finances is also a severe constraint. The lack of human resource capacity is in itself a major constraint, which will prevent the Department from realizing its strategic objectives.

Specifications of strategic objectives



STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVES	PERIOD
Facilitation of a sustainable housing delivery process and its related municipal services.	A well managed housing process in the Northern Cape Province	<ul style="list-style-type: none"> <li>• A well manage housing programme which will avail all the housing products to people of the Northern Cape</li> </ul>	2005-2009
	Evaluation & implementation of national housing policies and development of new provincial housing policies	<ul style="list-style-type: none"> <li>• Develop policy guidelines, Proclamation of Acts and Amendments</li> <li>• Interpret, implement, monitor &amp; report on relevant policies/legislation</li> <li>• Develop multi-year development plans in line with National Housing</li> </ul>	2005-2009
	Facilitate the implementation and monitor projects relating to Housing Programmes	<ul style="list-style-type: none"> <li>• To provide for the administration of a minimum of 3,378 subsidies</li> <li>• To provide 10% individual subsidies to qualifying beneficiaries in accordance with Housing Policies and three-year housing spending plan.</li> <li>• To provide PHP subsidies to qualifying beneficiaries in accordance with Housing Policies and three-year housing spending plan.</li> </ul>	2005-2009
	Facilitate the implementation and monitor projects relating to HSRP	<ul style="list-style-type: none"> <li>• 100% of HSRP transfer payments in terms of the DORA, administered</li> </ul>	2005-2009

	To promote, facilitate and regulate the Rental Housing Process in the Province	<ul style="list-style-type: none"> <li>• Compile/update property register</li> <li>• Determine market/rental value reports in regard to PHDB properties</li> <li>• Effectively manage housing assets to reduce operational and maintenance cost on dept. owned properties</li> <li>• Compile valuation reports</li> </ul>	2005-2009
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## 11.2 Reconciliation of budget with plan

### Programme 2 : Housing : Programme budget by Sub-Programme

Table 6.2: Summary of payments and estimates: Programme 2: Housing

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03						
R thousand	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Sub-programme 1: Housing Planning and Research	10,281	10,115	13,609	5,342	4,319	4,319	5,937	5,789	6,089
Sub-programme 2:Housing Performance and subsidy programmes	65,486	58,186	103,940	95,024	97,920	97,920	85,942	100,141	120,901
Sub-programme 3: Urban Renewal and HSRP		371	1,467	3,180	6,889	6,889			
Sub-programme 4: Housing asset management	701	729	944	1,827	1,813	1,813	1,587	1,863	1,863
<b>Total payments and estimates: Programme (number and name)</b>	<b>76,468</b>	<b>69,401</b>	<b>119,960</b>	<b>105,373</b>	<b>110,941</b>	<b>110,941</b>	<b>93,466</b>	<b>107,793</b>	<b>128,853</b>

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## 12. Programme 3: Local Government

### Description of the programme and Structure

The aim of the programme is to promote good governance. Financial and institutionally viable municipal systems, structures and service delivery processes. To facilitate municipalities to provide infrastructure services within the framework of the IDP. To ensure orderly change in the built and natural environment in order to further integrated human settlement development and environmental sustainability. In order to achieve this the programme has been realigned into two sub programmes.

- Sub-programme 1 - Local Governance
- Sub-programme 2 - Development & Planning

The Local Government Programme will deal with the following objectives in these two sub- programmes.

## **Sub- programme 1 Local Governance**

### **Municipal Administration**

- Ensuring the implementation of municipal functions and powers. Ensuring the development and implementation of a culture of, processes & mechanisms for community participation. Ensuring the development & implementation of IDP's
- Implementing the cross boundary municipalities Act. Implementing the municipal demarcation Act. Ensuring proper performance & administration of municipalities.
- Co-ordination and facilitation of the Intergovernmental Relations Council (IGRC).
- Promote Municipal International Relations (MIR).
  - Implement chapter 3 of the Structures Act.

### **Municipal Finance**

- Implement Chapter 4 of the Municipal Finance Management Act (Budget process).
- Implement chapter 10 of the Municipal Finance Management Act (A-G reports).
- Implement chapter 9 7 10 of the Municipal Systems Act (Credit control).
- Provide valuation services including monitoring there-of and advice thereon.

### **Municipal Infrastructure**

- Co-ordinate existing funds and investigate and access new funding for infrastructure investment.
- Provide a comprehensive capacity building service to LG through multi-skilling opportunities.
- Promote financially and institutionally viable municipalities .
- Facilitate the mandate of municipalities to become developmental in terms of the Constitution (LED).
- Implement chapter 3,4,5 6 8 and 10 of the Municipal Systems Act.
- Facilitate the implementation, monitoring and technical support to Municipalities relating to grant funding for Municipal infrastructure.

### **Disaster Management**

- Implement chapter 4 of the DMA
- Establish a Northern Cape Provincial IDP Alignment / Integration Fund

## **Sub- Programme 2 -Development & Planning**

### **Spatial Planning**

- Implement the amended Northern Cape Planning and Development Act, 1998, Act 7 of 1998 and relevant Town and Regional Planning legislation, policies and guidelines.

- Assist, capacitate and monitor compliance of local municipalities with the prescripts of legislative mandates relating to Spatial Planning and sustainable Human Settlement development.
- Assist in Land Use Management Tribunal issues.
- Manage funds for Town Planning and Survey.
- Assist in Land Reform projects.

### **Land Use Management**

- Land Use Management to be consistent with local plans and policies to ensure development and growth through proper and systematic planning.
- Ensuring that appeal applications are effectively processed in terms of the planning and development laws.
- Implement the amended Northern Cape Planning and Development Act and Regulations in line with the Land Use Management Bill.
- Monitor and assist compliance of all local authorities with the prescripts of legislative mandates related to land use management.
- Monitor compliance of local authorities with procedures and regulations in so far as it deals with matters to prospecting and / or mining of minerals of the Minerals Act and any other applicable legislation.

### **Integrated Development Planning**

- Sustainable Local Government development through monitoring; assisting with planning, drafting, adoption and review; and facilitating the co-ordination and alignment within the Integrated Development Planning process.
- Assist in the design of the Provincial Growth and Development Framework.

## **12.1 Situational Analysis:**

The one area within municipalities that requires continuous attention is the treasury function expertise and skills. Compliance with and the correct interpretation of legislation remains a source of concern in municipalities. The realignment of LED and CMIP will create and increased demand on the development of infrastructure since job creation is a priority.

On- going support had been given to local authorities in their amalgamation process and to transform themselves into developmental local government. To promote community participation, the program has facilitated the establishment of ward committees. To deepen community participation further community development officers will be appointed to serve within municipalities. In an effort to promote financial viability a number of municipalities were supported through the management support programme.

This programme will still be continued with

Key challenges will remain financial self-sustainability, the reduction of infrastructure backlogs, and the co-ordination of government activities through the Intergovernmental Relations unit.

The realigned programme will be able to absorb the current staff. There are key posts that remain vacant for example the municipal finance unit is always not able to recruit skilled persons with knowledge of municipal finance.

Disaster management legislative mandates remain unfunded and have not been provided for in the budget.

## **12.2 Policies, Priorities and Strategic Objectives**

### LEGISLATIVE MANDATES

- ▣ DORA
- ▣ PFMA
- ▣ Demarcation Act 1998
- The Constitution of the Republic of South Africa, 1993, Act 200 of 1993
- Local Government Transitional Act – Second Amendment Act, 1996, Act 97 of 1996
- Local Government: Municipal Systems Act, 2000, Act 32 of 2000
- White Paper on Local Government, March 1998
- Municipal Finance Management Bill
- Draft Municipal Integrated Development Planning Regulations, 2001
- National Framework Document: Strengthening Sustainability in the Integrated Development Planning Process, December 2002
- National Environmental Management Act, 1998, Act 107 of 1998 (Integrated Environmental Programme)
- Agenda 21, Local Agenda 21 and sustainable development
- Disaster Management Act, 2002, Act 57 of 2002 (Disaster Management Plan)
- Water Services Act, 1997, Act 108 of 1997 (WSDP)
- Integrated Institutional Programme
- ? RDP Principles
- ? GEAR/NEPAD/SADC Resolutions
- ? Land Use Management Bill, May 2003
- ? Development Facilitation Act, 1995, Act 67 of 1995
- ? Physical Planning Act, 1967, Act 88 of 1967/Physical Planning Act, 1991, Act 125 of 1991
- ? Removal of Restrictions Act, 1967, Act 84 of 1967
- ? Northern Cape Planning and Development Act, 1998, Act 7 of 1998
- ? Regulations GN No R1897 dated 12 September 1986/ Regulations PN 733/1989 dated 22 September 1989, promulgated in terms of the Black Communities Development Act, 1984, Act 4 of 1984
- Municipal Ordinance, 1974 Ordinance 20 of 1974
- Land Use Planning Ordinance, 1985, Ordinance 15 of 1985
- Green Paper on Planning and Development
- White Paper on Spatial Planning and Land Use Management (Spatial Development Framework), July 2001
- ISRDP/URP Monitoring, Evaluation and Reporting Information Systems, DPLG, July 2002
- Rural Development Framework, May 1997
- Planning Profession Act, 2002, Act 36 of 2002
- Valuation Ordinance No 26 of 1994
- Property Rating Bill
- Property Valuation Ordinance No 148 of 1993

### **12.3 Analysis of Constraints and measures planned to overcome them**

The vastness of the province and distances between towns of the amalgamated municipalities is a challenge in the effective administration of municipalities.

Computer systems linkages and the implementation of the GIS system could assist and strong well-resourced regional offices.

## 12.4 Description of planned quality improvement measures

The effective operation of internal audit units and audit committees at municipalities could greatly improve quality. The programme will develop an assessment framework, that will assist in identifying areas that require interventions at municipalities.

## 12.5 Specification of Strategic objectives

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURABLE OBJECTIVES	PERIOD
Transformation of local governance through participatory democracy and strong developmental local government.	To ensure compliance with relevant legislation. To co-ordinate and facilitate the Intergovernmental Relations Council	<ul style="list-style-type: none"> <li>• Deepen Local democracy</li> <li>• Monitor corruption in municipalities</li> <li>• Develop policy and Legislation</li> <li>• Implement and monitor IGR policies and legislation</li> </ul>	2005-2009
	Promote developmental local government.	<ul style="list-style-type: none"> <li>• Assessment report on the budget process at municipalities</li> <li>• Assessment reports on the Auditor-General findings in municipalities</li> </ul>	2005-2009
	Manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms	<ul style="list-style-type: none"> <li>• To facilitate effective and efficient disaster management mechanisms at provincial &amp; local level</li> </ul>	2005-2009
	Promote financially & institutionally viable municipalities	<ul style="list-style-type: none"> <li>• To monitor and support municipalities to achieve and maintain financial viability</li> <li>• Monitor corruption in municipalities</li> <li>• To develop Provincial (Northern Cape Province) Land Use Scheme Regulations</li> </ul>	2005-2009

	Ensure infrastructure investment	<ul style="list-style-type: none"> <li>Municipal infrastructure development</li> </ul>	2005-2009
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## 12.6 Reconciliation of budget with plan

### Programme 3 : Local Government : Programme budget by Sub-Programme

Table 6.1: Summary of payments and estimates: Programme 3 Local Government

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	R thousand	2000/01	2001/02				2002/03	2003/04	2004/05
Sub-programme 1: Local Governance	49,166	64,582	103,548	113,580	110,327	52,211	81,955	85,880	89,867
Sub-programme 2: Development and Planning				5,332	5,332	63,448	5,711	6,387	6,923
Total payments and estimates: Programme 3	49,166	64,582	103,548	118,912	115,659	115,659	87,666	92,267	96,790

## 13. Summary of revenue

The following sources of funding are used for the Vote:

**TABLE 1: SUMMARY OF REVENUE: DEPARTMENT OF HOUSING AND LOCAL GOVERNMENT**

	Outcome			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
Equitable share	60,920	79,107	114,041	129,357	122,195	122,195	123,174	130,951	133,692
Conditional grants	79,064	70,440	130,314	121,626	128,501	128,501	85,057	97,529	121,360
Departmental receipts		670	721	796	796	796	766	815	829
Total receipts	139,984	150,217	245,076	251,779	251,492	251,492	208,997	229,295	255,881



**Table 1: Summary of receipts:Housing and Local Government**

R thousand	Outcome			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2001/02	2002/03	2003/04				2005/06	2006/07	2007/08
<b>Treasury funding</b>									
Equitable share	60,920	79,107	114,041	129,357	122,195	122,195	123,174	130,951	133,692
Conditional grants	79,064	70,440	130,314	121,626	128,501	128,501	85,057	97,529	121,360
Other (Specify)		670	721	796	796	796	766	815	829
<b>Total Treasury funding</b>	<b>139,984</b>	<b>150,217</b>	<b>245,076</b>	<b>251,779</b>	<b>251,492</b>	<b>251,492</b>	<b>208,997</b>	<b>229,295</b>	<b>255,881</b>
<b>Departmental receipts</b>									
Tax receipts									
Sales of goods and services oth	231	234	224	240	240	240	254	254	254
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
<b>Total departmental receipts</b>	<b>231</b>	<b>234</b>	<b>224</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>254</b>	<b>254</b>	<b>254</b>
<b>Total receipts</b>	<b>140,215</b>	<b>150,451</b>	<b>245,300</b>	<b>252,019</b>	<b>251,732</b>	<b>251,732</b>	<b>209,251</b>	<b>229,549</b>	<b>256,135</b>

## 14 Departmental revenue collection

**TABLE 2: DEPARTMENTAL REVENUE COLLECTION: (HOUSING AND LOCAL GOVERNMENT)**

R thousand	Outcome			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates		
	Audited	Audited	Preliminary outcome						
	2001/02	2002/03	2003/04				2005/06	2006/07	2007/08
Tax receipts									
Sales of goods and services other t	231	234	224	240	240	240	254	254	254
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
<b>Total departmental receipts</b>	<b>231</b>	<b>234</b>	<b>224</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>254</b>	<b>254</b>	<b>254</b>

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

### **16.1 Interdepartmental linkages**

The Mec for Housing and Local Government is the co-chair of a political steering committee which is supported by the Director General of the Province.

The head of department is a member of the Provincial technical intergovernmental forum which its purpose is to ensure implementation of all policy and other decisions taken by the Northern Cape Provincial Intergovernmental Council and is chaired by the director- General.

The Mec is also co-chair of the Provincial Health Authority which comprises of the five District Mayors and other provincial departments.

### **16.2 Local government linkages**

The Department is not jointly responsible for service delivery with any other state department

### **16.3 Public, private partnerships, outsourcing etc**

The department have not entered into any Public/Private Partnerships agreement or contracts

## **17 Financial Management:**

As part of implementing the Public Finance Management Act (PFMA) 1999, Act No.1 of 1999, the Department has incorporated the financial delegations in performance contracts of the Programme managers to assist the Accounting officer of the Department in discharging his duties as prescribed in Part 2 of Chapter 5 of the PFMA

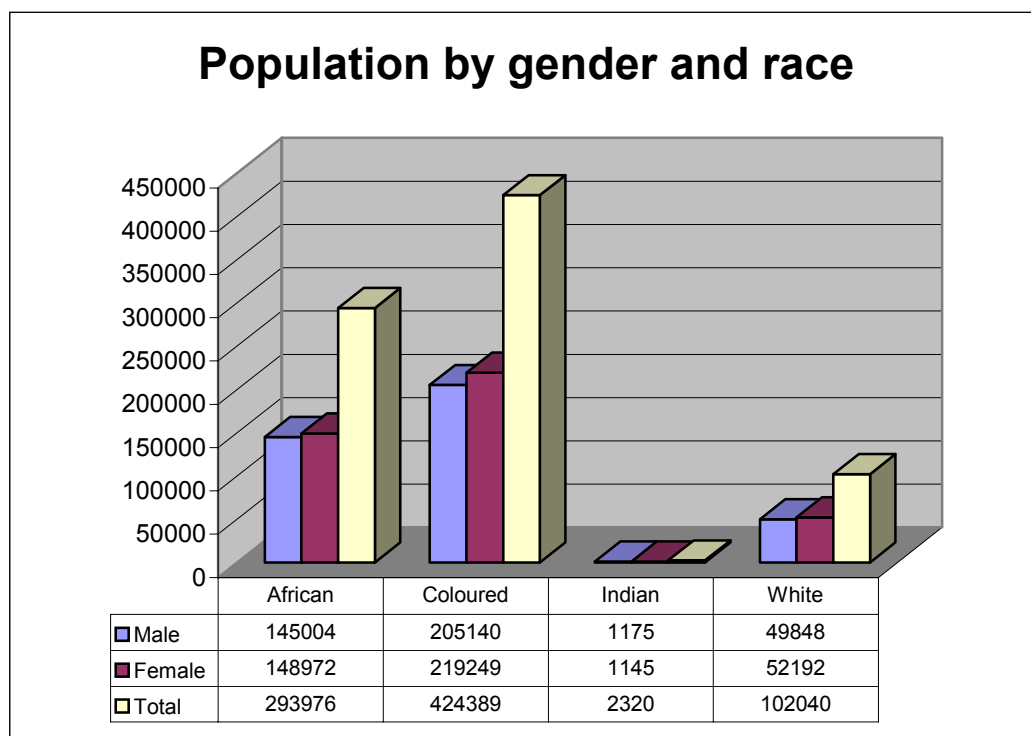
## PART C : BACKGROUND INFORMATION

### 1. INTRODUCTION

#### 1.1 Overview of Northern Cape

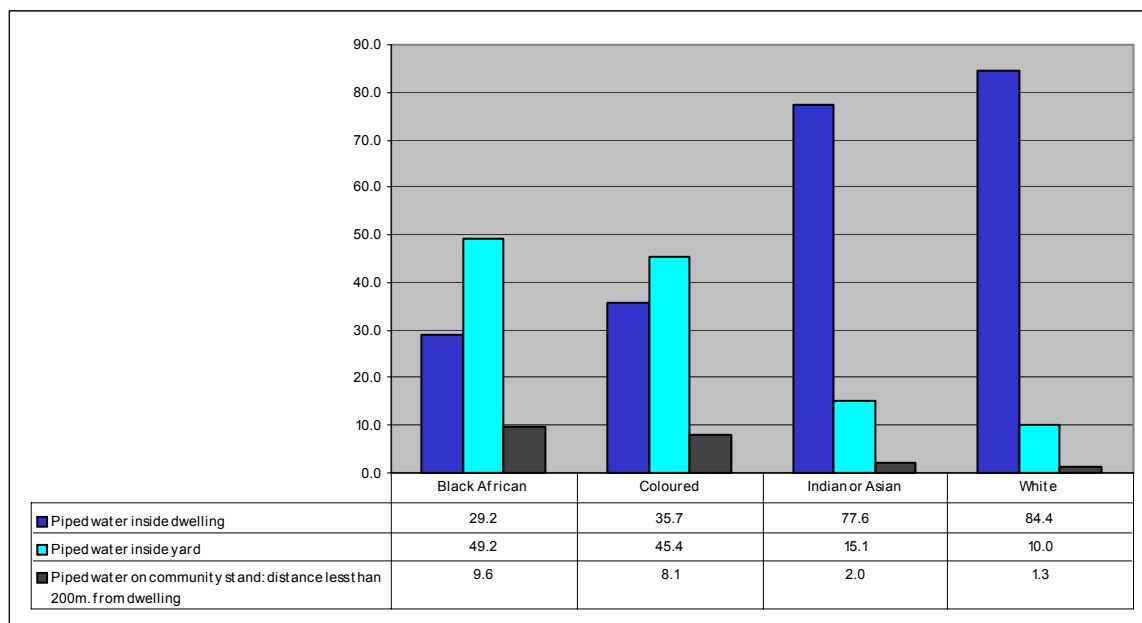
The Northern Cape is a province of extremes. It has the lowest and highest temperatures in the country, the lowest rainfall, the smallest population and the lowest population density. But the surface area is the largest of the nine provinces, comprising 30% (361,830 square kilometres) of the total area of South Africa.

According to Census'01, the total population of the Northern Cape is 822,727 of which 51,6% are coloureds, 35,7% African, 12,4% whites and less than 1% Indians. 51% percent of the population is females and 49% males.



There are approximately 187,565 households. Some 81,5% of the households live in formal structures and 18,5% in informal structures/shacks. There are approximately 79,5% of houses on separate stands and about 3,3% traditional dwellings.

It is not only the type dwelling that varies by race but also the size. In the Northern Cape, 75% of households live in dwellings containing five or fewer rooms (including kitchens but excluding bathroom). This relates to 81% of African and 84% of the coloured households compared to 52% of white households.



The figure above shows that approximately 29% African and 36% Coloured households have piped water inside the dwelling compared to more than 84% of whites.

The table below indicate the percentage of sanitation by race in Northern Cape.

Type Of Toilet	African/Black	Coloured	Indian/Asian	White
Flush (connected to sewerage system or with septic tank) or chemical toilet	64.0%	60.6%	93.1%	98.0%
Pit latrine (with or without ventilation)	12.6%	11.0%	1.0%	1.0%
Bucket latrine	11.4%	14.7%	4.4%	0.2%

Nearly 11% of African and 15% of Coloured households make use of bucket latrine. Approximately 12% of households in the Northern Cape have no toilet facility.

According to Census '01, 39,4% of the working age population of the Northern Cape are employed; 19,8% is unemployed and 5,8% cannot find work. Approximately 91% of the working age population has an income below R3200 per month. With respect to the population groups, this relates to 96% and 95% of the African and Coloured groups respectively.

## **1.2 Demarcation**

Through the Demarcation process the 112 Local Authorities has been reduced to 30. In addition there is also a cross-boundary Category C Municipality. The breakdown in terms of Category of Municipalities is as follows:

Category B	24
Category C	4
Cross Boundary Category C	2

## **2 .SERVICE DELIVERY IMPROVEMENT STRATEGY**

The Department is committed to delivering services that fulfil its mandates and are relevant to customers needs. The Department is also committed to continuous improvement of its service delivery processes. To achieve these two commitments the Department has prepared its annual standard of public service commitment for 2003 and service improvement actions that combine improvement in both service delivery processes and customer interfaces.

This would involve looking at:

- service improvement mechanisms
- consultation mechanisms
- communication and promotion arrangements
- complaint systems
- barriers to access
- Regional Offices

### **2.1 Service Improvement Mechanisms**

The Department's customers are primarily municipalities and the communities they serve. Other customers include local government agencies, other provincial departments and relevant national institutions.

Service delivery is carried out by individual members of staff or by teams located in Directorates. It is therefore at this level that service improvement processes need to be identified and implemented. The Department has through an 'unpacking' exercise at sub-Directorate levels identified customers, access and service standards. These are incorporated into the Directorates' Business Plans.

The Department will:

- a) require Directorates' Business Plans to include service standards, proposed service improvements strategies, estimated costs and planned actions
- b) prepare a corporate Service Delivery Improvement Programme

## **2.2 Consultation Mechanisms**

Currently, consultation of the Department's services is through press releases, including calls for feedback, and via specially planned workshops as needed. Consultation activities are normally organised at Directorate levels.

the Department will:

- a) issue an annual rolling programme of events targeted at specific groups of customers and forums
- b) carry out an annual assessment of customer satisfaction and needs
- c) by recording and following up complaints

## **2.3 External Communication and Promotional Arrangements**

Promotional materials, specific to certain services are given out by Directorates as needed. However, existing arrangements are ad hoc, not systematic and do not exploit opportunities presented by the numerous forums attended by members of staff from the Department.

In addition to service specific promotional material being given out as needed, the Department will:

- a) finalise and implement its external Communication Policy.
- b) make more effective use of its newsletter, *Indaba*, and the media to inform municipalities and other customers of events and services.
- c) publish an annual statement of public service commitment to include service standards and how the Department plans to achieve them.
- d) package and prepare a portable stall bringing together information on the Department's services, which could be exhibited at meetings, workshops and other forums.

- e) create awareness amongst staff for employee and public relationship as set out in the Code of Conduct for the Public Service.

## **2.4 Complaint Systems**

Complaints could be directly about the Department's services or indirectly about municipalities' services. Although the Department is not directly responsible for municipalities, the poor performance of municipalities would reflect on the quality of the services that the Department provides.

At present complaints come in different forms – sit in protests, letters to newspapers, direct complaints to the MEC, through public meetings and in person, telephone calls and meetings with staff. Individual members of staff may respond to complaints but there is no central point to collate and monitor the complaints received.

The Department will:

- a) require each Directorate to establish a central point for collating and monitoring complaints
- b) require each Directorate, as part of their Business Plans, to analyse all complaints, evaluate achievements against improvement targets and propose improvements.

## **2.5 Barriers to Access**

The Department completed an exercise, between July and September 1999, to identify how customers access its services. A further exercise is required to identify the barriers and propose strategies to increase access.

The Department will:

- a) require Directorates to identify barriers to access and proposed solutions as part of their service improvement strategies

## **2.6 Regional Offices**

In order to bring services closer to municipalities, and the communities they serve, the Department has decided in principle to make more effective use of Regional Offices. There are; however; delivery, organisational, human resource, communication and information management issues that needs to be sorted out before the full potential of the Regional office can be realised.

All Directorates are investigating this issue and the Department expects that, over the next 3 years, Regional Offices will have greater responsibilities for

frontline service delivery, facilitating the local governments and assisting communities within the region.

## **2.7 Annual Statement of Public Service Commitment**

An annual statement of public service commitment of the Department will be made public in the second week of January each year. The statement will be reviewed each year and the department will continuously improve on their service delivery mechanism.

A copy of the Annual Statement of Public Service Commitment for year 2003 is included as Appendix B.

## **2.8 A strategy for monitoring and evaluating the Department of Housing and Local Government Service Delivery.**

### **INTRODUCTION**

This strategy focuses on how to implement monitor and evaluate a service delivery system that ensures continuous learning and improvement in service quality, processes and productivity of the Department. Firstly it establishes the requirements and processes for establishing a complaint and consultation mechanism in the department. Secondly we need to analyse and improve on the existing internal delivery systems.

### **COMPLAINTS AND CONSULTATION FEEDBACK MECHANISM**

#### **1) Establish a Central Feedback Unit (CFU) and Departmental Representatives**

- Managing an effective service delivery system is essential so that the various sections, regions and customers actively provide inputs to the system and use the customer and process knowledge gained from it for improving processes at various levels.
- The unit can be relatively small. For example, one manager and one support staff to collate all information. The receptionist collates information at a central point.
- The CFU requires the support of many other parties which include:
  - the GIS for the intranet applications;
  - external research firms for survey design and data collection;
  - Human Resources for internal communication of results and rallying of staff;
  - Corporate Communications for the promotion of customer feedback channels to customers, and for communicating improvements to them;
  - statistical and research support from the internal Research department;
- In, order for the CFU to succeed, it is absolutely necessary to have a liaison person in every section and in regions. They would help to champion the CFU by encouraging co-workers to enter customer feedback into the IT system, put up posters for service performance competitions, and assist communication between the CFU and the process owners for the identification and development of process indicators, standards and targets.



- The CFU representative in each section and region provides a crucial link between the CFU and the operational units.

## **2) Design a simple but effective Reporting system**

- To drive continuous improvement and learning, a reporting system should be designed to facilitate feedback to front line staff, regions, sub-directorates and top management.
- The feedback loop to the front line staff should be immediate for complaints and compliments.
- In addition, three types of service performance reports are recommended to provide the information necessary for service management and team learning.
- A monthly Service Performance Update provides heads of regions and heads of sections with timely feedback on customer comments and operational process performance. Here, the verbatim feedback is provided to heads of regions and heads of sections who can in turn discuss them with his/her service staff.
- A quarterly Service Performance Review provides Directors with trends in process performance and service quality.
- Finally, an annual Service Performance Report gives top management a representative assessment of the status and long-term trends in the satisfaction of customers with the firm's services.
- The reports should be short and reader-friendly, focusing on the key indicators and providing easy to absorb commentary on trends to be focused on (rather than just dry statistics).
- The reports can also be used to showcase success stories, set examples, as well as celebrate and motivate good staff.
- Reports should incorporate various types of team learning activities

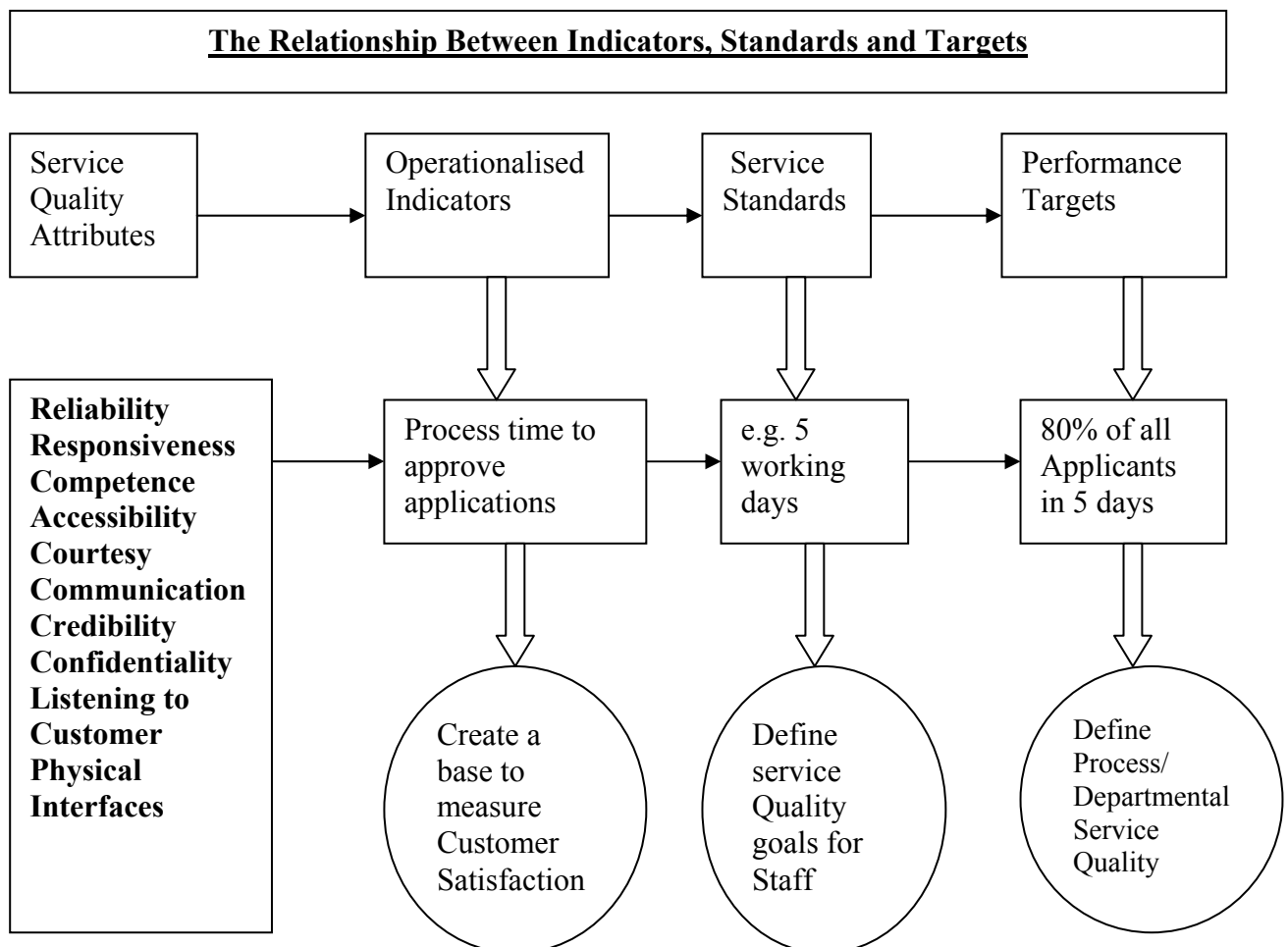
## **3) Supporting Team Learning and Training Activities**

- Feedback Review Sessions, to be conducted frequently and led by the Heads of Sections and Directors.
- Enable the sharing of collected feedback to all process participants.
- Encourage front-line staff in designing improvements and to frequently report service failures. This should include selected process participants, together with staff from other areas to act as catalysts for creativity and to maintain the momentum for continuous improvement.
- Also, Case Study Discussions based on documented case histories of exceptional follow-up and/or delivery should be integrated into the formal quality training of the Department.
- Customer Focus Groups can be used as further learning opportunities for process participants.

## **4) Improving Service Standards, Indicators and Targets**

- Establish service quality models.
- Determine the service quality attributes that are important to customers together with discussions with customers and front line staff
- Determine Service standards based on customer wants and needs, moderated by policy decisions about how to meet these needs cost effectively.

- In cases where standards deviate from customer needs, expectations need to be managed (e.g., application approval times can be communicated in brochures and application forms).
- Set performance targets (e.g. 80% of all applications within 3 days) define specific process and/or departmental performance results that staff will be held accountable for producing.
- Distinguish between standards and performance targets.
- Targets are to be negotiated that reflect operational reality.
- This is important for three reasons.
  - 1) the correct, that is, customer driven standards, get internalised by the organisation.
  - 2) when implemented well, managers and supervisors can raise performance targets gradually to bring them more in line with the standards.
  - 3) it facilitates buy-in and support for the CFU, by providing latitude to management and staff.
- The interplay between performance standards and targets can also be used, over time, to drive continuous process improvements, as well as to facilitate major process redesign work.



## **5) Selecting Cost-effective Customer Feedback**

- Develop a client profile of the Department disaggregated by gender etc... This will provide a useful indication of the types of persons we are dealing with. This profile could be related to available statistics on poverty and needs (STATSSA). This will clearly show the emphasis being placed by Department on targeting the most disadvantaged.
- Annual customer satisfaction Survey should be conducted .
- Record name, telephone numbers and addresses of all people visiting or called department.
- Conduct a random sample telephonic interview on customer satisfaction.
- Design questionnaires.
- Questionnaire to be tested and validated.
- Set up toll free line for complaints.
- Interview staff on experiences with customers.
- Create an index for customer satisfaction over time by compiling and tracking responses.
- Use Mayoral and Municipal Manager forum for feedback and assessments and report on results monthly or quarterly.
- Set objectives, scope and components of an effective feedback system
- Develop appropriate service indicators, standards and targets
- Customer expectations and align processes

## **6) IT System Concepts**

- The majority of unsolicited feedback is given face-to-face to the frontline staff. To be able to capture that information, a convenient and easy system needs to be in place.
- Wherever possible, we should develop a system that is IT-based to allow for speedy capture and dissemination of information.
- Intranet-based (GIS-unit) solutions are extremely convenient and easy for staff to use. Provided they have easy access to networked computers.
- A number of simple click-on screens capture the key information, which typically entails:
  - (1) type of feedback, such as compliment, suggestion and complaint,
  - (2) channel of feedback, such as branch or unit;
  - (3) medium, such as face-to-face, telephone, fax or email,
  - (4) comment content, which should be both a predetermined service quality indicator to ease statistical analysis, and the verbatim customer comment to enable more qualitative assessment,
  - (5) customer service process and sub-process involved (service quality indicator with all relevant processes listed), and
  - (6) the need for follow-up or service recovery. The final two items are important should an automated service recovery system be attached to the CFU, as discussed in the next section

## **7) Follow -Up Or Service Recovery**

- Often, customer queries or complaints cannot be fully resolved at the point of occurrence. For such cases, it makes sense to integrate service recovery into the CFU.

- The feedback received is sent directly via email to the staff in charge of follow-up and a record of the case is created in a central database.
- This automated service recovery routing escalates to the next management level should a case not be settled within 24 hours.
- Once a case is closed, for analysis and reporting purposes it is kept in the central database, together with all those cases that did not require recovery (e.g., compliments, or cases that were recovered on the spot and entered into the system as a 'closed case').
- 

## **INTERNAL SERVICE DELIVERY SYSTEMS**

- Processes redesigned of Support Services, Registry etc.
- Set measures and targets of services for support services
- Analyse and evaluate Regional Offices roles and responsibilities as front line service delivery agents of Department
- Rationalising service delivery processes of department
- Rationalisation of responsibilities and delivery process between head and regional offices
- Utilisation of secretaries of Directors and Chief Directors in tracking documentation and replies.
- Identifying barriers to access and propose solutions
- Code of conduct for the Public Service

### **3. ORGANISATION DEVELOPMENT STRATEGY**

The Department is committed to a continuous process of realigning its core processes and, if necessary, its organisational structure so that they better match service delivery goals.

#### **3.1 Revised Organogram**

The Department has established, in consultation with staff, a rationale for realigning core processes. The department is to embark on a restructuring process in 2003 to enable it to carry out the additional Legislative Mandates such as:

- Urban and Rural development strategy
- New housing business
- Improving financial viability of municipalities
- Pressures to comply with PFMA and Treasury Regulations.

These changes are to be incrementally phased in depending on the availability of funds available in MTEF cycle.

Figure 5.1, on the following page, give a broad outline of the Department's current functions.

#### **3.2 Service Development**

However, the work of realigning core processes and organisational structure is an ongoing exercise that forms part of each Directorate's service delivery improvement plan.

There are still two significant areas where further work is required:

- the rationalisation of delivery processes, organisational structures and human resource within each programme
- the rationalisation of responsibilities and delivery processes between head and regional offices

Each Directorate is to review internal delivery, communication and management processes. The results could lead to further rationalisations, but no major structural change is expected.

The Department foresees that there will be increased demand in certain service areas that would impact on Directorates' delivery processes and budgets. These areas are:

- a) assisting local authorities with implementing IDPs and transforming

themselves into developmental local governments

- b) assisting local authorities to improve the financial viability
- c) assisting the new municipalities created through demarcation with implementing the Municipal Systems Act and the Municipal Structure Acts
- d) meeting Provincial targets to provide water and sanitation

### **3.3 Outsourcing**

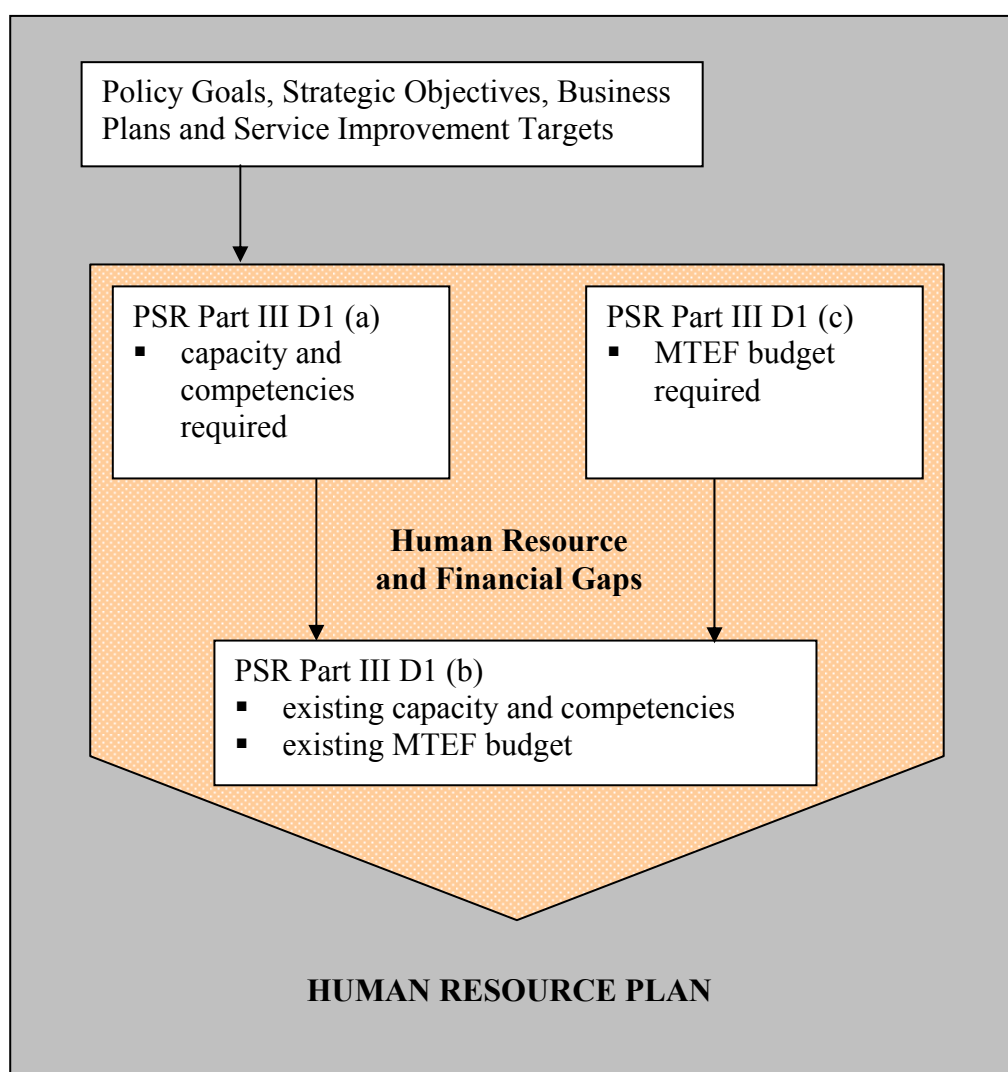
The Department does not plan to outsource any activity for 2003/2004. However, as the Department develops better systems to appraise its service quality and costs it will begin to examine possible areas of outsourcing. Without good quality information about services it would be unwise to proceed too quickly.

During the year, the department will review its corporate agreements with other Provincial departments and its utilisation of external consultants.

## 4. HUMAN RESOURCE STRATEGY

### 4.1 Human Resource Framework

The Department is committed to a Human Resource Strategy that is equitable and affirmative. Working from the Public Service Regulations the diagram below summarises the approach used to derive the Department's Human Resource Plan, including training and development.



In order to develop, manage and deliver the Department's Human Resource Plan the following capacity has been created:

- A Human Resource Unit
- A Skills Facilitators Team

## **4.2 Human Resource Management**

The Department's Human Resource Plan is aimed towards achieving the following objectives:

- reducing personnel expenditure for non-core services and increasing expenditure to service functions that are understaffed
- ensuring that staff have the necessary competencies and are suitably deployed
- ensuring that the Department's staff profile and uptake of training opportunities reflects affirmative and equitable criteria
- maximising retention of staff in view of recruitment difficulties, which could be exacerbated as unemployment reduces

At present, about 25% of the personnel budget is taken up by non-core functions. The Department will continue its efforts to reduce expenditure here through natural wastage and by deployment to other Departments or agencies. As and when budgets become available the Department would target resources towards core service functions that are currently understaffed.

Many of the critical tasks of the Department involve facilitating local government with meeting the needs of their communities within a transformational and democratic framework. Some of these tasks require specific technical competencies, such as finance, organisational development, town planning or engineering skills. However, many of the issues are inter-related and require integrated approaches. The Department is therefore committed to encouraging the workforce to become more flexible and multi-skilled.

The Department's training budget for 2002/2003 is R1,50m which comprises of R295 000 allocated in terms of skills development representing approximately 1% of personnel expenditure (R29,501 million). The R1,2m is for capacity building in Housing Development policy. This represents a total of 5,10% of the total personnel budget. The Department foresees that training requirements will be high over the next 2 years as systems (such as human resource, performance and financial management) are introduced and embedded.

The Department therefore plans to incrementally increase the training budget, in line with the training requirements of the Department. It is also exploring the resources, which should be transferred from the Provincial Department following transfer of HR functions. In order to maximise the benefits from external training the Department has created an internal training capacity (described in section 6.4 below).

The Department will monitor new appointments and uptake of training opportunities to ensure that affirmative and equitable employment practices



are being followed. The Head of the Human Resource Unit as part of the performance reporting system described in section 8.6 will produce reports.

The Department will evaluate the opportunities which a mentoring scheme could offer to assist in bring into the Department and the public service more individuals from previously disadvantaged groups. In approaching these latter two tasks the Department will be seeking advice and input from the recently created Gender Committee, recognising that there is under representation of women in a number of workgroups and in more senior ranks.

#### **5.4 Human Resource Unit**

The purpose of the Human Resource Unit is to manage, deliver and monitor the Human Resource Plan of the Department.

The Department plans to complete and collate all required documents and procedures into a Personnel Handbook during 2002/2003. The Handbook would be bound in a loose-leaf format so that the content can be easily updated.

The Human Resource Unit has become operational since 1<sup>st</sup> April 2000.

#### **5.5 Skills Facilitator Team**

The purpose of the Skills Facilitator Team is to plan, administer, monitor, internalise and, in some instances, carry out internal training.

The group currently consists of 5 staff, representing different levels and sections of the Department. Although members of the group have received training over a period of 12 months there is a need to continue building up their confidence. Each member of the group has been mandated to dedicate 20% of their time to planning, monitoring and running training activities. Annual training calendar is to be produced by the training group according to the skills development plans that will be completed in 2001/2002.

When the facilitation training is completed the group will compile the material produced and experience gained into training modules for other staff in the Department.

The training group is to meet once a month with the aim of determining the following:

- Establish a HRD strategy for the department
- Draw up annual training calendar
- Determine a training budget for the department and make recommendations to SMT

- Continuous planning of training programs

## **5.6 Internal Communications**

Besides the system of management team meetings described in section 8.5, which is aimed at driving service delivery, the Department intends to generate a culture of open information flow. The aim would be to create a sense of identity and ownership of departmental policies, strategic vision and corporate processes.

The Department will:

- a) Finalise and implement its internal Communication Policy from 1<sup>st</sup> April 2001
- b) Institute an annual General Staff Meeting (close to the publication of the Annual Report), although special staff meetings would be called when needed
- c) Hold General Staff Meetings during the other three quarters of each year to keep staff informed of major issues, e.g. the budget and training calendar
- d) Consider non-monetary rewards, which enhance performance, increase motivation and maintain commitment

## 6. BUDGET AND FINANCIAL MANAGEMENT STRATEGY

### 6.1 Budget

The Department projected expenditure over the MTEF period is summarised in the table below

#### Summary of Revenues

**Table 6.1 Summary of Conditional Grants: Vote 9: Housing and Local Government**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
R thousand									
Treasury Funding									
Housing Subsidy Grant	65,486	58,186	103,940	89,442	90,387	90,387	79,917	93,389	114,146
Human Settlement and Redevelopment Grant		371	1,467	3,180	6,889	6,889	0	0	
Provincial Infrastructure Grant		3,997	3,959	4,486	5,142	5,142	5,140	4,140	7,214
Local Government Capacity Building Fund Grant		11,726	22,931	22,675	24,240	24,240		0	
Provincial Project management Capacity for MIG (old CMIP)		3,270	1,976	1,843	1,843	1,843			
Capacity Building			117						
Total Treasury Funding	65,486	77,550	134,390	121,626	128,501	128,501	85,057	97,529	121,360

### 6.2 Departmental revenue collected : Vote 9: Housing and Local Government

**Table 6.2 Details of specification of revenue: Vote 9**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	Actual	Est. Actual	Voted	MTEF	MTEF	MTEF
	R'000	R'000	R'000	R'000	R'000	R'001
<b>CURRENT revenue</b>						
<b>Tax revenue</b>						
Casino taxes						
Other taxes						
<b>Non-taxes revenue</b>						
Valuations		150	150	150	150	150
Parking		15	15	15	15	15
Housing rental		49	49	49	49	49
Other revenue	231	20	26	26	26	26
<b>Total Current</b>	<b>234</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>254</b>	<b>254</b>
<b>CAPITAL</b>						
Sales of land and buildings						
Sales of stock,livestock ect						
Other capital revenue						
<b>Total Capital</b>						
<b>Total GFS classification</b>	<b>234</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>254</b>	<b>254</b>

## 6.3 EXPENDITURE SUMMARY

The MTEF outlay for the period

Financial year 2005/2006: R208, 997 million

Financial year 2006/2007: R229, 295 million

Financial year 2007/2008: R255, 881 million

**Table 6.3.1: Summary of expenditure and estimates - Programmes: Vote 9**

**Table 2.4: Summary of payments and estimates: Housing and Local Government**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Programme 1: Administration	14 351	15 564	20 847	26 698	24 096	24 096	27 099	28 810	29 409
Programme 2: Housing	76 467	69 401	119 960	105 373	110 941	110 941	93 466	107 793	128 853
Programme 3: Local Governmen	49 166	64 582	103 548	118 912	115 659	115 659	87 666	91 877	96 790
Programme 4: Statutory Amount		670	721	796	796	796	766	815	829
<b>Total payments and estimates:</b>	<b>139 984</b>	<b>150 217</b>	<b>245 076</b>	<b>251 779</b>	<b>251 492</b>	<b>251 492</b>	<b>208 997</b>	<b>229 295</b>	<b>255 881</b>

**Table 6.3.2: Summary of expenditure and estimates – GFS classification: Vote 9**

**Table 2.5: Summary of provincial payments and estimates by economic classification: Department of Housing**

R thousand	Outcome			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
<b>Current payments</b>	<b>48,266</b>	<b>52,961</b>	<b>71,775</b>	<b>81,467</b>	<b>78,837</b>	<b>67,064</b>	<b>71,044</b>	<b>79,986</b>	<b>84,503</b>
Compensation of employees	26,907	31,287	37,217	47,012	41,285	41,286	46,566	55,547	58,243
Goods and services	21,359	21,674	34,558	34,455	37,552	25,778	24,478	24,439	26,260
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
<b>Transfers and subsidies to</b>	<b>79,082</b>	<b>70,734</b>	<b>171,679</b>	<b>168,100</b>	<b>170,123</b>	<b>181,863</b>	<b>135,633</b>	<b>146,463</b>	<b>168,295</b>
Provinces and municipalities	13,596	12,548	67,739	77,658	79,236	90,954	55,216	52,574	53,649
Departmental agencies and accounts						22			
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions				1,000	500	500	500	500	500
Households	65,486	58,186	103,940	89,442	90,387	90,387	79,917	93,389	114,146
<b>Payments for capital assets</b>	<b>12,637</b>	<b>26,522</b>	<b>1,622</b>	<b>2,212</b>	<b>2,532</b>	<b>2,565</b>	<b>2,320</b>	<b>2,846</b>	<b>3,083</b>
Buildings and other fixed structures									
Machinery and equipment	12,637	26,522	1,622	2,212	2,505	2,538	2,270	2,796	3,033
Cultivated assets									
Software and other intangible assets					27	27	50	50	50
Land and subsoil assets									
<b>Total economic classification</b>	<b>139,985</b>	<b>150,217</b>	<b>245,076</b>	<b>251,779</b>	<b>251,492</b>	<b>251,492</b>	<b>208,997</b>	<b>229,295</b>	<b>255,881</b>

From the above table it can be seen that the Department's budget for the 2003/2004 period has been increased to take account of additional responsibilities for disaster management and integrated development planning as well as increased provision for capital projects. This additional allocation will address the following issues:

Firstly, as explained in section 6 the Department is understaffed in several critical service functions and over staffed in non-core functions. Also, as explained in section 5 greater demand will be placed on certain service functions over the next few years. The Department would therefore want to re-deploy its personnel budget accordingly.

Secondly, in order to address the infrastructure needs of the Province the Department has increased its capital fund for sanitation projects in the 2003/04 budgets. Wherever possible, the Department will continue to do so over the MTEF period.

## **6.1 Financial Management System**

The Department's Accounting Officer (the Head of Department) has delegated financial responsibilities to the Chief Financial Officer, Programme Managers and to Responsibility Managers. The department's financial delegations has been revised and issued to all programme and responsibility managers.

There is, however, one key area that the Department intends to develop. As progress is made with the Department's financial management system the Responsibility Managers will have more freedom to spend their delegated budget to provide the services efficiently and effectively, for which they are responsible and provided that decisions to spend are in accordance with the Treasury Regulations, Public Finance Management Act and Division of Revenue Act. As the department increasingly moves towards this position, training and more explicit guidance, which specifies the spending commitments, limitations and decisions that can be made within the delegated responsibilities, will be provided. This will include training to develop both the capacity of the finance section and to enhance the skills and knowledge of line managers.

The Department therefore needs to follow up quickly with a financial management plan that addresses the following:

- The degree of spending powers to be delegated and an implementation schedule over the next 2 years
- A financial management system that enables Responsibility Managers to manage there delegated budgets and for the Head of Finance to manage the Department's budget as a whole.
- A financial management system for monitoring and ensuring compliance

One decision that the Department has already undertaken is to implement BAS as from 1<sup>st</sup> April 2003. The Finance Section need to be suitably equipped and a training programme set up for finance staff. The training programme will also be extended to Responsibility Managers.

## 7. PERFORMANCE MANAGEMENT STRATEGY

### 7.1 Performance Framework

The performance management strategy of the Department outlined in the diagram below is focused on ensuring service delivery and achieving targets. The monitoring of financial accountability is based on a separate system described in chapter 7.

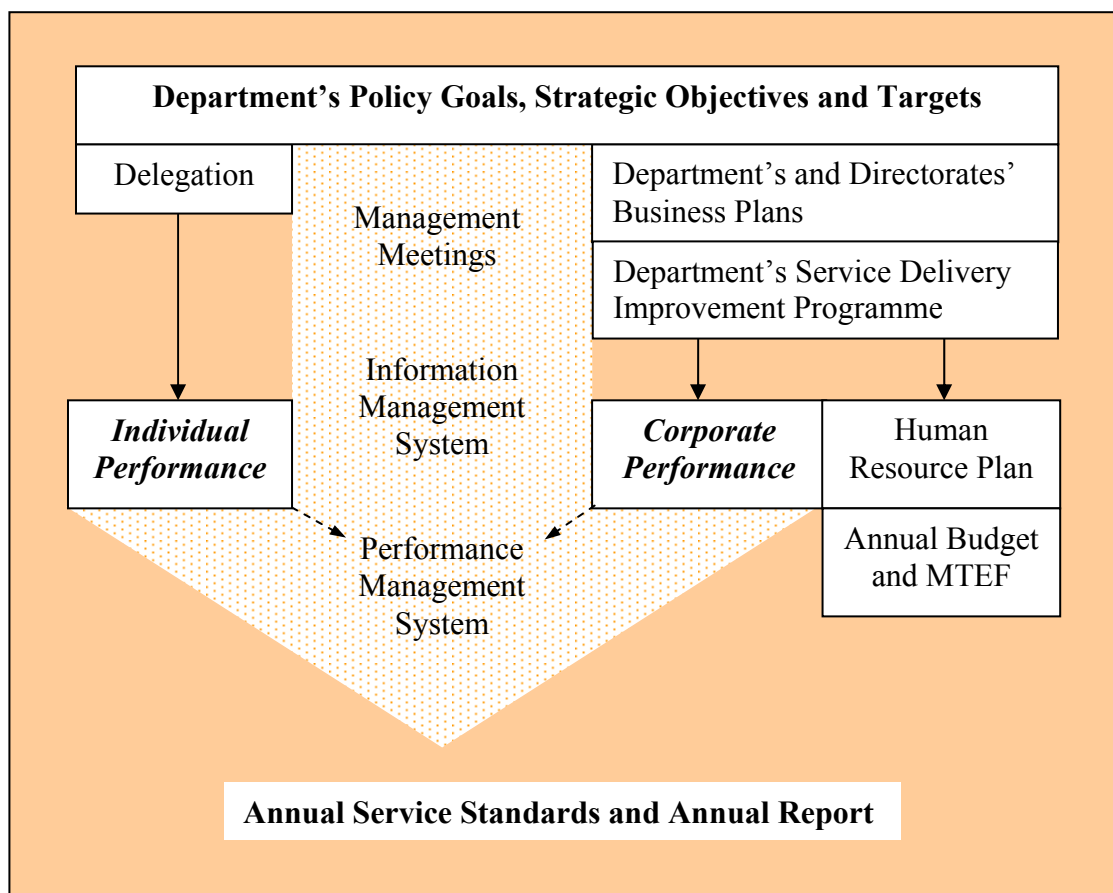


Figure 8.1

The monitoring of performance in the Department is based on two measures:

- First, the measure of individual performance against criteria based on delegated responsibilities and written in his or her performance agreement.
- Second, the measure of corporate performance against service delivery objectives, milestones and targets specified in business plans.

Ensuring that the Department does perform is based on two systems:

- An interlocking system of management team meetings from the highest to the lowest organisational levels.

- b) An information management system to support the system of management team meetings and, at the same time, provides data for the monitoring of performance.

## **7.2 Delegations**

The Department's delegation protocol is currently based on a performance agreement between the MEC and the Deputy - Director General and in turn between the latter and the Chief Directors, Directors and Deputy Director's.

A draft delegation model has been drawn up, following the Public Services Regulations, Treasury and PFMA delegations; that delegates from the Executing Authority to the Head of Department, who in turn delegates certain responsibilities down to Directors and other managers.

The Department finalised and implemented the delegation model from 1<sup>st</sup> April 2000. This enables existing performance agreements to be revised and new ones to be written.

## **7.3 Performance Agreement**

A performance agreement is to be drawn between the MEC and the Deputy – Director General (DDG) and subsequently between the DDG and the Chief Director's and between the Chief Director's and Directors. Further actions the Department intends to take are:

- Revise the above performance agreements for the financial year 2003/2004 to take into account the objectives, milestones and outputs set out in this Strategic Plan and in the Directorates' Business Plans
- Extend performance agreements to all Programme Managers from 1<sup>st</sup> April 2000
- Pilot a performance management and development system for all staff in 2001
- Implement a performance management and development system for all staff as from 1<sup>st</sup> April 2002

## **7.4 Directorates' Business Plans**

The Directorates' Business Plans determines how the strategic objectives of each Programme (outlined in chapter 2) would be achieved. Each Business Plan also sets out the Annual Action Plan that includes Quarterly Milestones for achieving annual targets. These targets would include service improvement actions. The corporate performance of the Department is therefore dependent on Directorates delivering and achieving the targets set out in their Business Plans.



The Business Plans are updated annually before the Department submits its Budget for approval. However, quarterly milestones would be revised each quarter to take into account changing realities.

## **7.5 Team Briefing**

The Department has evolved a system of interlocking management team meetings aimed at managing service delivery and performance strategically. Policy decisions and prioritised actions are taken downwards and practical implementation issues and staff concerns are fed upwards. Directorates are expected to meet at least twice a month to plan and review their work activities. The structure and management style of meetings is however left to the discretion of the individual Programme Managers.

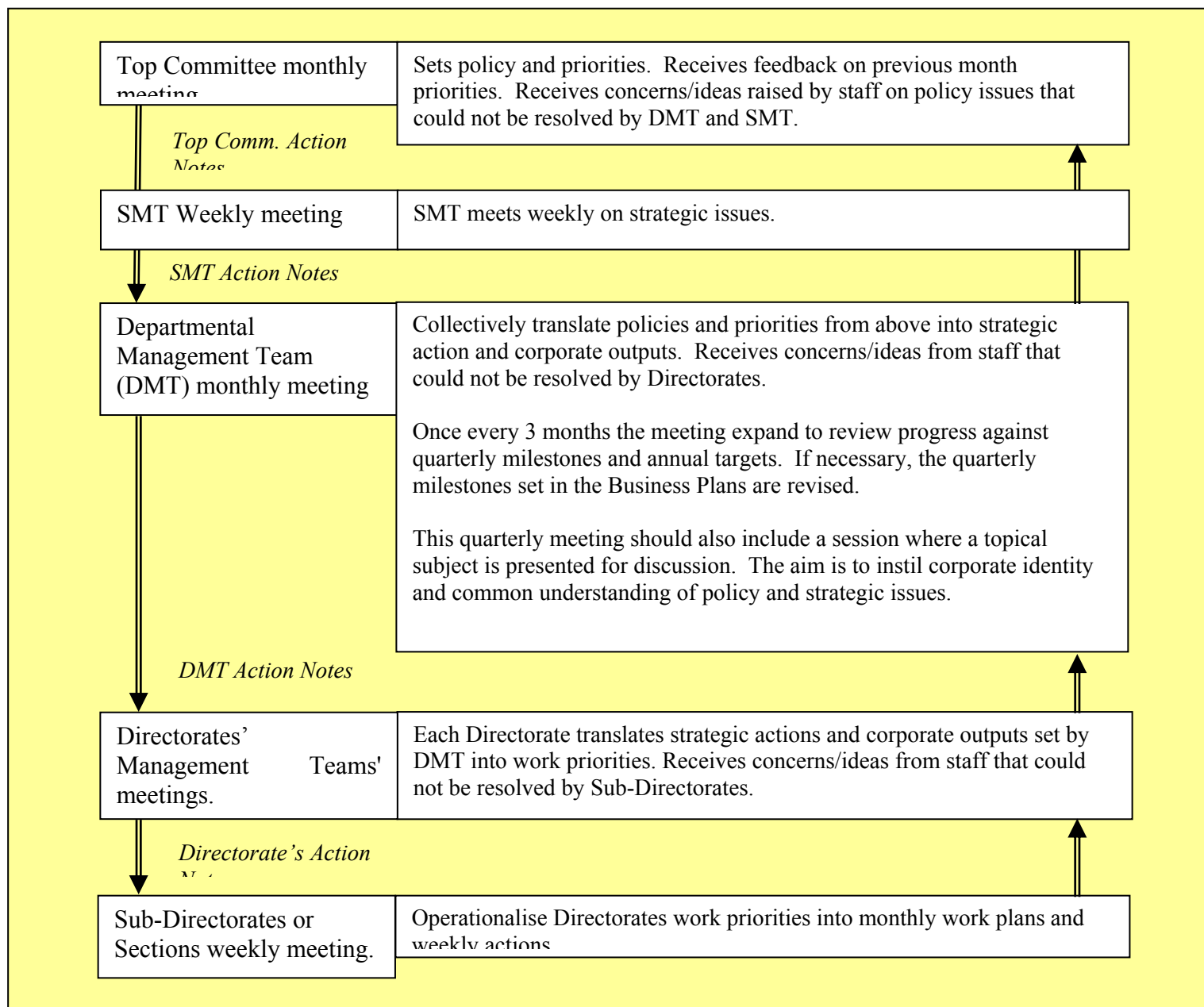
The purpose of the Team Briefing system is to enable management (at all levels in the Department) to drive service delivery and monitor performance. It is a formal system of recording and disseminating decisions and priorities taken in the form of Action Notes. The Action Notes are cascaded downwards and used to drive the agenda of management team meetings throughout the Department. The aim is to ensure that priorities set at higher levels are consistently applied downwards. The converse is also true as issues and ideas raised by staff can be formally taken upwards.

The amended Team Briefing structure implemented from 1<sup>st</sup> April 2000 is presented in the following page and the table below summarises the proposed composition of management teams for each meeting.

<b>Meeting</b>	<b>Composition</b>
1. MEC-SMT monthly meetings (Top Committee)	MEC, Deputy-Director General, Chief Directors; Directors and Deputy Directors (Corporate Services)
2. Senior Management Team (SMT) weekly meetings	Deputy-Director General, Chief Directors, Directors and Deputy Directors from (Corporate Services)
Department Management Team (DMT) monthly meetings.	Deputy-Director General, Chief Directors, Directors, Deputy Directors. MEC and SMT to attend as needed.
3. Directorates' Management Teams meetings	Chief Directors Directors, Deputy Directors, Assistant Directors and section heads (including responsible regional staff and regional heads)
Sub-Directorates/Regions and/or Sections weekly meetings *	Directors, Deputy Directors, Assistant Directors, Supervisors, Staff.

\* The composition of the 5<sup>th</sup> level meetings would vary depending on the size, structure and needs of each Directorates.

Figure 7.2



The Team Briefing system forms one part of the internal communication policy framework and the dates for all major meetings have been scheduled into a corporate calendar.

## 7.6 Reporting of Performance

Towards the end of every quarter each Programme Manager would prepare a report that evaluates performance against their respective Business Plans and performance agreements. These performance reports would be circulated in

advance before the Departmental Management Team at the beginning of each quarter.

The Senior Management Team would evaluate the reports and bring strategic issues to the Departmental Management Team for discussion before the Chief Director submits his evaluation of the performance of the Department as a whole to the MEC.

A critical component of the reporting system is to provide an early warning system to catch potential problems and to assist the Department with improving service delivery. The performance reports therefore not only retrospectively evaluate performance but also assess what policies and actions should be prioritised for the following quarter.

## **7.7 Supervision/Appraisal Framework**

The performance of the Department is totally dependent on the abilities of individuals to manage and deliver services. Over the last 12 months the Department has piloted a supervision/appraisal framework in all sections. The pilot was concluded successfully and a rolling programme of extending supervision/appraisal throughout the Department will be carried out in 2002/2003.

## **8. INFORMATION MANAGEMENT STRATEGY**

### **1. Introduction**

An IT strategy by definition involves the creation of a structured framework for information systems needs. The **what** address the information requirements and the **how** address the necessary technology solutions and infrastructure such as hardware, software and networks.

For the departmental IT strategy to make the necessary impact across all the sections; the department must be able to sustain the recently initiated IT strategy planning process. This process involves the matching of the current IT framework against the target framework to be achieved in the next five years. **(See annexure A, for the IT strategy planning process)**

Furthermore, the department must ensure that its IT strategy is driven by high priority business and IT opportunities. The existing departmental IT committee must be strengthened with the inclusion of some decision-makers. This committee acts as an advisory body to SMT and should therefore combine line function expertise of at least one deputy director per directorate with the information systems know-how that exist within the department. The committee will then be able to tackle the mandate of developing an IT strategy that supports the overall corporate strategy of the department.

### **2. Composition of the Departmental IT Committee**

To mobilise support for IT related issues and to ensure that these issues receive the necessary attention at SMT level, the IT committee must at least meet the following criteria:

- The committee must consist of representatives from all the sections
- Key members must be decision makers;
- The committee must be chaired by a representative on SMT
- The GIS unit members must be part of the Committee; and
- An external IT professional (Provincial IT) must be included

### **3. Objectives of the IT committee**

The general objectives of the IT committee should be to:

- Ensure that information systems are aligned with and contribute to the vision and mission of the department
- Ensure that information systems are used for line function support
- Ensure the achievement of effective investment in IT for measured benefits
- Control IT expenditure and obtain incremental value for money
- Obtain user and management commitment to making IT work in the department
- Prioritise the application of IT resources towards meeting important business needs
- Ensure adherence to IT policies and procedures; and
- Ensure balanced IT capabilities to all functional area

#### **4. Roles and responsibilities**

The roles and responsibilities of the IT committee are to:

- Steer the IT strategy formulation process and take overall responsibility for the process
- Identify specific IT opportunities
- Plan the overall resourcing required, including the once-off and ongoing costs
- Develop standards and policies for IT
- Develop an IT security and disaster recovery plan
- Design a decision making methodology for selecting technologies that will help the department to achieve its goals
- In consultation with provincial IT; develop plans for the procurement and systematic rollout of all newly acquired technology
- Establish a formal review process for selecting external software vendors;
- Annual review of existing technology and assessment of opportunities for improvement
- Integrate strategic information technology planning with strategic departmental planning and
- Communicate and debate issues around each section's IT needs, integration and possible software solutions

#### **5. The role of provincial IT**

The role of provincial IT must be to ensure that the department's IT function takes advantage of advances in information technology rather than to react to changes. The department should enter into a service agreement with provincial IT so that provincial IT's can direct the departmental IT function to evolve along with industry-wide technology changes. This can be achieved by:

- Benchmarking the department's information systems against industry averages
- Measuring whether specific information systems processes are operating efficiently in providing support to sections within the department
- Determining how effectively the IT function supports the department's strategic goals
- Advise on best practices, emerging products and trends in the industry.

#### **6. Policies and Procedures**

- All newly acquired information technology should be accompanied by a comprehensive implementation procedures to monitor and measure its effect on critical business processes
- The implementation of any new technology must be accompanied by staff training to ensure maximum use of the new technology
- Standards should be set and compliance enforced in all initiatives undertaken e.g. standardised workstations.
- Strategic direction should be set and all IT initiatives should adhere to this stated direction; and
- Privacy and confidentiality of data must be Prioritised
- Changes in policies must be consistent with changes in technology.

## **Annexure A**

### **Phase 1**

**Confirm strategic objectives and identify IT opportunities:** The objective of this phase is to link specific business aims and IT opportunities to an initial information architecture or high level blue print of information, data and applications. The main focus during this phase is the identification of strengths, weaknesses, opportunities and threats for IT opportunities and the linkage of the overall departmental strategy to these opportunities.

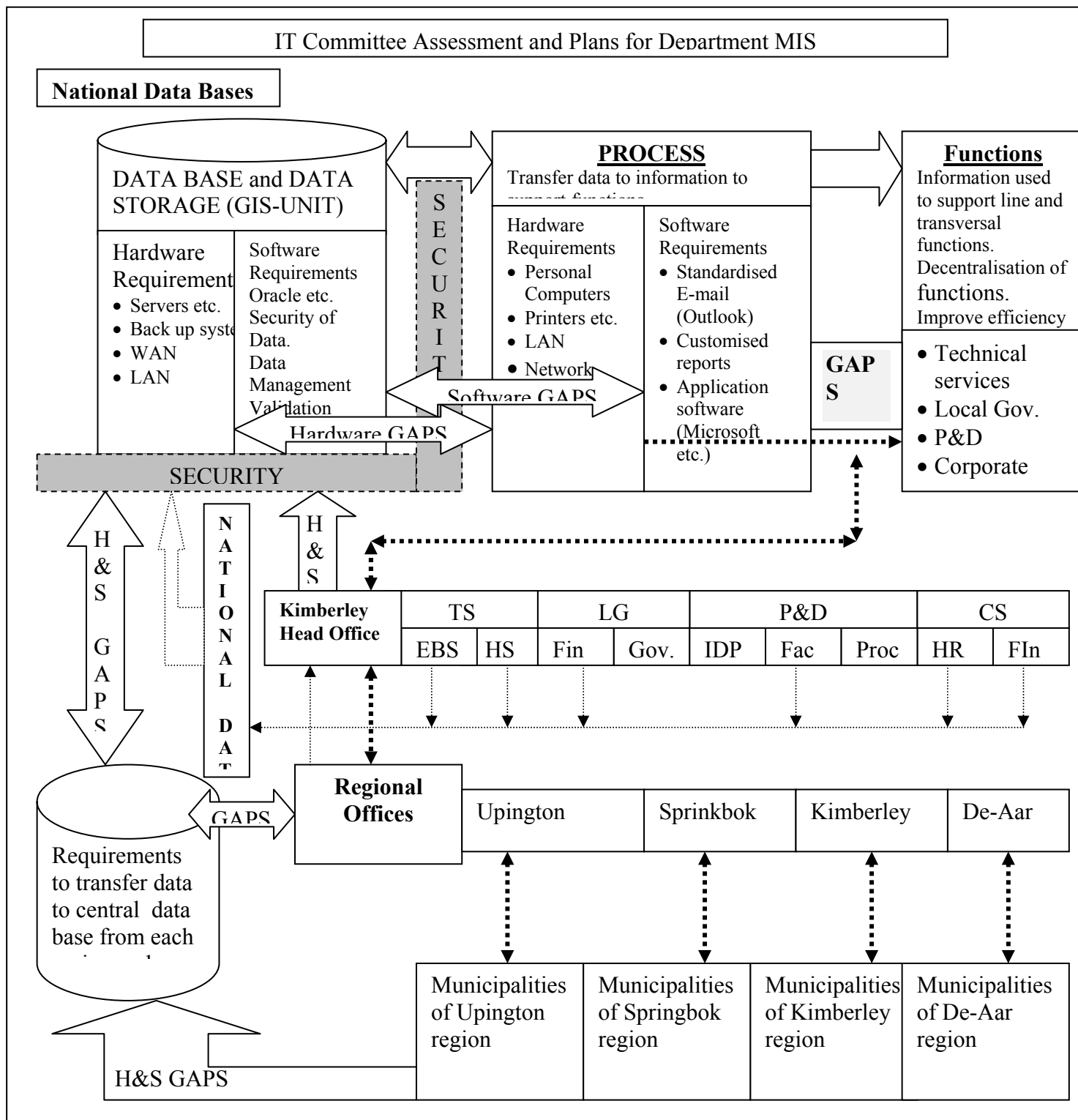
This initial fact finding work on requirements and IT opportunities is done for each sub-directorate. This must lead to the production of an information architecture, which will include a statement of high level information requirements, functions and their sub-processes, information flow between sections and a logical grouping of activities. A model of the main elements of data to support the current and future information needs is also produced during this phase.

### **Phase 2**

**Analyse current IT and define the strategy scope:** The objectives of this phase are to review how the department is served by the IT function, to assess the IT environment itself and focus on strategy by defining target applications. The process includes an initial assessment of the department itself with regard to IT and the impact of IT on the department's functions and responsibilities.

The assessment of the current IT environment itself, includes a review of the application systems profile, technology platforms and delivery of solutions, current and planned development projects, staffing, skills level, experience and the nature of the IT function. These processes will enable the IT Committee to determine the gaps that may exist between the current ability of the IT environment to support the targeted information architecture as set out in phase 1, which would in turn set the scope of the IT strategy planning process. This exercise involves the prioritisation of the areas for attention based on the relative contribution that an application system will make towards strategic goals and it is driven by a differentiation between short term and long-term goals.

One way to achieve this prioritisation is an analysis of the target applications (set out in the target system architecture in phase 1), focusing on the system objectives, key information, data, processes and interfaces, strategic implications and benefits expected, together with likely implementation options. Most importantly, this prioritisation process sets the strategy boundaries and the likely implementation sequence required for the various components of the information systems architecture.



### Phase 3

**Developing target IT architecture and alternative strategies:** The aim of this phase is to develop the detailed architectural components of the IT strategy including the information, data, and applications required, together with a technical architecture

and an IT organisation structure. In short this phase puts in place the five main architecture or blueprints of the IT strategy, namely:

- Information;
- Data;
- Applications;
- Technology; and
- The IT organisation

The IS component (the information, data, and applications blueprint); will be produced together and organised by each major grouping of applications that will clearly link objectives, goals, critical success factors, user requirements and data needed to support the user requirements.

The IT component (the technology blueprint); will span across all the major applications areas and will usually cover hardware, operating systems and software applications, communications, data, storage, management and development environments, together with the overall integration requirements and an assessment of costs. The IT component should also address the main technical issues such as communications infrastructure.

The IT organisation blueprint; will focus on the IT function and its overall development as a unit within the department to achieve the required delivery capability. It will involve an initial view on staffing levels, and how the IT function may be resourced.

In short, the five main target architectures or blueprints mentioned above set out a structured IT framework for the future. The alternative architectures are defined and evaluated from both a technical and business point of view (e.g. costs/benefits, time-scales, and risk) and measured against a set criteria that reflect the objectives, needs, IT opportunities and priorities defined in phase 1 and 2. Where possible, one preferred strategy is agreed upon and taken forward to act as a basis for the IT plan in phase 4.

#### **Phase 4**

**Developing an IT strategy implementation plan:** The objective of this phase is to develop an implementation plan for the selected IT strategy and to conclude the IT strategy planning process.

This phase involves the finalisation of outputs from each one of the previous three phases and concludes on the blueprints of information, data, applications, technology and the IT organisation. The approach for each main grouping of architecture, technology and IT organisation is determined and a detailed plan covering the various projects to be undertaken, (their sequence, resourcing, needs, costs, benefits, timescales, criticality and strategic impact) is produced.

Finally an analysis of likely benefits (both tangible and intangible) and all known costs and assumptions clearly stated should be made for the preferred IT strategy.



**DEPARTMENT OF HOUSING AND LOCAL GOVERNMENT**  
**(NORTHERN CAPE)**

**Annual Statement of Public Service Commitment 2004**

**1. Our Customers and Main Services Provided**

Our main customers are the municipalities, including other local government institutions, in the Northern Cape and indirectly the communities and individuals that they serve.

The main services provided by the Department of Housing and Local Government are summarised in the table below.

<b>Policy Goals</b>	<b>Service Objectives</b>
b) Transformation of local governance through participatory democracy and strong developmental local government.	To facilitate and improve the financial management of municipalities and to support this work through more effective governance and local government institutions.
c) Facilitation of a sustainable housing delivery and it's related municipal services.	To ensure the implementation of housing and infrastructure projects and the delivery of valuation services.
d) Facilitating integrated development planning.	To facilitate increased access to basic services for communities.

**2. Who Are We?**

The MEC, Mr. J.F Van Wyk, is an elected politician and is responsible for directing the Department's activities in line with the Northern Cape Provincial Government and National Government policies.

The Deputy Director, Mr Gideon Thina, is a public servant, appointed to ensure that the Department implements the MEC's policies efficiently and effectively.

The Department employs a total 256 employees, of which 36,3% are women.

The Head Office is in Kimberley and serves the Frances Baard and Kgalagadi regions. Regional offices are also located in Upington (Siyanda region), Springbok (Namakwa regions) and De Aar (Karoo region).

### 3. Service Standards

In order to achieve the above policy goals and provide a high quality of service to its direct and indirect customers the Department of Housing and Local Government has established service standards for 2004/2005 in the following areas:

<p>a) Customer Care</p> <ul style="list-style-type: none"> <li>- telephone, visits and letters</li> <li>- code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>▪ Telephone           <ul style="list-style-type: none"> <li>- the Department will ensure that when a matter cannot be dealt with immediately a member of staff will return your call within 24 hours</li> </ul> </li> <li>▪ Visits           <ul style="list-style-type: none"> <li>- the Department will ensure that communication is made to explain the purpose of a visit and arrange suitable times before visits are carried out</li> <li>- the Department will ensure that a relevant member of staff will be available to meet visitors if appointments were formally made and issues identified beforehand</li> </ul> </li> <li>▪ Letters           <ul style="list-style-type: none"> <li>- all letters to the Department will be answered within 5 working days, or an acknowledgement letter will be sent that contains information on who is dealing with the matter, approximate time frame for resolving the matter and contact details</li> </ul> </li> <li>▪ Code of Conduct           <ul style="list-style-type: none"> <li>- the Department will ensure that all its staff are trained in good customer care practice</li> </ul> </li> </ul>
<p>b) Service Response</p> <ul style="list-style-type: none"> <li>- dealing with enquiries, applications and complaints</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requests for Information           <ul style="list-style-type: none"> <li>- the Department will send requested information within 5 working days or a letter to explain when the information can be sent, the cause of the delay and contact details</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Applications           <ul style="list-style-type: none"> <li>- the Department will acknowledge receipt of applications within 5 working days that includes information on approximate time frame for processing the application and contact details</li> </ul> </li> <li>▪ Complaints, Issues and Problems           <ul style="list-style-type: none"> <li>- the Department will send acknowledgement letter within 5 working days that includes information on who is dealing with the matter, approximate time frame for resolving the matter and contact details</li> </ul> </li> </ul>
<p>c) Service Delivery</p> <ul style="list-style-type: none"> <li>- facilitating local governments</li> <li>- regulating local governments</li> <li>- processing applications</li> <li>- implementing projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communication           <ul style="list-style-type: none"> <li>- the Department will ensure that policy and legislative matters, emanating from Provincial and National Governments, that are relevant to local government and housing are circulated within 21 days of availability</li> <li>- the Department will ensure that matters raised by municipalities and other local government institutions are recorded and brought into relevant forums</li> </ul> </li> <li>▪ Information           <ul style="list-style-type: none"> <li>- the Department will ensure that its information database of matters relating to local government and housing is accurate and continuously updated</li> </ul> </li> <li>▪ Competent Staff           <ul style="list-style-type: none"> <li>- the Department will ensure that its staff are suitably trained to provide accurate advice and have the competencies to facilitate municipalities and other local government institutions</li> <li>- the Department will ensure that its staff are suitably trained to monitor and regulate municipalities and other local government institutions</li> </ul> </li> </ul>

	<ul style="list-style-type: none"><li>- the Department will ensure that its staff are suitably trained to process applications accurately and within stated time scale</li><li>- the Department will ensure that its staff are suitably trained to implement, monitor and approve the quality of housing and municipal infrastructure projects accurately and within stated time scale</li></ul>
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The Department of Housing and Local Government will ensure that the above service standards are met by incorporating service improvement actions and targets into the business plans and annual action plans of each Directorate.

The Year 2000 was the first year that the Department established service standards. The Department will monitor progress against the standards set and in 2002 the Department will publish results of achievements and how we plan to improve our services further.

#### **4. Service Promotion and Information**

In the year 2003 the Department plans to promote its services through the following mechanisms:

- a) A portable exhibition of the Department and its services that can be displayed during events, such as workshops, conferences and forums.
- b) Brochures/booklets that explains specific services provided by the Department, such as Housing Subsidy Grants and CMIP, how these services could be accessed, assistance available, processing procedures and service standards.
- c) Through Indaba, the Department's newsletter, and the general media.

#### **5. Consultations Arrangements**

In the year 2003 the Department of Housing and Local Government plans to consult with its customers through the following mechanisms:

- a) A rolling programme of exhibitions and consultations targeted at specific events, such as conferences and forums, which the Department attends.
- b) An annual quantitative and qualitative assessment of customer satisfaction and needs.
- c) By recording and following up complaints.

## 6. Our Budget

The Department of Housing and Local Government had a total budget of R225,156 million in 2003/2004. The following figures below provides a summary of estimated expenditure:

	<b>2005/06 R'000</b>	<b>%</b>
<b>Current</b>		
Personnel	46,566	22
Goods and services	24,478	12
Transfer	135,633	64
<b>Total: Current</b>	<b>209,042</b>	
<b>Capital</b>		
Acquisition of capital assets	2,320	1
<b>Total: Capital</b>	<b>2,320</b>	
Statutory Amount	766	1
<b>Total</b>	<b>208,997</b>	100

**For further information please call:**

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