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**Annual Performance Plan**

**2007-2010**

**The Department of Public Works**

**Eastern Cape Province**

## TABLE OF CONTENTS

### **PART A: Overview and strategic plan update analysis**

1. Foreword.....	7 - 8
2. Overview by the Accounting Officer.....	9 – 10
3. Vision.....	11
4. Mission.....	11
5. Values.....	11
6. Broad policies, priorities and strategic goals.....	12
6.1 Broad policies.....	12
6.2 Priorities for the next three years (2007 – 2010).....	13
6.3 Departmental strategic goals.....	15

### **PART B: Programme and sub-programme performance targets**

7. Programme 1: <b>Administration</b> .....	16
7.1 Policies.....	16
7.2 Priorities.....	16
7.3 Strategic goals alignment with strategic objectives.....	17 - 18
7.4 Summary of progress analysis.....	18
7.5 Analysis of constraints and measures to overcome them.....	18

8. Programme 2: <b>Public Works</b> .....	28
8.1 Policies.....	28
8.2 Priorities.....	29
8.3 Strategic objectives for programme 2.....	29
8.4 Summary of progress analysis.....	30
8.5 Analysis of constraints and measures planned to overcome them.....	31
8.6 Description of planned quality improvement measures.....	31
8.7 <b>Property Management</b> .....	32
8.7.1 Policies.....	32
8.7.2 Priorities.....	32
8.7.3 Summary progress analysis.....	33
8.7.4 The province’s leased portfolio by Department.....	34
8.7.5 The province’s leased portfolio by Department.....	35
8.7.6 The demand for new space – capital projects and facilities.....	36
8.7.7 Analysis of constraints and measures planned to overcome them.....	37
8.7.8 Specification of measurable objectives and performance indicators.....	38
8.8 <b>Building Maintenance</b> .....	39
8.8.1 Policies.....	39

8.8.2	Priorities.....	39
8.8.3	Progress analysis.....	39 – 40
8.8.4	Analysis of constraints and measures planned to overcome them.....	40
8.8.5	Specification of measurable objectives and performance indicators.....	41 – 42
<b>8.9</b>	<b>New Works.....</b>	<b>43</b>
8.9.1	Policies.....	43
8.9.2	Priorities.....	43
8.9.3	Summary progress analysis.....	44
8.9.4	Analysis of constraints and measures planned to overcome them.....	44
8.9.5	Specification of measurable objectives and performance indicators.....	44-45
8.9.6	Reconciliation of budget with plan.....	46
8.9.7	Real expenditure on Programme 2.....	46
<b>9.</b>	<b>Public Works Programme.....</b>	<b>46</b>
9.1	Policies, priorities and strategic objectives.....	46
9.1.1	Guiding policies.....	46
9.1.2	Priorities.....	47
9.1.3	Strategic objectives for programme 3.....	47
9.2	Summary of progress analysis.....	48

9.3 Demand for and performance of Community Based Programmes by Region.....	48
9.4 Analysis of constraints and measures planned to overcome them.....	49
9.5 Description of planned quality improvement measures.....	49
9.6 Specification of measurable objectives and performance indicators.....	50
9.7 Reconciliation of budget with plan.....	51
9.7.1 Real expenditure on Programme 3.....	51
<b>10. Construction Industry Development.....</b>	<b>51</b>
10.1 Analysis of constraints and measures to overcome them.....	51
10.2 Description of planned quality improvement measures.....	52
10.3 Specification of measurable objectives and performance indicators.....	52

## LIST OF TABLES

Table 1: DPW set of values.....	5
Table 2: Strategic goals alignment with strategic objectives.....	10
Table 3: Analysis of constraints and measures planned to overcome them.....	11
Table 4: Strategic objectives, performance measures indicators and targets: <b>Management</b> .....	12 - 14
Table 5: Strategic objectives, performance measures indicators and targets: <b>Corporate Services</b> .....	15 - 20
Table 6: Strategic objectives, performance measures indicators and targets: <b>Finance</b> .....	21 - 28
Table 7: Programme budget by sub-programme (R million).....	29
Table 8: Strategic objectives for Programme 2.....	30
Table 9: Analysis of constraints and measures to overcome them.....	32
Table 10: Maintenance backlog.....	32
Table 11: The province's leased portfolio by Department: <b>Property Management</b> .....	35
Table 12: The province's leased portfolio by Department.....	36
Table 13: The demand for new space – capital projects and facilities.....	37
Table 14: Analysis of constraints and measures to overcome them.....	38
Table 15: Specification of measurable objectives and performance indicators.....	39
Table 16: Analysis of constraints and measures to overcome them: <b>Building Maintenance</b> .....	41

Table 17: Specification of measurable objectives and performance indicators.....	42 – 43
Table 18: Analysis of constraints and measures to overcome them: <b>New Works</b> .....	45
Table 19: Specification of measurable objectives and performance indicators.....	46
Table 20: Real expenditure on Programme 2.....	46
Table 21: Demand for and performance of Community Based Programmes by Region.....	48
Table 22: Analysis of constraints and measures to overcome them .....	49
Table 23: Specification of measurable objectives and performance indicators.....	50
Table 24: Real expenditure on Programme 3.....	51
Table 25: Specification of measurable objectives and performance indicators.....	52 - 53

## **Part A: Overview and strategic plan update analysis**

### **1. Foreword**

This performance plan is an operational expression of our strategic plan for the period up to 2010. It should also be viewed as the department's blueprint for the remainder of the strategic plan life cycle. Through this the department is intending make its contribution to the national effort of reducing unemployment and eradicating poverty.

Since 1994 government has implemented a programme to systematically dismantle apartheid and create a democratic society based on principles of equity, non-racialism and non-sexism. Indeed, the democratic government was put firmly on this road by the provisions of the Reconstruction and Development Programme.

This vision of the RDP was further consolidated and crystallized by the governing party's vision 2014 which emphatically puts poverty reduction and unemployment at the transformation and development centre stage in concert and contract with the people.

Once again, the president of the republic in his 2007 state of the nation address made bold this golden thread that has been running since 1955 and called on government and the South African society broadly to double its efforts in reducing poverty and unemployment.

The Eastern Cape Department of Public Works derives strength, courage and line of march from the spirit of the Freedom Charter, the RDP, and Vision 2014, which documents provide an overarching context and framework for our development trajectory.

This, our Annual Performance Plan is therefore an expression and interpretation of a quest to fulfill the objectives of these noble guiding documents. In doing so, our strategy is predicated on our refocused resolve to actively provide leadership in the transformation and development of the Construction and Property Industries.

As the government's spending on infrastructure increases in the wake of 2010 Fifa World Cup and other infrastructure needs of the country, the capacity of the construction industry is proving to be insufficient to absorb such massive investment.

Our strategy therefore appreciates these developments and limitations of the industry hence the resolve to consciously and actively engage in programmes designed to capacitate the department as well as the industry through massive production of artisans so required by the country.

In this regard, our department has forged strategic partnerships with FET Colleges and Institutions of Higher Learning (Nelson Mandela Metropolitan University, Walter Sisulu University of Technology) in order to accelerate the development of Professional and Trade competencies.

The strategic strength and importance of such a programme resonates in its capability to also support the provincial High Impact Priority Projects that underpin the Provincial Growth and Development Plan (PGDP).

Owing to the many developments in the property industry, housing development environment, viewed in the context of advancing socio-economic development objectives, the department has had to rethink its strategy on properties/ government assets. In this regard, the execution of the disposal process will be strategically refocused in pursuance of the attainment of economic development objectives.

We are once again filled with confidence that we will carry through the mandate given by people of South Africa fifty two years ago. We are confident because we are accelerating in implementing the Balasela Excellence programme which will guarantee our improved focus and performance.

Through this plan I once again pledge the commitment of the Department of Public Works to the Eastern Cape community and the country that we will spare neither strength nor courage until poverty is defeated and our people are happily enjoying their freedoms.



**C MARTIN**

**DATE** 14 March 2007

**Member of the Executive Council, Department of Public Works**

## 2. Overview by the Accounting Officer

To address and respond to the government priorities as contained in the PGDP. DPW's goals are aligned to the government's strategic framework. The growing infrastructure investments will be leveraged to support sustained economic growth in identified areas and support other initiatives. Key second economy interventions have been identified including concrete support to emerging businesses, women and youth ventures within the framework of broad based economic empowerment, EPWP and skills development. The role of Public Works gives the Department an opportunity to facilitate strategies, like for disposal of properties, maintenance of buildings in a manner that will have an impact for ASGISA.

While implementing some of the programmes in 2006/7 financial year, the department has gained a lot of experience that has inspired fresh and innovative thinking as we will prepare to conduct a mid-term strategy assessment in the course of 2007/08 financial year. Such fresh thinking include repositioning the Department of Public Works to effectively play a more active role in the transformation and development of the construction and property industries, responding in a more concrete manner to the challenge of scarcity of technical skills, for both suppliers, artisans and professionals, we double our efforts in creating job opportunities and training through effective coordination of the Expanded Public Works Programme and skills development programme.

Whilst preparing for a more comprehensive mid-term strategy assessment, we have nonetheless taken liberty to prioritise the very same issues that would lay the basis for review. We have accordingly included these issues as priority issues for the remainder of the life-span of the strategic plan. Having started implementing some of the programmes we cited as priorities for the last financial year and we will now be occupied with monitoring their progress going forward.

We have spent some time ensuring effective alignment of departmental objectives with both National and Provincial priorities which include High Impact Priority Projects (HIPP), and JIPSA.

In terms of resourcing our strategy, we have started an aggressive recruitment drive that will see us filling the majority of our vacant posts.

The Department will focus on the following priorities:

- Implement Governemtn-wide Immovable Asset Management Framework.
- Skills development programme.



### 3. VISION

The Department of Public Works that ensures the provision and management of high quality and accessible buildings infrastructure in the Eastern Cape.

### 4. MISSION

To achieve the optimal efficiency, convenience, lifespan, economic viability, safety and appearance of any building or structure within our custodianship, by embodying the most effective, labour intensive and economic means at our disposal, while contributing to the broader government goals of job creation, poverty alleviation and fight against the HIV and AIDS pandemic.

### 5. VALUES

**Table 1:** In carrying out the mandate, the Department of Public Works subscribes to the following set of values:

VALUES	VALUE STATEMENTS
Batho Pele principles	We will strive to prioritise people first in the delivery of services
Employee Diversity	We will, at all times, promote and exploit the benefits presented by diverse workforce.
Service Excellence	We will at all times not just meet but exceed excellence.

## **6. BROAD POLICIES, PRIORITIES AND STRATEGIC GOALS**

### **6.1 Broad Policies**

- ◆ Public Service Regulations 2001 as amended.
- ◆ Expanded Public Works Programme Framework and Guidelines.
- ◆ Government Wide Immovable Asset Management Framework (GIAMF).
- ◆ Construction Industry Supply Chain Management Framework.
- ◆ Public sector transformation.
- ◆ Broad Economic Empowerment (BEE framework).
- ◆ Construction Industry Development Board Act.
- ◆ Minimum Information Security Standards (MISS).
- ◆ Performance Management Development System.
- ◆ Public Works – ‘Towards the 21<sup>st</sup> century’
- ◆ Accelerated and Shared Growth Initiative – SA (ASGISA)

## 6.2 Priorities for the next three years (2007-2010)

- ◆ Maintenance of developed processes, policies and systems for property management portfolio.
- ◆ Up scaling EPWP projects to maximise job creation.
- ◆ Strengthening Inter-government relations.
- ◆ Implementation of Infrastructure Delivery Improvement Programme.
- ◆ Implementation of Strategic Government Accommodation Programme.
- ◆ Implementation of Contractor Development Strategy.
- ◆ Implementation of Infrastructure Skills Programme.
- ◆ Continuous Implementation of the integrated HRD policy for attracting and retaining critical skills.
- ◆ Continuous Improvement of relationships with client departments.
- ◆ Strengthen the functioning of prestige unit.
- ◆ Consistent provision of leadership to the transformation process to the property and construction industry
- ◆ Implementation of the Government – wide Immovable Asset Management Framework
- ◆ Development of an effective Information and Knowledge Management System.
- ◆ Implement Service Delivery Improvement Plan.

### 6.3 Departmental Strategic Goals

DEPARTMENTAL STRATEGIC GOAL	GOAL SUMMARY EXPLANATION
<p><b>STRATEGIC GOAL 1:</b></p> <p><b>GOOD CORPORATE GOVERNANCE</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Providing organisational leadership in pursuit of service delivery excellence</b> through good governance aimed at eradicating poverty involving the EC community.</li> <li>▪ Reducing organisational risk by providing strategic direction and <b>planning</b> aimed at the optimal use of <b>provincial resources</b> using <b>sound information</b> and <b>technology</b> involving mainstreaming of special groups and stakeholders.</li> <li>▪ Enhancing individual performance levels, and achieving sound employee relationships and wellness, supported by an equitable and development programme.</li> </ul>
<p><b>STRATEGIC GOAL 2:</b></p> <p><b>IMPROVING SERVICE DELIVERY</b></p>	<ul style="list-style-type: none"> <li>▪ Achieving the highest service delivery levels by meeting government accommodation needs and requirements, involving and enhancing EC emerging HDI suppliers and contractors.</li> <li>▪ Implementation of Infrastructure Delivery Improvement Plan (IDIP).</li> </ul>
<p><b>STRATEGIC GOAL 3:</b></p> <p><b>PROVIDING STRATEGIC LEADERSHIP TO THE CONSTRUCTION AND PROPERTY INDUSTRIES TO ENSURE</b></p>	<p>Being the custodian of both the construction and property charters the department is charged with ensuring that transformation in these industries is driven in a manner that allow broad participation, but also ensuring that the industries are capacitated and developed to play a</p>

<b>ECONOMIC GROWTH AND DEVELOPMENT</b>	meaning full role in stimulating economic growth and development
<b>STRATEGIC GOAL 4: CONTRIBUTING TO POVERTY AND UNEMPLOYMENT REDUCTION</b>	By effectively coordinating and driving the implementation of Expanded Public Works Programme and other related programmes, the department seeks to express its response and contribution to vision 2014.
<b>STRATEGIC GOAL 5: EFFICIENT AND EFFECTIVE ASSET MANAGEMENT'S PRACTICES</b>	Achieving effective revenue collection, asset and lease management supported by integrated budget, financial, payment and procurement support services and information systems.

## **Part B: Programme and sub-programme performance targets**

### **7. Programme 1: ADMINISTRATION**

The programme is responsible for providing strategic leadership and overall management as well as support functions to the entire organisation.

#### **7.1 Policies**

Policies and procedure manuals have been developed in the following areas and are being implemented and monitored for effectiveness:

- Leave policy and procedure
- Supply chain management policies
- Fraud Prevention Strategy

#### **7.2 Priorities**

- Implementation of a department-wide performance improvement and measurement framework.
- Development and Maintenance of an Integrated Management Information System.
- Maximisation of revenue generation.
- Promotion of good Corporate Governance practices across all programmes.
- Implementation of a comprehensive Human Resource Development Strategy.
- Establishment and Maintenance of an Information and Knowledge Management.
- Strengthening of Customer Service to provide support the organisation's back office.

**7.3 Table 2: Strategic Goals alignment with Strategic Objectives**

PROGRAMMES	STRATEGIC GOALS	STRATEGIC OBJECTIVES
<b>PROGRAMME 1</b>	<b>GOOD CORPORATE GOVERNANCE</b>	<ul style="list-style-type: none"> <li>▪ Provide sound strategic and operational planning, monitoring and evaluation services.</li> <li>▪ Implement effective and efficient organisational performance measures.</li> <li>▪ Provide effective and efficient financial management support services.</li> <li>▪ Create an environment conducive to attracting and retaining competent staff</li> <li>▪ Implement strategies to strengthen customer service to improve department's image.</li> <li>▪ To provide strategic financial support to the Accounting Officer and delegated officials.</li> </ul>
	<b>STRATEGIC LEADERSHIP TO CONSTRUCTION AND PROPERTY INDUSTRIES.</b>	<ul style="list-style-type: none"> <li>▪ Implement strategies and programmes to support SMME development and empowerment.</li> </ul>
	<b>POVERTY AND UNEMPLOYMENT REDUCTION</b>	<ul style="list-style-type: none"> <li>▪ Implement strategies that support employment opportunities.</li> </ul>

	<b>EFFICIENT AND EFFECTIVE ASSET MANAGEMENT.</b>	<ul style="list-style-type: none"> <li>▪ Provide best practice asset management systems.</li> </ul>
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#### 7.4 Summary of Progress analysis

Procurement plans are being developed for the Social Development, Housing, Local Government & Traditional Affairs and Public Works. The procurement plans for Department of Health and Education have been finalised.

The foregoing financial year has seen the department establishing itself as a reputable department in a manner in which it renders its service. In last quarter of the financial year we have been involved in an aggressive drive to attract capacity and reduce the vacancy rate in the department. This drive has yielded exceptional results as the department has managed to reduce the vacancy rate 13%.

Fraud prevention has received the department's utmost attention to date. The Fraud prevention campaign was launched towards the close of the 2006, the campaign is meant to give effect to the Fraud Prevention Strategy the department has developed and adopted recently. All relevant committees have been set up and are functional. The risk management strategy has been completed.

The department is however still challenged in the area of effectively communicating and marketing its programmes and achievements. In this regard services of a communication's partner are sought to overcome this challenge.

#### 7.5 Table 3: Analysis of constraints and measures planned to overcome them

<b>ANALYSIS OF CONSTRAINTS</b>	<b>MEASURES PLANNED TO OVERCOME CONSTRAINTS</b>
Systems back up to sustain BAS / Logis operability.	Improvement in the management of IT systems within the Department.
Limited integration of Procure to Pay System	Implementation of an Integrated Electronic Procure to Pay System
Scarce skills shortage in the Industry.	Address through the development of skills plans and capacitation, evaluate effectiveness.

ANALYSIS OF CONSTRAINTS	MEASURES PLANNED TO OVERCOME CONSTRAINTS
	Collaborate with institutions of higher learning; retain bursars; staff recruitment and retention policy.  Phased approach to fill posts over MTEF.

**Table 4: Sub-Programme Management: Strategic Objectives, Measurable Objectives, Performance Measures indicators and Targets**

Sub Programme: Management		Strategic Objective: Provide sound strategic and operational planning, monitoring evaluation and review services.					
Measurable Objective		Performance Measure Indicator	Actual 2005/06	Estimate 2006/07	Target 2007/08	Target 2008/09	Target 2009/2010
<b>1. STRATEGIC PLANNING</b>	1.1 Coordinated and submitted completed plans	% of extent of adherence to deadlines and	-	-	100%	100%	100%
		% of quality of outputs and progress			100%	100%	100%
	1.2 Coordinated operationalisation of strategy	Number of developed operational plans by regions and components.	-	-	9	9	9
		% of Level of strategy operationalisation			100%	100%	100%

<b>Sub Programme: Management</b>		<b>Strategic Objective: Provide sound strategic and operational planning, monitoring evaluation and review services.</b>					
<b>Measurable Objective</b>		<b>Performance Measure Indicator</b>	<b>Actual 2005/06</b>	<b>Estimate 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
<b>COMMUNICATIONS</b>	1.3 Number and quality of Monthly, quarterly and annual reports	12 monthly reports submitted on time	-	-	12	12	12
		4 quarterly reports submitted on time			4	4	4
		1 annual report submitted on time	1	1	1	1	1
		% of quality of all reports	100%	100%	100%	100%	100%
	2.1 Approval communication plan by April 2007	Approved communication plan by April 2007	-	-	100%	100%	100%
	2.2 communication strategy implemented	% of extent of implementation of strategy	-	-	100%	100%	100%
	<b>3. RESEARCH UNIT</b>	3.1 Approved budget & structure	% of the number of posts filled in the structure	-	-	100%	100%
3.2 Continuous research		% of Impact of research results	-	-	100%	100%	100%

<b>Sub Programme: Management</b>		<b>Strategic Objective: Provide sound strategic and operational planning, monitoring evaluation and review services.</b>					
<b>Measurable Objective</b>		<b>Performance Measure Indicator</b>	<b>Actual 2005/06</b>	<b>Estimate 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
	3.3 Communication findings and implement recommendations	% of extent of continued improvement	-	-	100%	100%	100%
<b>4. SPECIAL PROGRAMMES UNIT</b>	4.1 Established SPU's in regions by September 2007	Number of established SPU's in regions by September 07	-	-	5	5	5
	4.2 Functional SPU's in regions	% of extent of functional SPU's in regions	-	-	100%	100%	100%
	4.3 Strategy integrated into all programmes	% of extent of integration	-	-	100%	100%	100%
	4.4 Special groups participation programmes	% extent of participation by Special groups in departmental programmes.	-	-	100%	100%	100%

<b>Sub Programme: Management</b>		<b>Strategic Objective: Provide sound strategic and operational planning, monitoring evaluation and review services.</b>					
<b>Measurable Objective</b>		<b>Performance Measure Indicator</b>	<b>Actual 2005/06</b>	<b>Estimate 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
	4.5 Awareness programme Conducted on built environment	% of the number of young people taking careers in built environment	-	-	100%	100%	100%

**Table 5: Sub- Programme Corporate Services: Strategic Objectives, Measurable Objectives, Performance Measures indicators and Targets**

Create an environment conducive to **attracting** and **retaining** competent staff.

<b>Sub Programme: Human Resources Management</b>				<b>Strategic Objectives: Implement effective and efficient organisational performance measures.</b>				
				<b>Creating an environment conducive to attracting and retaining competent staff</b>				
<b>Measurable objective</b>	<b>Performance Measure or Indicator</b>	<b>Year 2005/06</b>		<b>Base year 06/07</b>		<b>Year 07/08</b>	<b>Year 08/09</b>	<b>Year 09/2010</b>
		<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(target)</b>	<b>(target)</b>
Integrated programmes.	HR 100% Systematic population of organogram					100%	100%	100%
Efficient HR Information system	100% Improved collection and analysis of workforce statistical information.					1134	1134	1134
Streamlined administration processes	% of Improved skills and productivity levels.					85	100	120
Improved management and monitoring of	Responsive administration of service benefits and conditions.					11	11	11

<b>Sub Programme: Human Resources Management</b>				<b>Strategic Objectives: Implement effective and efficient organisational performance measures.</b>				
				<b>Creating an environment conducive to attracting and retaining competent staff</b>				
<b>Measurable objective</b>	<b>Performance Measure or Indicator</b>	<b>Year 2005/06</b>		<b>Base year 06/07</b>		<b>Year 07/08</b>	<b>Year 08/09</b>	<b>Year 09/2010</b>
		<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(target)</b>	<b>(target)</b>
performance								
	Fully representative organisation					100%	100%	100%
	% of change in employment relations.					100%	100%	100%
	% of reduced vacancy rate.					100%	100%	100%
	% of Improved management and monitoring of performance					100%	100%	100%
	% of Packages for scarce occupations reviewed and implemented.					100%	100%	100%
Improved working environment, systems, policies and procedures.	% of change in environment (A professional and modernised environment.)					100%	100%	100%
Best practice HR policies and procedures	% of impact of focussed and targeted recruitment					100%	100%	100%

<b>Sub Programme: Human Resources Management</b>				<b>Strategic Objectives: Implement effective and efficient organisational performance measures.</b>				
				<b>Creating an environment conducive to attracting and retaining competent staff</b>				
<b>Measurable objective</b>	<b>Performance Measure or Indicator</b>	<b>Year 2005/06</b>		<b>Base year 06/07</b>		<b>Year 07/08</b>	<b>Year 08/09</b>	<b>Year 09/2010</b>
		<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(target)</b>	<b>(target)</b>
Revised streamlined HR delivery model.	(100% implementation of model) HR Consultancy services model implemented.					100%	100%	100%

**Table 6: Finance: Strategic Objectives, Measurable Objectives, Performance Measures indicators and Targets**

<b>FINANCE BRANCH</b>		<b>Strategic Objective: To provide strategic financial support to the Accounting Officer and delegated officials.</b>				
<b>Measurable Objective</b>	<b>Performance Measure Indicator</b>	<b>Actual 2005/06</b>	<b>Estimate 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
1. Provide financial resources to all departmental programmes and monitor their expenditure performance, resulting in less than 2% variances by 2010.	100% budget expenditure	98.5%	99%	100%	100%	100%
	Nil Fruitless Expenditure	R9,146m	0	0	0	0
	Nil Unauthorised Expenditure	R26,782m	0	0	0	0
	Nil Irregular Expenditure	R1,487m	< R500k	0	0	0
	Virements < 8% Total Budget	0	0	0	0	0
2. Eliminate financial control weaknesses, resulting in an unqualified audit opinion by 2010.	Financial Control Risks reduced to acceptable levels	Risks High	Medium	Low	Low	Low
	Unqualified audit opinion	Qualified on 2 matters	Unqualified	Unqualified	Unqualified	Unqualified
3. Procure 80% goods and services from BEE entities by 2010.	Percentage of tenders awarded to BEE Companies.	-	60%	65%	70%	80%

<b>FINANCE BRANCH</b>	<b><u>Strategic Objective:</u> To provide strategic financial support to the Accounting Officer and delegated officials.</b>					
<b>Measurable Objective</b>	<b>Performance Measure Indicator</b>	<b>Actual 2005/06</b>	<b>Estimate 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
	Reduced internal control weaknesses	-	-	Moderate Internal Control	Moderate Internal Control Weaknesses	Strong Internal Control Environment

**Table 7: Programme 1: Programme budget by sub-programme (R million) <sup>1</sup>**

<b>Programme 1: Administration</b>	<b>Year – 2 (2004/0 5)</b>	<b>Year - 1 (2005/06)</b>	<b>Base year (2006/7)</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 (2007/08 )</b>	<b>Year 2 (MTEF) 2008/09</b>	<b>Year 3 (MTEF) 2009/2010</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
1.1. Office of the MEC	2,794	3,562	3,369	N/A	3, 513	3,670	3,835	-1,9%
1.2. Management	79,089	73,768	61,372	-4,7%	65,321	68,241	71,313	5,5%
1.3. Corporate Support	95,211	69,818	64,177	0.7%	87,320	94,653	98,912	3,2%
<b>Total programme 1 :</b>	<b>177,094</b>	<b>147,148</b>	<b>128.918</b>	<b>-21,4</b>	<b>156,154</b>	<b>166,564</b>	<b>174,060</b>	

## **8. PROGRAMME 2: PUBLIC WORKS**

The programme is responsible to provide services to maintain buildings infrastructure to all provincial government departments.

### **8.1 Policies**

- White Paper on the Transformation of Public Works (Public Works Towards the 21<sup>st</sup> Century).
- Government-wide Immovable Asset Management Framework.
- The Eastern Cape Disposal Act, No.7 of 2000 a.a.
- Norms and Standards for Government Accommodation.

## 8.2 Priorities

- Development and Rollout of the Strategic Government Accommodation Programme.
- Rollout of Government-wide Immovable Asset Management Framework.
- Improvement of the Prestige Facilities Management portfolio.
- Implementation of the Infrastructure Delivery Improvement Programme.
- Implementation of a Buildings Infrastructure Maintenance Plan

## 8.3 Table 8: Strategic objectives for programme 2

STRATEGIC GOAL	STRATEGIC OBJECTIVES
Achieving the highest service delivery levels by meeting government accommodation needs and requirements, involving and enhancing EC emerging HDI suppliers and contractors.	Satisfy client needs and requirements through the effective usage of regional in-house units focussing on optimal building standards
	Optimally provide buildings infrastructure services to provincial government clients
	Control of immovable provincial assets by means of an effective asset register, compliant lease agreements, and rollout Government-wide Immovable Asset Management Framework Act
	Assess and upgrade government accommodation in terms of agreed guidelines and requirements

#### **8.4 Summary of Progress analysis**

The DPW/Client Departmental planning is based on Infrastructure Delivery Improvement Programme (IDIP). The clients have been workshopped on the IDIP rollout held during February 2007. The infrastructure programme improvement plans for Department of Health and Department of Education have been finalised. Plans are in place for finalising the infrastructure programme plans for other Client Department. DPW is currently supporting Department of Health, Education, Sports, Recreation, Arts & Culture and Department of Housing, Local Government & Traditional Affairs in submitting the infrastructure plans as required by National Treasury. Monitoring and reporting systems have been developed and are effective.

A payment tracking system has been developed. The system tracks payments and analyses the days it takes for the payments to take place and has been rolled out in the department of Health. On average, it now takes about six days for the department of Public Works to process payments, payment days have been reduced significantly.

For the Department of Education, Service Level Agreements and Programme Implementation Plan have been developed, discussed, and adopted with the necessary amendments.

In addition, as an immediate benefit of the processes outlined above reporting is standardised for all departments. The standard reports include Infrastructure PGDP indicators. Meetings are being held regularly to ensure that projects are on schedule and that necessary interventions are made at early stages.

To overcome the challenge of skills shortage the department has, over and above the establishment of the PMT developed the infrastructure skills development plan. The plan has been approved by cabinet and has been the basis for NSF funding for the entire province. We have also developed within this context, a model to massively produce artisans and professional competencies for both the department and the construction industry. In collaboration with Institutions of Higher learning and FET colleges we have placed over 200 students in the programme.

**8.5 Table 9: Analysis of constraints and measures planned to overcome them**

<b>ANALYSIS OF CONSTRAINTS</b>	<b>MEASURES PLANNED TO OVERCOME CONSTRAINTS</b>
Staff shortages amongst professional and technical staff	Implementation of the Skills development programme participation within the programme for sourcing Cuban professionals

**8.5.1 Table 10: The Maintenance Backlog**

<b>Client</b>	<b>Estimated number of buildings in poor or very poor condition</b>	<b>Estimated expenditure required to prevent further deterioration</b>	<b>Estimated expenditure required to bring buildings to good condition</b>
<b>Public Works</b>	<b>280 in poor condition</b>	<b>R70 million per year as at 2005</b>	<b>R350m for a 5 year plan only</b>

Source: condition assessment survey performed by DPW

**8.6 Description of planned quality improvement measures**

Public Works will be implementing effectively the infrastructure monitoring and evaluation systems that have been developed.

## **8.7 Sub-programme 2.1: Property Management**

**Purpose:** The programme is responsible for providing office accommodation requirements for Head Office and district offices as well as to manage the portfolio of properties DPW is leasing out.

### **8.7.1 Policies**

- The Government-wide Immovable Asset Management Framework.
- The White Paper on the Transformation of Public Works.
- The Eastern Cape Land Disposal Act 7 of 2000 a.a.

### **8.7.2 Priorities**

- Coordinate the Implementation of the strategic government accommodation programme.
- Implementation of GIAMF.
- Facilitate and coordinate the implementation of devolution of rates and taxes.

### **8.7.3 Summary Progress analysis**

In fulfilling our responsibility of providing long term strategic accommodation, a Public Private Partnership has been registered with Treasury for the development of Bhisho Office Park. The office park is but one project in a programme to develop Bhisho and King Williams' Town within a context of KWT/BHISHO revitalisation project, hence our collaboration with the Buffalo City municipality.

An application for registering another PPP for the development of offices in Mt Ayliff has been approved by cabinet. In collaboration with Umzimvubu municipality a suitable site has been identified within the context of Spatial Development Framework.

Regarding Immovable Asset Management, asset register and maintenance plan for 1134 properties have been finalised and being maintained. Information on schools, clinics, and hospitals has been consolidated and transferred to the respective departments to facilitate upgrading of the asset registers for the respective departments.

Disposal policy was developed and redundant property identified. 85 redundant properties have identified for disposal and are currently awaiting valuations before they are submitted to cabinet for a final decision.

Vesting of properties to the EC province is underway. 483 properties have been vested to date while 463 being recommended for further vesting but are awaiting item 28(i) certificates. 240 properties have been verified by the PSLDC task team while 217 properties have been recommended for disposal by PSLDC.

Regarding readiness, the devolution of Rates and taxes to provinces by the National Department of Public Works, DPW is currently participating in a task team with NDPW, Land Affairs, and municipalities. The task team is engaged in a process of verifying all government properties within the Eastern Cape. So far properties in Peddie, Butterworth, Alice, and King Williams Town have been verified. This process of devolution is driven by the National Treasury and the National Department of Public Works. The provincial chapter of this process will be led by provincial DPW working with user departments and municipalities and NDPW whose role will be to inform budget reallocations and credible information for various asset registers.

**8.7.4 Table 11: The Province's Leased Portfolio by Department**

Leased Portfolio	Land		Buildings		Cost to government In R' 000
	Number of properties leased	Total number of hectares	Number of buildings	Square Meters of building	
Health Department	None	N/A	8	8,240	30,113
Education Department	None	N/A	14	17,020	11,093
Social Development Department	None	N/A	12	5,096	649
Other clients combined	None	N/A	48	28,686	32,312
<b>TOTAL</b>	<b>None</b>	<b>N/A</b>	<b>82</b>	<b>59,042</b>	<b>74,167</b>

According to the space needs of various departments, space is proving to be very much in demand. In response to this challenge the Department has reviewed a programme for providing space for provincial departments.

**8.7.5 Table 12: The Province's Leased Portfolio by Department**

Leased Portfolio	Land		Buildings		Cost to government
	Number of properties leased	Total number of hectares	Number of buildings	Square Meters of building	In R' 000
Health Department	None	N/A	8	8,240	30,113
Education Department	None	N/A	14	17,020	11,093
Social Development Department	None	N/A	12	5,096	649
Other clients combined	None	N/A	48	28,686	32,312
<b>TOTAL</b>	<b>None</b>	<b>N/A</b>	<b>82</b>	<b>59,042</b>	<b>74,167</b>

A study undertaken recently to determine need for office space particularly at head office has revealed that there is major shortage of space for all Departments. Demand for office space within the next three years is as indicated in the table below:

8.7.6 Table 13: The demand for new space - capital projects and facilities

New Demand for Space	Number	Planned Capital Expenditure		
		Budget (R'000) 2007/08	Budget (R'000) 2008/09	Budget (R'000) 2009/10
Office of the Premier	1 project			
Health	New Construction ((building & infrastructure):193 projects	190, 635	192, 405	-
	Rehabilitation and upgrading 13 multi year projects	169, 200	174, 000	-
	Other capital projects: 26 projects	339, 000	354, 839	-
	Recurrent maintenance	112, 872	134, 000	-
	Revitalisation	186,600	143,949	148,406
Program No.4 special schools 06/07	13 Projects	150.226	158,986	
Mud Structure replacement program projects	331 Projects			
Other Programs, Disaster Schools Relocatable	As Required	30,000	37,819	
Department of Social Development	7 new projects	23,401	25,110	
Department of Sport Recreation Arts and Culture	11 new projects	22,974	24,608	30,798
<b>TOTAL</b>		<b>1,224,908</b>	<b>1,245,716</b>	<b>179,204</b>

8.7.7 Table 14: Analysis of constraints and measures planned to overcome them

ANALYSIS OF CONSTRAINTS	MEASURES PLANNED TO OVERCOME CONSTRAINTS
Staff shortages amongst professional and technical staff	<ul style="list-style-type: none"> <li>• Filling of critical posts, Participation in the bilateral agreement between government and Cuba.</li> </ul>
Skills shortages	<ul style="list-style-type: none"> <li>• Implementation of adopted structured skills development interventions.</li> </ul>
Inadequate space for various clients departments.	<ul style="list-style-type: none"> <li>• Strategic spatial planning interventions including the registration of a PPP.</li> <li>• Space optimisation project.</li> <li>• Upscaling district development.</li> </ul>

8.7.8 Table 15: Specification of measurable objectives and performance indicators

Sub Programme: Property Management				<b>Strategic Objective: Control of immovable provincial assets by means of an effective asset register, compliant lease agreements, and rollout Government-wide Immovable Asset Management Framework Act</b>				
Measurable objective	Performance Measure or Indicator	Year 2005/06		Base year 06/07		Year 07/08	Year 08/09	Year 09/2010
		(target)	(actual)	(target)	(actual)	(target)	(target)	(target)
Develop a Strategic Government Accommodation Programme	Registered PPP					100%	100%	100%
	% of extent of implementation of plan					100%	100%	100%
Reduce surplus properties	Number of disposed properties.					85	100	120
	% of identified properties converted					100%	100%	100%
Developed compliant management plans per user department (as per GIAMF)	Number of plans developed					5	7	11

## **8.8 Sub-programme 2.2: Building Maintenance**

This programme is responsible for providing services for the maintenance of provincially owned government properties.

### **8.8.1 Policies**

The following policies are applicable:

- The Construction Industry Development Board Act, 2000 a.a.
- JBCC Contract Management Norms and Standards for Contract Works.
- Norms and Standards applicable to the Built Environment.

### **8.8.2 Priorities**

- Implementation of the 5-year maintenance plan.
- Implementation of the Building Maintenance Units Projects (B.M.U.P.).
- Improved management of prestige facilities.

### **8.8.3 Progress analysis**

District development is well underway currently implementing 18 projects and expenditure being at 70%. Some of these are multi-year projects.

The condition assessment for 1134 properties has been finalised and maintenance is planned according to budget availability and prioritisation. The plan appreciates the maintenance backlogs and accordingly responds to such challenges.

As part of the plan to revitalise Bhisho and create a conducive environment to the Public Service, a project entailing refurbishing buildings and enhancing the environment has been initiated.

**8.8.4 Table 16: Analysis of constraints and measures planned to overcome them**

ANALYSIS OF CONSTRAINTS	MEASURES PLANNED TO OVERCOME CONSTRAINTS
Staff shortages amongst professional and technical staff	Implementation of skills development programme
Challenges facing in-house maintenance teams.	Participation within the programme for sourcing Cuban professionals

**8.8.5 Table 17: Sub-programme 2.2: Building Maintenance: Specification of measurable objectives and performance indicators**

<b>PUBLIC WORKS :SUB – PROGRAMME: BUILDINGS MAINTENANCE</b>		<b>Strategic Objectives: Satisfy client needs and requirements through the effective usage of regional in-house units focussing on optimal building standards. Optimally provide building services to provincial government clients. Assess and upgrade government accommodation in terms of agreed guidelines and requirements.</b>					
<b>Measurable objective</b>		<b>Performance Measure or Indicator</b>	<b>Base Year 05/06</b>	<b>Actual 06/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
<b>1.Implement maintenance plan</b>	1.1 Repairs and renovations of government houses	Number of government houses renovated (289)	220 houses	90 houses	114 houses	95	80
	1.2 Offices and depot - major renovations (102 using EPWP principles)	Number of offices and depots renovated (102)	52 projects	37 projects	26 projects	37	39
	1.3 Landscaping / clearing of erven (30 sites)	Number of ervens cleared and landscaped (30 sites)		30 sites	30 sites	30 sites	30 sites

<b>PUBLIC WORKS :SUB – PROGRAMME: BUILDINGS MAINTENANCE</b>		<b>Strategic Objectives: Satisfy client needs and requirements through the effective usage of regional in-house units focussing on optimal building standards. Optimally provide building services to provincial government clients. Assess and upgrade government accommodation in terms of agreed guidelines and requirements.</b>					
<b>Measurable objective</b>		<b>Performance Measure or Indicator</b>	<b>Base Year 05/06</b>	<b>Actual 06/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/2010</b>
<b>2. IMPLEMENT BMUP:</b>	1.4 Maintenance of specialised	Number of units	1000 units	1000 units	1000 units	1000 units	1000 units
	1.5 Equipment (airlifts, lifts, fire etc)						
	Trained personnel	Number of personnel trained			551 assessments and 120 in training	300 assessments and 120 in training	120 in training
	Maintained client departments	Number of departments maintained			100%	100%	100%

## **8.9 Sub-programme 2.3: New Works**

This programme is responsible for providing services and facilitate the construction of provincial government infrastructure.

### **8.9.1 Policies**

The following policies are utilised:

- The Construction Industry Development Board Act 43 of 2000 a.a.
- JBCC Contract Management Norms and Standards for Contract Works.
- Norms and Standards applicable to the Built Environment.

### **8.9.2 Priorities**

Public Works own capital projects;

Implementation of the following client departments' projects:

- Capital projects for Health
- Capital projects for Education
- Capital projects for Social Development
- Capital projects for Housing, Local Government and Traditional Affairs
- Capital projects for the Office of the Premier

### 8.9.3 Summary Progress analysis

The DPW/Client Departmental planning is based on Infrastructure Delivery Improvement Programme (IDIP). The clients have been workshopped on the IDIP rollout held during February 2007. The infrastructure programme improvement plans for Department of Health and Department of Education have been finalised. Plans are in place for finalising the infrastructure programme plans for other Client Department. DPW is currently supporting Department of Health, Education, Sports, Recreation, Arts & Culture and Department of Housing, Local Government & Traditional Affairs in submitting the infrastructure plans as required by National Treasury. Monitoring and reporting systems have been developed and are effective.

For the department of Education, Service Level Agreements and Programme Implementation Plan have been developed, discussed, and adopted with the necessary amendments.

In addition, as an immediate benefit of the processes outlined above reporting is standardised for all departments. The standard reports include Infrastructure PGDP indicators. Meetings are being held regularly to ensure that projects are on schedule and that necessary interventions are made at early stages. The department is now comfortable that it is on track in servicing its clients with repute.

To overcome the challenge of skills shortage the department has, over and above the establishment of the PMT developed the infrastructure skills development plan. The plan has formed the basis for NSF funding for the entire province. DPW has also developed within this context, a model to develop artisans and professional competencies for by both department and the industry. In collaboration with Institutions of Higher learning and FET colleges we have placed over 200 students in the programme.

### 8.9.4 Table 18: Analysis of constraints and measures planned to overcome them

ANALYSIS OF CONSTRAINTS	MEASURES PLANNED TO OVERCOME CONSTRAINTS
The staffing of and skills within the programme is inadequate for managing the client departments' projects.	Implementation of skills' development programme.
Capacity of in-house teams.	Implement the planned BMUP intervention.

### 8.9.5 Table 19: Specification of measurable objectives and performance indicators

<b>Sub-Programme: New Works</b>		<b>Strategic Objective: Optimally provide buildings infrastructure services to provincial government clients [(</b>						
<b>Measurable objective</b>	<b>Performance Measure or Indicator</b>	<b>Year 2005/06</b>		<b>Base year 06/07</b>		<b>Year 07/08</b>	<b>Year 08/09</b>	<b>Year 09/10</b>
		<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(actual)</b>	<b>(target)</b>	<b>(target)</b>	<b>(target)</b>
		<b>Roll out of Infrastructure Delivery Improvement Programme (IDIP) by 2010</b>	Infrastructure Programme Implementation Plans for 5 client departments developed				5	5
Assist 5 client departments in developing infrastructure plans					5	5	5	5
Develop DPW infrastructure plans								
Develop and sign 5 DPW/Client departments Service Level Agreements.					5	-	-	-

## 8.9.6 Reconciliation of budget with plan

8.9.6.1 Table 20: Real Expenditure on Programme 2

<b>Programme 2: Public Works</b>	<b>Year 1 (actual) 2004/05</b>	<b>Year 2 (actual) 2005/06</b>	<b>Year 3 Base year (estimated Actual) 2006/07</b>	<b>Year 4 (budget) 2007/08</b>	<b>Year 5 (MTEF projection) 2008/09</b>	<b>Year 6 (MTEF projection) 2009/10</b>
<b>2.1 Programme support office</b>	3,798	4,485	5,961	6,173	6,530	6,824
<b>2.2 Property Management</b>	105,481	121,010	133,426	149,889	159,670	166,855
<b>2.3 Building Maintenance</b>	190,116	182,635	215,184	277,162	375,252	392,139
<b>Total Programme 2:</b>	<b>299,395</b>	<b>308,130</b>	<b>354,571</b>	<b>433,224</b>	<b>541,452</b>	<b>565,818</b>

## 9. Programme 3: PUBLIC WORKS PROGRAMME

EPWP aims to create additional work opportunities for a minimum of 176 000 people, at least 40% of whom will be women, 30% youth, and 2% people with disabilities in the province of the Eastern Cape.

### 9.1 Policies, priorities and strategic objectives

#### 9.1.1 Guiding Policies

- Construction Industry Development Board Act 43 of 2000 a.a.
- Broad Based Black Economic Empowerment Act
- Expanded Public Works Programme Guidelines and Framework

### 9.1.2 Priorities

- Improve on the implementation of the Expanded Public Works Programme by strengthening coordination and up-scaling performance.
- Strengthen institutional capacity in order to effectively drive the implementation of EPWP

### 9.1.3 Strategic objectives for programme 3

PROGRAMME	STRATEGIC GOALS	STRATEGIC OBJECTIVES
PROGRAMME 3	STRATEGIC LEADERSHIP TO CONSTRUCTION AND PROPERTY INDUSTRIES.	<ul style="list-style-type: none"> <li>▪ Contribute to and implement National Contractor Development Programme.</li> <li>▪ Implement strategies that empower women in properties.</li> </ul>
	POVERTY AND UNEMPLOYMENT REDUCTION	<ul style="list-style-type: none"> <li>▪ Drive Implementation of EPWP in all sectors.</li> <li>▪ Implement strategies and programmes to support SMME development and empowerment</li> </ul>

## 9.2 Summary of Progress analysis

Significant progress has been recorded in this area. Institutionally, the provincial Steercom and all sector committees are functional. In partnership with Coega Development Corporation the department has trained (NQF 5&7) DPW infrastructure managers on labour based methods of delivering infrastructure to ensure job massification. The In – house teams have been trained to utilise EPWP principles in implementing projects. They (in-house) are currently implementing 10 projects that are underway.

To date 28 335 job opportunities have been created with 7612 for Youth; 13807 for women, and 150 for people with disabilities; 30 951 person days of training was created. 385 learners have been placed on a Learnership programme. However, the programme is challenged in the following areas: (i) general understanding of the programme by stakeholders, coordinating a decentralised and inadequate marketing of the programme.

As at December 2006, the programme expenditure is R289, 787 856.00 against a provincial budget of R529 082 186.

## 9.3 Table 21: Demand for and performance of Community Based Programmes by Region

Region	Community based programmes						
	Female	Male	Total	No. of Projects last year	Number of person days employment created		
					Female	Male	Total
Cacadu	22 373	29 657	52 030	4	66	169	67 530
Amatole	165 979	157 539	323 518	94	1 700	1 035	30 967
Chris Hani	60 978	55 076	116 054	46	127	410	12 540
Ukhahlamba	22 85	19 304	42 154	45	13 844	21 736	45 580
OR Tambo	117 106	118 907	236 013	39	11 345	7 842	49 192
Alfred Nzo	40 581	41 793	82 374	30	3 072	10 500	39 600
<b>TOTAL</b>	<b>409 302</b>	<b>422 276</b>	<b>1 119 056</b>	<b>258</b>	<b>30 154</b>	<b>41 692</b>	<b>245 409</b>

**9.4 Table 22: Analysis of constraints and measures planned to overcome them**

<b>ANALYSIS OF CONSTRAINTS</b>	<b>MEASURES PLANNED TO OVERCOME CONSTRAINTS</b>
Limited availability of job opportunities for EPWP learnership contractors and emerging contractors.	Develop and implement a strategy to address the issue.
Limited knowledge and awareness of EPWP	Implementation of a programme to profile and market EPWP.

**9.5 Description of planned quality improvement measures**

The department will increase its capacity to coordinate, provide technical support for clients through extensive training and increase the marketing of the programme.

9.6 Table 23: Specification of measurable objectives and performance indicators

Expanded Public Works Programme:		Strategic Goal: Providing organisation leadership in pursuit of service delivery excellence through good governance aimed at eradicating poverty involving the EC community.					
Strategic Objective	Measurable Objective	Performance Measure or Indicator	Base Year 2005/06	Actual 2006/07	Target 2007/08	Target 2008/09	Target 2009/10
Facilitate and coordinate the roll-out of the Provincial Expanded Public Works Programme	1. Drive EPWP Strategy in the province and implement in the department 1.1 Active coordination of information and projects	a. 8 workshops held with provincial departments	-	-	8	8	8
		b. 12 with municipalities	-	-	12	12	12
		c. service providers	-	-	4	4	4
	1.2 Upscaled EPWP projects and increased job creation opportunities	Create 150 000 jobs inclusive of job opportunities	-	-	40 000	65 000	45 000
	1.4 Extent of individual Skills and EPWP learnership contractors Developed through the programme	% of participants at a point exit to secure employment per sector:					
		Infrastructure Sector	-	-	8%	8%	8%
		Social Sector	-	-	40%	40%	40%
		Economic Sector	-	-	30%	30%	30%
		Environment and Culture			10%	10%	10%

## 9.7 Reconciliation of budget with plan

### 9.7.1 Table 24: Real Expenditure on Programme 3:

<b>Programme 3: Community based programmes</b>	<b>Year - 1 (2004/05)</b>	<b>Base year (2005/06)</b>	<b>Year 1 (2006/07)</b>	<b>Real annual change (%)<sup>1</sup></b>	<b>Year 2 (MTEF 2007/08)</b>	<b>Year 3 (MTEF 2008/09)</b>	<b>Year 3 (MTEF 2009/10)</b>	<b>Real average annual change (%)<sup>2</sup></b>
3.1. Programme support	18,483	62,019	20,808		18,595	19,432	20,306	
<b>Total programme 3:</b>	<b>18,483</b>	<b>62,019</b>	<b>20,808</b>		<b>18,595</b>	<b>19,432</b>	<b>20,306</b>	

1. Average annual change between year -2 and base year.

2. Projected average annual change between base year and year 3

3. Real expenditure = nominal expenditure deflated by the average annual inflation rate as measured by the Consumer Price Index (CPI). CPI figures are obtained from STATS SA.

## 10. Sub-programme Construction Industry Development

This sub-programme is responsible for the development, capacitation, and empowerment of Emerging Contractors, materials suppliers, and materials manufacturers. It is also responsible for leading the transformation process of the construction industry by among other things monitoring and evaluating the implementation of and adherence to the norms and standards set out by the CIDB.

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

The challenges in this programme relates to registration status of emerging contractors the majority of whom are between grades 1-3, the capacity of emerging contractors to perform well. In our analysis of these challenges we found that there are two real challenges facing emerging contractors viz. lack of infrastructure skills, reliance on capital. The department has put in place a model through which the capacity of contractors and skills will be addressed.

## 10.2 Description of planned quality improvement measures

The department has developed a comprehensive plan to develop capacity of contractors. The plan is currently being implemented and is proceeding very well.

## 10.3 Table 25: Specification of measurable objectives and performance indicators

<b>Construction Industry Development Programme</b>	<b><u>Strategic Objectives:</u> Develop, implement and monitor the Contractor Development Programme</b>					
<b>Measurable Objective</b>	<b>Performance Measure or Indicator</b>	<b>Base Year 2005/06</b>	<b>Actual 2006/07</b>	<b>Target 2007/08</b>	<b>Target 2008/09</b>	<b>Target 2009/10</b>
Improved registration status of contractors in grades 1-3.	50% of these contractors to graduate to the next level by 2010.	-	-	15%	20%	15%
Trained 3000 artisans by 2010 resulting in 1000 per annum.	600 Artisans passed trade test.	-	-	200 trade tests	200 trade tests	200 trade tests