



## Department of Local Government and Housing

The Age of Hope = Sustainable Service Delivery!

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## Foreword

The task of transforming and developing our society and thus extricate our people from the yoke poverty and underdevelopment remains ever challenging. This is so because our country is only in its 13<sup>th</sup> year of transformation after many years of marginalization and deprivation of the majority of the citizens of this country in general and this Province in particular. On assuming the mantle of political power we inherited quite a number of abnormalities from many fronts that need to be normalized now.

So much has been done and yet so much remains outstanding. As much as we cannot afford to stop strategizing, we will nonetheless simultaneously continue implementing the strategies and plans that we have developed. To illustrate this point, there has been a remarkable improvement in the performance of municipalities. An increasing number of municipalities are receiving unqualified audits, we have spent hundred percent of our housing conditional grant within nine months, we have been voted as the best department that supports municipalities in the Vuna Awards. There are also indications that this trend will continue. In fact, one can continue citing examples illustrating how our plans are yielding required outcomes.

Once again, I want to categorically state that I approach the coming financial year with a sense of confidence and hope. Last month my department engaged in a strategic planning session wherein our vision, strategies and plans were rigorously reviewed and new challenges identified. Subsequently our plans were re-affirmed and a new approach to the identified challenges was outlined. Our ultimate goal is to improve the living conditions of the most marginalised and to do this with a coherent strategy to upgrade and create integrated liveable and sustainable human settlements.

I have already stated that so much has been done and yet so much still needs to be done. For instance, there has not been sufficient improvement in basic accounting and proper administration in many municipalities. This is illustrated by the late submission of financial statements and the lack of good understanding of GAMAP and audit procedures. In addition, the Auditor-General's reports highlight the increasing number of debtors in municipalities as a significant risk. There is just no chance for complacency in my department. Supporting municipalities to improve their capacity to function effectively and transform the apartheid landscape remains amongst the key challenges that needs to be vigorously addressed. Therefore, we shall continue with the task of supporting municipalities to improve their capacity.

In order to perform in a way that will deliver significant outcomes, my department ought to be focused. To be focused, I have what I term Drie-Voet. This speaks to the following issues: (1) accelerated service delivery. (2) capacity building (3) cooperative governance. Also, we have to continue spending what is allocated to us. We have to ensure that we spend our allocation qualitatively and in a manner that accelerates service delivery. We have to do this before we request outside help, meaning forging partnerships with those who will add resources to our limited ones.

It is an open secret that to be able to accelerate service delivery you will always need capacitated political and administrative leadership and this is where our shared services and partnerships with institutions like SALGA come in.

I am also concerned about the environmental challenges that face us. Climate change in the Western Cape presents the prospect of extreme weather conditions that often lead to disasters, such as fires and floods. This requires investment in the capacity of disaster management capability so as to be able to prevent and respond to disasters.

The issue of putting communities that we serve first goes without saying. To embrace, live and practice the principles of Batho Pele is a right and necessary thing to do for any government department including my department. A positive impact will be clearly noticeable in as far as Batho Pele when we achieve seamless governance.

**QR Dyantyi**  
**MINISTER OF LOCAL GOVERNMENT AND HOUSING**

## Contents

### Part A: Overview and strategic plan updates

1.	Overview	1
2.	Acceleration of housing delivery	3
3.	Municipal capacity building	3
4.	Strengthening of Intergovernmental Relations and quality Integrated Development Plans	4
5.	Strategic plan update analysis	5

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

6.	Programme 1: Administration	14
6.1	Policies, priorities and strategic objectives	14
6.2	Analysis of constraints and measures planned to overcome them	15
6.3	Specification of measurable objectives and performance indicators	16
6.4	Reconciliation of budget with plan	18
7.	Programme 2: Housing	19
7.1	Policies, priorities and strategic objectives	19
7.2	Analysis of constraints and measures planned to overcome them	20
7.3	Description of planned quality improvement measures	21
7.4	Specification of measurable objectives and performance indicators	22
7.5	Reconciliation of budget with plan	25

8.	Programme 3: Local Government	26
8.1	Policies, priorities and strategic objectives	26
8.2	Progress analysis	27
8.3	Analysis of constraints and measures planned to overcome them	28
8.4	Description of planned quality improvement measures	29
8.5	Specification of measurable objectives and performance indicators	29
9.	Capital investment, maintenance and asset management plan	38
10.	Medium-term revenues	38
11.	Co-ordination, co-operation and outsourcing plans	40
12.	Financial management	41

# Part A

## Overview and Strategic Plan Updates

### 1 Overview

The Department faces challenges of immense proportions. Despite these challenges it has not retreated into a sense of defeatism and despair. Instead, it has consistently continued to respond with determination and commitment. It has done so through realistic innovative and practical strategies and interventions that have enabled it to make remarkable strides towards improving the lives of the citizens of the Western Cape Province.

After the Local Government Elections, the political environment in the Province was challenging, because only four municipalities in the Province had outright majorities.

In 2006/2007, the Department focused all its training initiatives in 2006/2007 financial year on the newly elected councillors to bring up to speed with their new responsibilities, councillors. In this regard the department supported SALGA with the councillor induction programme during April 2006 as well as provided a financial contribution to SALGA: Western Cape for the roll-out of an accredited councillor development programme. A women councillor leadership development programme was also implemented for all women councillors in the Province.

The Department also started to implement the municipal capacity building strategy with the compilation of competency profiles for senior municipal personnel with the support of the Capacity Building Reference Group. These profiles were submitted to the DPLG who in turn issued these competency profiles to municipalities.

Municipalities were supported with the appointment of municipal managers' posts, with the compilation and issuing of a guideline document on the appointment process and a dedicated service provider was appointed to provide hands-on support to Project Consolidate municipalities. Ongoing specialized hands-on support was provided to Kannaland and Cederberg municipalities with the implementation of their recovery plans and a significant progress was made in this regard.

Project consolidate has lead the process of mainstreaming hands-on support as well as driving the Local Government Strategic Agenda 2006-2011 on behalf of the Province. In partnership with the DBSA, five (5) engineers and four (4) financial experts were deployed to six (6) municipalities to provide hands-on support as part of the Siyenza Manje Project. Support was also provided to municipalities with the implementation of the Property Rates Act and an implementation guide in this regard was developed and distributed.

The Local Government Medium Term Expenditure Committee (LG MTEC) process highlighted the importance of effective inter-governmental relations in reaching synergy between the three spheres of government, resulting in the maximum impact of government's programme of action within our respective municipalities and communities. Aspects emanated from the MTEC process formed a basis for taking the Integrated Development Planning and intergovernmental alignment process forward during the 2006/07 financial

year. The Premier's Co-ordinating Forum (PCF), Premier's Metro Co-ordinating Forum (MCF) and District Co-ordinating Forums (DCF's) were used strategically to ensure co-operative government. The Department as the principal liaison structure, facilitated developmental co-operative governance in terms of the Intergovernmental Relations Legislation and it endeavoured to improve co-ordination and integration between the three spheres of government. The Department over the last year strengthened its relationship with the Department of the Premier and Provincial Treasury as transversal departments, as one of its key priorities for 2006/2007, hence amongst others, its support to the Department of the Premier with administrative and logistical services to the Premier's Coordinating Forum and the Premiers Metro Coordinating Forum.

The second cohort of Community Development Workers (CDW) was completed and 200 CDW's were appointed and deployed to most municipalities. This programme, due to its nature and extent did experience some growing pains, but overall good successes were achieved and various communities were supported to gain access to government services. Most ward committees were established and orientation training was provided.

Through intervention, the sub-councils of the city of Cape Town were re-clustered to become more inclusive. Through further decisive intervention, a Section 106 of the Municipal Systems Act investigation was done at one of the local municipalities.

A Community Fire Safety standard by-law was promulgated for adoption by local municipalities. An Anti-corruption summit was held jointly by this Department and the Department of the Premier and other stakeholders. In terms of the agreement that the Department has with the Special Investigation Unit, investigations have been done or are in still in process at five municipalities as well as Peoples Housing Process (PHP) projects. In the latter instance the perpetrator was brought to book.

Both our housing delivery and the capacitation initiatives of local government have improved significantly with the finalisation of the Human Settlement strategy and the local government capacity building. The 2007/08 allocations will be committed towards the following key deliverables with the primary aim of improving the lives of the citizens of this province and to embrace the vision of "home for all";

The achievements that the Department has attained as well as the challenges that are still being grappled with the Department are carried over from the 2006/2007 financial year.

During the 2007/2008 financial year, the Department would focus on the following key areas:

- Acceleration of housing delivery.
- Implementation of Integrated Human Settlement Strategy and the Disaster Management Act.
- Municipal capacity building
- Strengthening of Intergovernmental Relations and quality Integrated Development Plans
- Strengthening of public participation.



## 2 Acceleration of housing delivery

The Upgrading of Informal Settlements Programme, Emergency Housing Programme as well as Social Housing Programme would be accelerated. There will also be increased focus on upgrading of informal settlements. Key focus would also be placed on increasing access to housing in urban areas.

The Department in partnership with the City of Cape Town would enter into Memorandum of Understanding with three reputable Social Housing Institutions regarding the delivery of 5000 new rental units over the next three years.

Ensure that Each Household has access to Electricity by 2012. All municipalities in the Western Cape are providing free basic electricity to their indigent households that are linked to the grid. Clean running water would also be provided to ensure that the people have access to clean water.

Gap housing would be provided for as part of commercial development projects.

### **Implementation of Integrated Human Settlement Strategy and the Disaster Management Act.**

In facilitating the creation of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable Human Settlement Strategy will be launched and implemented. Well-located land will be identified and released for mixed use and mixed income. This would ensure that people are located close to economic opportunities and public transport. Provision of access to property market for marginalized sector of the community such as gap market opportunities would be facilitated.

The Department will provide support to the management of the N2 Gateway project that has been taken over by the National Government.

In respect of disaster management, the Department would ensure the gazetting and launch of the Provincial Disaster Management Policy Framework. Furthermore, an Intergovernmental Disaster Management Committee as well as a Provincial Disaster Management Advisory Forum will be established. A process of developing a Provincial Disaster Management Centre would be initiated. The municipalities would be assisted and supported in the establishment of Disaster Management Centres.

Fire brigade service investigations will be conducted and communities will be capacitated in respect of disaster management related issues.

## 3 Municipal capacity building

In this financial year the department will improve and strengthen its mainstreaming of hands-on support to municipalities with the improvement of its current structure to provide for a district based pool of expertise that can better support municipalities with the implementation of the Local Government Strategic Agenda 2006-2011. Training initiatives will focus on senior municipal officials and district municipalities will be supported to institutionalize the sharing of services between their local municipalities.

The department will be providing comprehensive support to municipalities in further strengthening their integrated development plans in partnership with the Department of the Premier, Provincial Treasury and Department of Economic Development and Tourism.

Among other municipal capacity building initiatives the Department would also drive the following capacity building interventions:

- Development of competency profiles
- Development of expertise around integrated human settlements
- Development of centralized resources for municipalities
- Peer advice and external mentoring
- Central pool of expertise
- Ward committee training
- Councilor development programme
- Sharing of best practices
- Internship programme

## **4 Strengthening of Intergovernmental Relations and quality Integrated Development Plans**

The Department will continue in its endeavours to promote alignment between municipal priorities and provincial and national resources through the LG MTEC processes and IGR structures. The intention is to coordinate and set up inter-departmental provincial teams to engage with municipalities on their development issues while further support to be provided on improved Local Economic Development-, Disaster Management-, Human Settlement Plans and Spatial Development Framework.

### **Strengthening of public participation**

The system of ward committees will be implemented and monitored in all municipalities. Active public participation methodologies at local government level and across other spheres within the national and provincial public participation framework. This would include building sustainable capacity of ward committees, CDW's, councilors (councilor development programme), officials and communities to actively engage in this public-state interface and enhance Social Capital Formation.

The utilization of Community Development Workers would be co-ordinated by municipalities and provincial line departments.

In conclusion, the Department is committed to ensuring that its own institutional orientation as well as the capacity of municipalities is positioned and geared up in a manner that would enable accelerated service delivery and the improvement of the peoples' lives.

**ACCOUNTING OFFICER  
(S MAJIET)**

## 5 Strategic plan update analysis

An annual review of our environment and mandates convinced us that we still need to focus and have a common understanding of the role of social housing in the integrated human settlement strategy as one of the following Departmental strategic goals:

### **1. *Municipalities with enhanced capacity to deliver services, via capacity building by means of road shows on social housing especially to the poor, in a developmental and sustainable manner.***

#### *Strategy*

The strategy to enhance municipal capacity has three components namely:

- Building the analytical, interpretive and evaluative capabilities of the Province. This is needed to enable it to understand issues and trends and proactively intervene and support municipalities with appropriate programmes of action;
- Developing a flexible basket of capacity building programmes aimed at enhancing local capacity;
- Putting preventive measures in place in municipalities to counteract corruption and irregularities; and
- Provide assistance in the preparation of business plans and identification of suitable land and promotion of integrated human settlement development.

#### *Key focus areas*

- Relations with municipalities through the intergovernmental relations (IGR) interface;
- Municipal capacity development especially issues regarding policy interpretation;
- Disaster management;
- Strategies to enhance the financial sustainability of municipalities;
- Municipal infrastructure support, including the MIG programme;
- Strategies to eradicate corruption and irregularities;
- Project Consolidate municipalities;
- Five year strategic Local Government Agenda 2006-2011;
- Ensure optimum utilisation of financial resources in ensuring sustainable municipalities; and
- Alignment of municipal budgetary priorities with imperatives of Integrated Sustainable Human Settlement Development remains tested, as relations between IDP and Human Settlement Development have not been forged.

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

- Regular joint planning and information sharing sessions with local government in place;
- Development of a Municipal capacity assessment tool to determine the annual municipal capacity status;

- Realigning of comprehensive capacity development programme/plans for phased implementation with capacity status of municipalities Providing specialized hands-on support to identified municipalities;
- Municipalities prepared for the delivery challenges beyond the elections;
- Improvement of inter-governmental cooperation in respect of disaster management services;
- Women and youth targeted as key sectors in all programmes, especially housing construction, community development workers and other programmes focused on creating economic opportunities;
- Inroads made into the current services and housing backlogs;
- Municipal Infrastructure Grant Programme 100% utilised in all allocated municipal areas to provide bulk services and create employment opportunities;
- Promotion of job creation through the promotion of EPWP and labour intensive methods utilising municipal capital expenditure;
- Support to municipalities to ensure financial sustainability; and
- Ensuring a corruption free Department and municipalities.

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

### *Strategy*

The Western Cape Sustainable Human Settlement Strategy provides the basis for housing delivery. The Department is implementing the '*Breaking New Ground (BNG)*' approach, which is aimed at redressing the fragmented and dysfunctional Apartheid style spatial planning and development of the past. Facilitating mixed use developments that are located close to economic opportunities, accessible to public transport and environmentally sustainable will be the priority for this period.

### *Key focus areas*

- Institutionalizing support teams to provide technical guidance regarding the implementation of the main thrust of the WCSHSS.
- Fostering a new mindset to home ownership is not the only viable option for providing in the housing need.
- Working with municipalities and provincial and national government departments to ensure integrated planning and aligning development programmes and public sector investment with the provincial spatial development framework and IDPs
- Intensifying work on the Urban renewal (URP) node and the integrated sustainable rural development programme (ISRDP) node through coordinated delivery and measuring the impact.
- Identification and release of well located and suitable land for mixed use and mixed income settlements earmarking or ring-fencing funds to ensure acquisition of well-located suitable land
- Facilitating the provision of basic municipal services to residents on privately owned property
- Alignment of Municipal Infrastructure Grant inputs with integrated human settlement plans
- The promotion of innovative housing typologies and urban design of project areas

- Promoting environmentally sustainable approaches to human settlements
- N2 Gateway project to pilot housing in integrated human settlements
- Promoting skills delivery, job creation and empowerment in the delivery of services and integrated human settlements
- Facilitating or providing access to property market for marginalised sector of the community such as gap market opportunities.

*Targeted outputs over the medium term*

- New approach to human settlements institutionalised across province.
- Six pilot and three lead projects initiated to guide the new approach and identify the need for adjusted instruments and policies supporting sustainable human settlement development including the development of new financing models.
- Diagnostic model supported by ongoing research to improve better understanding of the housing need developed.
- Well-located land and/or government owned properties released for housing.

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

*Strategy*

The Department aims to maintain and further develop effective systems and business processes in order to manage the inherent tension between policy practise and implementation and operationalisation of the intergovernmental relations framework. We will increase coordination, communication and horizontal and vertical integration with the City of Cape Town, district and local municipalities, organised local government, provincial line departments, national departments and in particular the National Departments of Provincial and Local Government, Housing, DWAF etc as well as all other stakeholders in order to ensure more seamless governance .

*Key focus areas*

- Maintain and manage IGR structures;
- Monitoring outputs and impact of IGR structures;
- Integrated planning both vertically and horizontally (inter and intra governmental planning);
- Clarification of powers, functions, roles and responsibilities of provincial and local government; and in particular the roles of district municipalities; and
- Alignment of national, provincial and local policy priorities (operational and transversal) planning and budgets.

*Targeted outputs over the medium term*

- The Department is established as the lead/primary support/ driver department for liaison between local government and all other government departments, in support of the Office of the Premier;
- Alignment of provincial strategic plans and budgets and municipal IDPs;
- Alignment of IDPs with national and provincial policies and strategies;
- Active inter-governmental coordination forum operating as a structured vehicle for dialogue and coordination;

- Coordinated delivery between departments and between different spheres of government;
- Referral of issues identified by CDW's to IGR structures;
- Referral co-ordinating and measuring the impact of issues emanating from IGR structures for; and
- Structured developmental public participation and civil society civil society engagement as well as capacity building of municipalities in order to deal with the above-mentioned.

#### **4. *Housing delivery is accelerated to meet the needs of un-housed communities.***

##### *Strategy*

Housing and infrastructural development within the context of a developmental state has been identified as one of the key drivers/enablers in order to successfully meet the social and economic imperatives of the poor, marginalised and historically disadvantaged communities in South Africa.

The policy, legislative and regulatory framework ensures that local government is the primary developer in the housing delivery process. Hence within the developmental/interventionist paradigm that the state now operates within, and the challenges we as a state have to contend with in terms housing delivery vis a vis the community demands, there is a need and developmental obligation upon the Provincial Government to support municipalities in meeting these challenges/demands.

Against this background the department will provide the necessary intervention through assistance to municipalities by developing their capacity, with a specific focus on planning for integrated human settlements, project management, financial management and social facilitation skills. Secondly the department will assist municipalities with the accessing of additional funds for housing (and bulk services) as a policy priority. The department intends initiating a national process with all the provinces to lobby for the increase of the national housing allocation for the country. It is envisaged that this initiative would have the support of the entire housing sector and would therefore have a greater chance of success.

##### *Key focus areas*

- Project Consolidate;
- Accelerated delivery of housing to the inadequately housed through rental options and incremental approach;
- Accelerated delivery of housing to the inadequately housed;
- Building the capacity of municipalities to be developers;
- Sound management of provincial housing assets and maximisation of the strategic use of existing housing assets instead of disposing of our assets;
- Promotion of a fair rental housing environment;
- Provision of social and higher density housing close to the existing centres of economic and social activity;
- Formation of partnerships enabling better co-operation with all relevant stakeholders;
- Providing emergency housing assistance;
- Integrated Development Planning (IDP) to include the demand of sustainable human

settlements and to reflect the communities demands; and

- Housing Infrastructure Development reports to integrate information collated through all other inter and intra departmental programmes and projects relating to same and in particular the Project Consolidate and CDW programmes respectively.

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

- Human settlements projects delivered in Project Consolidate target areas;
- Clear target setting for the province in terms of specific delivery mechanisms;
- Spend all existing housing funds;
- Ensure that municipalities in a uniformed manner comply and integrate all existing national and provincial transversal developmental policies such as BBEE, BEE, youth, gender, community participation etc when procuring external services;
- Increase the housing allocation for the Western Cape;
- Upgrading and/or formalisation of shelter for current residents in informal settlements;
- Disposal and maintenance of existing housing assets that maximally redresses the marginalisation of the poor and historically disadvantaged communities;
- Increase Rental housing stock availability, in line with the national regulatory framework; and
- 2 500 social housing units developed.

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

#### *Strategy*

The focus will be to give tangible impetus to and the practical implementation of the constitutional principles and policy priorities of public participation, accountability and transparency within the context of a developing democracy. The strategy will focus on building and strengthening sustainable relationships between the three spheres of government and local government in particular, State Owned Enterprise's and communities.

It further focuses upon the enhancement, integration and institutionalisation of active public participation methodologies at local government level and across other spheres within the national and provincial public participation framework. This includes building sustainable capacity of ward committees, CDW's, councillors, officials and communities to actively engage in this public /state interface and enhance Social Capital Formation.

#### *Key focus areas*

- Enhance the capacity of Community Development Workers (CDW's) for effective and efficient performance;
- Training of ward committee members to ensure the establishment, effectiveness and sustainability of the ward committees;
- Ensuring consistent inter-face between the Department and ward committees;
- Ongoing review and evaluation of community development and public participation methodologies;

- Maintenance, sustaining, strengthening and monitoring of ward committees to maximize their developmental impact, including community based planning and development of social cohesion indicators; and
- Strengthening and harmonisation of the relationship between CDW's and ward committees.

*Targeted outputs over the medium term*

- CDW programme operational in every district and municipal area;
- Facilitate joint and integrated training programmes for councillors and ward committees in partnership with all other stakeholders such as DPLG, SALGA etc;
- Implementation of the Social Capital Strategy; and
- Ensuring the functioning of District Public Participation process.

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

*Strategy*

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

*Key focus areas*

- A comprehensive data base and knowledge management system for the department
- Policy analysis and new policy development
- Co-ordination of departmental inputs into the Provincial policy and strategy formulation processes
- A coordinated and focused research programme in support of the department and the strategies of iKapa Elihlumayo
- Effective multi-year integrated and quality planning of provincial, local and national government, supported by adequate resources and capacity and aligned with provincial strategies
- People effectively trained to maximise these systems

*Targeted outputs over the medium term*

- An operational data base and knowledge management system servicing the department and iKapa Elihlumayo strategies
- Departmental analysis of all key policies completed and accessible to all provincial staff
- Participation of the province, municipalities and the social partners in the Western Cape in all key policy dialogues
- Provincial policies to support developmental local government and sustainable human settlements developed



- A strategic research agenda defined and research projects initiated and linked to provincial priorities
- All plans aligned to the new policy imperatives and the provincial spatial development framework
- IDPs that are responsive to local community needs and aligned to national, provincial and local priorities.
- Departmental policy and strategy inputs are collated and incorporated into the Provincial policy and strategy documents

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

*Strategy*

Firstly, internally within the department - between different directorates, between management and staff and between the Ministry and the department – effective communication is required to ensure all staff are informed and capacitated to make the required linkages needing to be addressed. Secondly, effective communication mechanisms between the department and other spheres of government – provincial departments, local municipalities and national departments – are required. Thirdly, communication with the public is improved through the existing Cape Gateway channels and the customer help desk. Accessible customer care and training of all staff in the principles of customer relations and Batho Pele and a comprehensive consumer education program are required.

*Key focus areas*

- Internal communications
- Inter-governmental communications
- Municipal and public interface
- Community engagement process
- Social education programmes

*Targeted outputs over the medium term*

- An effective internal system of communication, including staff meetings and the regular production of an internal newsletter providing timely, relevant and meaningful information
- Regular communication between the department and other provincial departments, national departments and municipalities
- Coordinated information dissemination to municipalities
- Development and implementation of customer service level agreements.
- Functional community engagement process in place utilising CDWs and Ward Committees.
- Human settlement rights, responsibilities and choices understood by the broad public through a focussed human settlement communication strategy.
- Changing mindsets regarding and public perception that housing provision is not the only viable option for housing.

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

### *Strategy*

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

- Continuous adjustment to the organisation of the department to meet its mandate
- Developing a team based approach to projects
- Applying recruitment, retention, selection, training and career development processes that are in line with legislative imperatives and departmental objectives
- Becoming a learning organisation with strategic planning and management competence.
- Sound understanding of the Sustainable Human Settlement approach.
- Assistance to staff by means of a Employment Assistance Programme (EAP)

### *Key focus areas*

- Improved work flow processes
- Team work based on professionalism, willingness, tolerance and commitment
- Information, architecture, systems development and Record Management
- Human Resource Development plans focussed on career development and service delivery.
- Performance monitoring
- Performance management
- Maintain vehicle fleet

### *Targeted outputs over the medium term*

- All posts filled with competent and motivated staff
- A departmental performance monitoring system in place
- A performance management system implemented at all levels of the organisation
- Skills development strategy in place and being operationalised
- Social capital strategy implemented to effect changes to the organisational culture within the Department
- An inter-directorate team-based approach to projects
- The culture of the department transformed in line with Batho Pele values and principles
- PFMA and DORA compliance
- 100% of budget efficiently and effectively spent each year.
- Workflow processes reviewed and improved to include service level agreements within the Department.
- Sound understanding and support to Sustainable Human Settlement development.

**9. *Contribute to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services***

*Strategy*

In order to implement effective disaster management and fire brigade services, attention must be focused on:

- Disaster prevention and mitigation;
- Disaster preparedness and timeous response;
- Disaster recovery, and
- Effective fire brigade service.

*Key Focus Areas*

- Assessing municipal IDP's to ensure that disaster management is covered;
- Assessing strategic development plans of provincial departments to ensure that disaster management is covered in them;
- Strengthening the capacity of district municipalities to perform the disaster management function;
- Assisting municipalities to build the fire brigade service in the Province.

*Targeted Outputs*

- Integrated institutional capacity within the Province to enable effective implementation of disaster risk management policy and legislation
- Mitigate the severity of disasters
- Prepare for and respond to disasters
- Coordination, monitoring and support of the disaster management recovery function
- Compliance with the Fire Brigade Services Act

# Part B

## Programme and Sub-Programme Performance Targets

### 6 Programme 1: Administration

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

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

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

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

#### STRATEGIC OBJECTIVES:

##### Ministry:

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

##### HOD:

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

##### CD - Operations: - Provide strategic guidance support & operational support services

- To facilitate the interface between various Departmental systems through the development of a Master Systems Plan
- To develop and implement an information management system for the Department
- To develop and implement a system to measure the performance and impact of departmental programmes
- To develop and implement a system to measure the performance of municipalities
- To regularly inform staff of new policies, strategies, and information
- To develop and institutionalise strategic planning framework for the department
- To provide departmental strategic management support in respect of strategic planning and performance management processes;
- To co-ordinate development and the implementation of the Departmental service delivery standards;

- To co-ordinate the integration, and alignment of national, provincial and local government policy development processes
- To commission and co-ordinate research i.r.o. Local government and governance issues

#### **Human Resource Management & Administration:**

- To fill all vacant posts timeously
- To achieve employment equity (representivity)
- To recruit and maintain highly motivated employees
- To review, improve, and implement all HR related policies and processes
- To improve the capacity to deliver on the Department's mandate through facilitating targeted training and skills development
- To review and improve workflow processes to both internal and external clients
- To provide logistical support
- To further develop and maintain an effective performance management system that is aligned with the Department's strategic priorities
- To apply proper record management and registry procedures
- To administer a Employee Assistance Programme (wellness) and HIV/Aids awareness programmes
- To address human rights issues and develop a gender sensitive organization

#### **Finance:**

- To ensure effective, developmental, transparent and sound financial governance within the PFMA framework.
- To ensure strict compliance to the action plan relating to the closure of the Western Cape Housing Development Fund (WCHDF).

#### **Communication:**

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

#### **Policy & Strategy**

- To ensure the institutionalization of strategic planning, quarterly review and reporting system.
- To assist in the formulation of the operational plans in the Department.
- To ensure that the departmental planning is vertically and horizontally aligned.
- To assist in the enhancement of inter and intra – governmental co-operation.
- To provide support to municipalities through line function units.
- Formulate a methodology/research cycle for strategic planning.
- To ensure effective reporting systems.
- To ensure smooth service delivery in the province by facilitating the resolution of power & functions.
- To conduct research on policy related matters.
- To establish an information & knowledge management system

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

The support to line functions is regarded as one of the critical areas that are prioritised by this programme. In this regard the Department is focussing on organisational transformation, which requires strategic support and guidance from this programme in terms of change / diversity management and human resources development.

The immediate responsibilities that this programme will execute include:

- The **maintenance of the organisational structure and a operational team to support the transformed department**
- The continuous development and implementation of the Strategic Human Resource Plan
- The effective and efficient management of the Staff Performance Management Plan
- The effective **maintenance of an** employment equity plan

With regard to financial administration, there is a need for fraud prevention and a risk management plan, increased support on the budget process to line functions, and increased support on the interpretation of financial requirements.

- Inadequate staff targeting
- Positioning the unit within the work.
- Database of socio-economic challenges.
- Sufficient capacity of knowledge and skills.

## 6.3 Specification of measurable objectives and performance indicators

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

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.2: Corporate services						
Measurable objective	Performance measure or indicator	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
<b>Monitoring and Evaluation</b>						
Develop an integrated information management system to consolidate departmental I information	Operational departmental information management system			Completed System,	75% system populated	100% system population & Quarterly updates of information
Assess the performance and impact of departmental programmes through the identification, alignment and development of performance monitoring and evaluation indicators	Operational Departmental monitoring & evaluation system with social & economic indicators			Completed System,	75% system populated	100% system population & Quarterly updates of information

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>Sub-programme 1.2: Corporate services</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
Assess the performance of municipalities through the development of monitoring and evaluation system for local government	Operational Web based Municipal Monitoring & Evaluation System			Completed System,	75% system populated	100% system population & Quarterly updates of information
Develop and institutionalize a strategic planning and operational review processes within the Department	A draft strategic planning framework document		A draft strategic planning framework document is developed	Strategic planning framework is approved and implemented	Strategic planning framework is institutionalised	Strategic planning framework is institutionalised
Establish a fully staffed and functional directorate	All (10) vacant posts are filled		7 vacant posts are filled	-	-	10
Organise and facilitate departmental strategic planning processes	No of full Management strategic planning sessions are organized and minutes/reports of those sessions are compiled.		5 strategic planning sessions are held	5 strategic planning sessions are held	5 strategic planning sessions are held	5 strategic planning sessions are held
Organise and facilitate departmental quarterly reviews	No of Quarterly review sessions are organized and minutes/reports of those sessions are compiled.		4 quarterly review sessions are held	4 quarterly review sessions are held	4 quarterly review sessions are held	4 quarterly review sessions are held
Co-ordinate the compilation of the Departmental Strategic Plan	Draft Strategic Plan document				1 revised strategic plan document	1 revised strategic plan document
Co-ordinate the compilation of the Departmental Annual Performance Plan	Draft Annual Performance Plan is compiled		1 Annual report	1 Annual report	1 Annual report	1 Annual report
Co-ordinate departmental participation and contribution to the Social Cluster Committee	Minutes and reports of social capital network meetings		Monthly reports	Monthly reports	Monthly reports	Monthly reports
	Departmental inputs to the social capital network		As requested	As requested	As requested	As requested
Co-ordinate the development of the Departmental Service Delivery Standards	Service Delivery Standards Charter		Draft Service Delivery Standards Charter	Implementation Plan	Review report	Review report
Co-ordinate development of policies and advise and support municipalities in the performance of their functions	Policy documents		1 draft policy document	1 policy document	1 policy document	1 policy document
Advise and support municipalities on integrated development planning	No of consultative meetings with municipalities		1 consultation session per municipality	1 consultation session per municipality	1 consultation session per municipality	1 consultation session per municipality

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>Sub-programme 1.2: Corporate services</b>						
<b>Measurable objective</b>	<b>Performance measure or indicator</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
Commission research projects on critical strategic and policy issues on local government	No fo research reports		3	1	1	1
Develop information management tool				Develop-ment of a tool		
Develop an assessment tool to ensure policy and strategy alignment				Develop-ment of a tool		

## 6.4 Reconciliation of budget with plan

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

<b>Sub-programme</b>	<b>Year – 2 2004/05 (Actual)</b>	<b>Year - 1 2005/06 (Actual)</b>	<b>Base year 2006/07 (Estimate)</b>	<b>Average annual change (%)</b>	<b>Year 1 2007/08 (Budget)</b>	<b>Year 2 2008/09 (MTEF projection)</b>	<b>Year 3 2009/10 (MTEF projection)</b>	<b>Average annual change (%)</b>
1. Office of the MEC	5 174	4 311	4 463	6.9	4 690	5 025	5 141	4.8
2. Corporate services	32 077	46 892	46 144	21.9	66 299	68 100	72 366	4.6
<b>Total programme</b>	<b>37 251</b>	<b>51 203</b>	<b>50 607</b>	<b>17.9</b>	<b>70 989</b>	<b>73 125</b>	<b>77 507</b>	<b>4.6</b>



## 7 Programme 2: Housing

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

### 7.1 Specified policies, priorities and strategic objectives

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

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

#### **STRATEGIC OBJECTIVES:**

##### **Planning:**

- To coordinate the development and updating of the Western Cape Human Settlement Strategy (WCHSS)
- Development of a roll out plan for the (WCHSS)
- Development and of indicators for WCHSS in line with the Breaking New Ground (BNG)
- Ensuring alignment of the district and local municipalities human settlement strategies in line with provincial (WCHSS) and national (BNG) strategy;
- To provide capacity, resources and guidance to municipalities for municipal IDP development.
- To support municipalities to develop the capacity to develop integrated sustainable human settlements.
- To advocate and promote integrated and sustainable planning that addresses the spatial planning framework of the past
- To facilitate strategic disposal of housing / or public assets such as land, for housing development
- To co-ordinate, facilitate and promote assistance to post restitution development projects.

##### **Research:**

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

##### **Policy:**

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

- To develop a post restitution settlement support strategy to ensure the sustainability and to contribute to the success of these community claims.

### **Housing delivery**

- To facilitate capacity support to municipalities and other key stakeholders.
- To initiate and implement economic and community empowerment programmes with the focus on youth and women.
- To improve service delivery and community participation in housing projects
- To facilitate peoples housing process.
- To acquire additional funds for the development of human settlements

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

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

- Operational capacity issues (provincial and municipal)
- Ineffective and limited integrated planning
- Funds shortage
- Housing programmes backlog
- Inadequate strategic Land and Assets Management Land purchase (land audit)
- Lack of special programmes (farm-worker, child, consumer, education, human rights)
- Poverty of beneficiaries.
- Lack of consumer education and awareness.
- Constant policy changes without phase-in period results in crisis management and overload.
- Institutional change too slow
- Skills gap
- The social housing Bill is not yet promulgated.

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

- Provincial: implement new structure, up-skill staff, define responsibilities and eliminate gaps
- Municipal: build and nurture co-operative governance through the Provincial Advisory Forum Technical Committee (PAFTECH), clusters, workshops and meetings. Supplement capacity and build multi-skilled task teams.
- Deliver innovatively
- Identify strategically located publicly owned land
- Improve strategic Assets and Land Management through innovation
- Research and revisit existing policies and delegations
- Research housing demand
- Finalisation of land audit
- GIS (interlinking relevant operational areas)
- Access to additional funding (Increasing own revenue by letting our assets work for us).
- Consumer education and awareness.

- The support programme for Social housing / the social housing foundation has been engaging municipalities in regards to the establishment of restructuring zones.

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

- Client satisfaction survey
- Measures to improve service standards (responses – telephone etc.)
- Develop and implement public service level agreements
- Marketing of department
- Accessibility of services to client (satellite service units)
- One-stop information
- Portal update (website)
- Capacity building (client care)
- Revisit values and develop change of attitude
- Performance driven culture

## 7.4 Specification of measurable objectives and performance indicators

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

Sub-programme 2.1: Housing planning and research						
Measurable objective	Performance measure or indicator	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
To provide strategic direction regarding the optimal utilization of resources for Human Settlement Development	Revised provincial Human Settlement Strategy/Plan Municipal IDP Human Settlement chapters assessed  Well functioning Planning Forum Planning tools developed		Annual Revision  30  Annual  According to need	Annual Revision  30  Annual  According to need	Annual Revision  30  Annual  According to need	Annual Revision  30  Annual  According to need
To undertake settlement research	No. Research Reports, Up-to-Date Database		4 Updated	4 Updated	4 Updated	4 Updated
To develop a resource center	Functional resource center		70%	80%	100%	100%
To develop and advocate policies for integrated and sustainable Human settlement	Housing Policies analyzed, designed and aligned with iKapa Elihumayo and Breaking New Ground (BNG)		80%	100% on going according to need	100% on going according to need	100% on going according to need
To support municipalities in addressing the needs of rural residents with respect to services, evictions, and housing	Programmes to support basic service delivery, assistance with evictions, and housing information		Completed research & implementation plan & 50% implementation of plan	Remaining 50% implementation of plan	n/a	

Sub-programme 2.2: Housing development implementation						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
<b>2.2.1 Subsidy administration</b>						
To provide support to the core function.	A fully staffed, appropriately skilled and equipped unit.	90%	90%	95%	98%	98%
	Compliance to applicable policies, legislation, norms and standards and plans (%).	95	95	98	99	99

Sub-programme 2.2: Housing development implementation						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
<b>2.2.2 Financial Intervention</b>						
Individual Housing Subsidies (R0 - R3 500)	Number of beneficiaries approved	709	1 000	500	500	500
	Number of title deeds registered	709	7 000	500	500	500
	Amount paid in respect of beneficiaries (R'000)	7 948	30 000	R16 000	25 000	30 000
Housing Finance Linked Individual Subsidies (R3 501 - R7 000)	Number of beneficiaries approved			50	100	100
	Number of title deeds registered			50	100	100
	Amount paid in respect of beneficiaries (R'000)			R2 000	4 000	4 000
Relocation Assistance	Number of beneficiaries approved	35	40	50	50	50
	Amount paid to financial institutions	785	1 000	1 000	1 000	1 000
Enhanced Extended Benefit Scheme.	Number of beneficiaries approved		353	1 000	500	500
	Number of properties transferred to beneficiaries		353	1 000	500	500
	Amount paid to complete registrations		14 000	35 000	20 000	10 000
State Asset Maintenance Programme	Number of rental stock units	2 353	2 353	2 000	500	500
	Amount disbursed for holding costs & maintenance for rental units (R'000)	4 778	10 000	10 000	10 000	6 000
Operational Capital Budget	Rand value of the Operational Capital Budget allocated in accordance with Sub-programme. (R'000)		11 976	22 456	22 600	26 717
<b>2.2.3 Incremental Housing Programmes</b>						
Project Linked Subsidies (current commitment)	Number of beneficiaries approved	10 582	10 800	6 000	6 000	6 000
	Number of sites serviced		8 000	8 000	8 000	8 000
	Number of housing units completed	10 582	10 800	6 000	6 000	6 000
	Amount disbursed for completed serviced sites and housing units (R'000)	221 328	299 492	307 000	392 000	492 000

Sub-programme 2.2: Housing development implementation						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
Peoples Housing Process (current commitment)	Number of beneficiaries approved	3 042	2 700	2 000	2 000	2 000
	Number of housing units completed	3 042	2 700	2 000	2 000	2 000
	Amount disbursed for completed serviced sites and housing units (R'000)	126 631	41 000	78 000	90 000	95 000
Informal Settlement Upgrading	Number of beneficiaries approved for Informal Settlement Upgrade, Phase 1 & 2			8 000	8 000	8 000
	Amount disbursed for sites serviced under the sub-programme (R'000)	101 344	462 332	305 000	390 000	490 000
Consolidation Subsidies	Number of beneficiaries approved		1 000	7 700	7 700	7 700
	Number pf projects approved		5	10	10	10
	Number of housing units completed		1 000	7 700	7 700	7 700
	Amount disbursed for completed houses (R'000)		30 000	143 000	150 000	190 000
	Number of sites serviced for assistance to households needing temporary assistance		1 900	1 700	1 700	1 700
Emergency Housing Assistance (planned projects)	Number of sites serviced for emergency temporary assistance to households whose existing shelter places them under threat	12 536	1 900	1 700	1 700	1 700
	Amount disbursed for serviced sites completed for emergency temporary assistance to households whose existing shelter places them under threat (R'000)	83 075	76 000	64 000	80 000	90 000
2.2.4 Social and Rental Housing						
Affordable State Rental Housing (Public Sector Hostel Redevelopment)	Number of serviced and converted units completed			500		
	Amount disbursed for serviced and completed existing units for State Rental Housing (R'000)			17 500		

Sub-programme 2.2: Housing development implementation						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
<b>2.2.5 Rural Housing</b>						
Rural Housing Programme	Number of beneficiaries approved	46	46	50	50	50
	Number of Rural Housing housing units completed	46	46	50	50	50
	Amount disbursed for housing units completed for rural housing (R'000)	862	1 000	1 000	1 000	1 000

## 7.5 Reconciliation of budget with plan

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

Sub-programme	Year – 2 2004/05 (Actual)	Year - 1 2005/06 (Actual)	Base year 2006/07 (Estimate)	Average annual change (%)	Year 1 2007/08 (Budget)	Year 2 2008/09 (MTEF projection)	Year 3 2009/10 (MTEF projection)	Average annual change (%)
1. Housing planning and research	18 726	9 440	13 596	(13.7)	17 295	18 946	19 692	6.9
2. Housing development implementation	536 283	602 814	1 031 360	46.2	996 159	1 220 875	1 487 235	24.6
4. Housing property management	25 698	42 066	72 475	91.0	40 420	41 344	26 170	(17.6)
<b>Total programme</b>	<b>580 707</b>	<b>654 320</b>	<b>1 117 431</b>	<b>46.2</b>	<b>1 053 874</b>	<b>1 281 165</b>	<b>1 533 097</b>	<b>22.7</b>

## 8 Programme 3: Local Government

**Purpose:** To promote and facilitate viable and sustainable developmental local governance, to promote integrated and sustainable planning and to enhance community participation in the processes.

### 8.1 Specified policies, priorities and strategic objectives

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

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

**STRATEGIC GOAL 5:** To enhance social capital formation and facilitate active community participation

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

**STRATEGIC GOAL 9:** Contribute to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services

### STRATEGIC OBJECTIVES:

#### Sub-programme 3.1: Local governance

- To build the capacity of municipalities to accelerate service delivery
- To provide and/or facilitate management and hands-on support services to local government within a regulatory framework
- To understand and respond to the needs of municipalities based on municipal assessment tool
- To support municipalities to improve financially viable and socially and economically sustainable municipalities
- To facilitate and support municipalities with the implementation of the property rating act
- To improve access to the social safety net by poor households through the monitoring and support of the implementation of free basic services
- To manage the partnership between the Department and the SIU towards a corruption free Department and municipalities
- To establish an anti-corruption unit for the Department
- To obtain clarity on the functional division between the provincial and local spheres
- To rationalise redundant and conflicting local government legislation and to make recommendations for policy refinement or amendment
- To develop a provincial act on local government to comply with national legislation requirements
- Cascading batho pele to local government



### **Sub-programme 3.2: Development and planning**

- To facilitate and monitor infrastructural development within municipalities to ensure sustainable municipal infrastructural development and optimum local economic benefits
- Contribute to sustainable and safer communities in the western cape through effective disaster management.
- To manage disaster management at provincial level to ensure the establishment of effective and efficient disaster management mechanisms
- To promote the development of an acceptable fire brigade service in the province of the western cape
- To streamline the requirements for effective integrated development plans (idps) and rationalise sector-planning requirements under an integrated framework
- To prepare an effective cadaship of strategic planning and delivery capabilities within municipalities based on clear district roles
- To facilitate regular intergovernmental dialogue on idp planning and implementation
- To provide leadership in building and implementing developmental local government
- To understand the regions and thereby maximise the developmental opportunity
- Constructive management of community focused matters
- To promote effective and efficient integrated development planning
- To liaise and build relationships with national and international organisations
- Effective co-ordination and intensifying of the provincial input towards the integrated sustainable rural development programme (isrdp) and the urban renewal programme (urp)
- To focus on the linkages between and the developmental impact of programmes
- Effective development and co-ordination of local government training initiatives
- To promote continuous update of socio-economic data as a basis for planning
- To facilitate public participation processes that will enhance the relationship between government and communities
- To promote the department as the principal liaison structure with municipalities, facilitating developmental co-operative governance
- To facilitate effective intergovernmental relations (igr) to enhance good governance
- To ensure horizontal and vertical integration through information sharing and strategic dialogue

## **8.2 Progress analysis**

Specialized support will be provided to the Project Consolidate municipalities, especially to Kannaland and Cederberg. Capacity building initiatives will focus on the enhancement of the capacity of municipal managers and section 57 personnel. The Department will continue with the implementation of the municipal capacity building strategy, depending on the changing needs of municipalities. Shared services on a district level will be promoted and encouraged.

The Department, through its anti-corruption unit will with the assistance of the SIU continue to investigate cases of alleged corruption and / or irregularities. The anti-corruption unit will also focus on preventative measures.

The monitoring and facilitation with regard to sustainable infrastructure development will be done on an ongoing basis. Municipalities will also be supported with the development of sustainable infrastructure. The competencies of municipal personnel to tackle their infrastructure challenges will also be monitored. Municipalities will receive support in applying EPWP principles when MIG infrastructure projects are implemented, so as to maximise downstream opportunities for communities.

Project Consolidate will continue to mobilise, facilitate and coordinate direct hands-on support to municipalities from sector departments, service providers, State Owned Enterprises (SOE's), resources and other stakeholders (external & internal)

The department will render targeted assistance to all municipalities to plan, formulate, approve and implement public participation arrangements in their respective municipal areas. This will enable municipalities to formulate and develop meaningful mechanisms for public participation. It will be a learning-by-doing exercise (by involving community stakeholders as well as municipal councillors and officials, resulting in formalised community participation frameworks for all municipalities. The goal is to promote developmental local governance through sustainable public participation.

The full time deployment of Community Development Worker (CDW) with its municipal/community based work programme, is facilitating accelerated service delivery, creating community awareness and improving access of government services and other developmental opportunities, with a specific focus on the poor and vulnerable communities. The CDW as a development facilitator acts as resourceful, dedicated catalyst for community development and works with the municipality, government officials, ward councillor and ward committees.

The Department will continue to strengthen existing and initiating new partnerships with civil society and other government departments,

In the current year the department will focus on supporting municipalities in delivering quality IDP's in line with credibility framework.

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

- Shortage of critical skills on municipal level
- Personnel without the necessary competence to understand and address the developmental and transformational challenges of municipalities
- Shortage of strategic, people, and project management skills
- Uncertainty regarding the mechanisms to fund disaster management function in and amongst all three spheres of government. To overcome this constraint, the disaster management funding mechanisms will be addressed during the drafting and implementation of the Provincial Disaster Management Framework
- A limited and hands-on legal capacity given the complexities of the Local Government and Housing environment
- Lack of geographic prioritisation and alignment across the spheres of government.
- Responding to the needs of communities and balancing short and long term needs.
- Balancing delivery with a developmental and sustainable approach.
- Insufficient skilled and dedicated personnel with necessary competence to understand and implement the developmental and transformational challenges.

## 8.4 Description of planned quality improvement measures

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

- Promotion of shared services on a district level
- Creation of a central pool of expertise
- Encouraging the appointment and development of interns in the scarce skills fields
- Marketing of department programmes and services
- Foster a performance management culture
- Upgrading of the department's legislation component to include a hands-on legal capacity
- The establishment of a well developed and effective personnel corps to perform the disaster management and fire brigade service objectives of the Department
- Implementation of various aspects of the Disaster Management Act
- Creation of sufficient personnel capacity to advise municipalities regarding fire fighting services.
- Re-alignment of district role in supporting of local municipalities
- Re-organisation of departmental structure to better support and capacitate municipalities

## 8.5 Specification of measurable objectives and performance indicators

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

Sub-programme 3.1: Local governance						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
<b>Municipal administration</b>						
To maintain the institutional integrity of municipalities.	Ensure municipal institutional /structure compliance			30 municipalities complying	30 municipalities complying	30 municipalities complying
	Ensure that outer and ward boundaries are technical correct			30 Municipalities	30 Municipalities	30 Municipalities
	Support MDB with annual capacity assessment of municipalities to determine function allocation			Support as required	Support as required	Support as required
	Adjustment of powers and functions between category B and C municipalities			Adjusted functions where needed	Adjusted functions where needed	Adjusted functions where needed

<b>Sub-programme 3.1: Local governance</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
	Ongoing support with local Government elections processes			By-elections promulgated	By-elections promulgated	By-elections promulgated
To provide legislative support and advice to municipalities.	Identified essential by-law needs  Advise municipalities  Standard by-laws .			Needs identified Queries dealt with  2 standard by-laws.	Needs identified Queries dealt with  2 standard by-law.	Needs identified Queries dealt with  2 standard by-law.
To develop new provincial local government legislation and amend where required	A provincial act on local government encompassing the provincial mandate as well as legislation requirements. (Privileges and immunities) .			1 Act		
To rationalize redundant and conflicting provincial and local government legislation	Legislation to rationalize redundant and conflicting provincial and local government legislation			1 Provincial Act	Input into provincial rationalization process	Input into provincial rationalization process
Revision of Congo Caves Ordinance	Establish proper constitutional basis for review.			Developed legislation		
To administer councillor matters i.e. remuneration and the Code of Conduct.	Number of inputs on remuneration and number of municipalities complying with prescripts.			1 input. All municipalities complying.	1 input. All municipalities complying.	1 input. All municipalities complying.
	Number of Code of Conduct cases satisfactorily dealt with.			As required.	As required.	As required.
To coordinate and ensure legal compliance of provincial interventions at municipalities.	Interventions when needed in terms of section 106 of the Municipal Systems Act; section 139 of the National Constitution and sections 137 and 139 of the MFMA coordinated and legally complied with.			Interventions executed as required	As required.	As required.
To assist the Department of Provincial and Local government (Dplg) with the phased roll-out of the Local Government Anti-corruption strategy at municipalities (Preventative)	Number of Municipalities supported with implementation of anti-corruption strategy			10	10	10
	Number of workshops to raise awareness on good governance			1	1	1
Anti-corruption interventions	Identified irregularities and corruption dealt with			All major irregularities and corruption investigated and acted upon	All major irregularities and corruption investigated and acted upon	All major irregularities and corruption investigated and acted upon
	Manage the agreement with the SIU to benefit the Department			Management process continued	Management process continued	Management process continued

<b>Sub-programme 3.1: Local governance</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
To render legal support to the department	Execute legal matters for the department			Support rendered	Support rendered	Support rendered
<b>Community development and Public participation</b>						
Coordinate and Monitor the impact of CDW work that enhances the facilitation of service delivery and public participation	Active outreach programmes to involve public/communities in governance matters			10	10	10
	Continuous buy-in by stakeholders			50%	80%	100%
	Public participation Improved by %			50%	80%	100%
Effective management to strengthen administrative support and CDW activities	Regular reports to IGR structures and stakeholders.			Quarterly	Quarterly	Quarterly
	Review MoAs and adherence to obligations with partners (municipalities)			Annually	Annually	Annually
	Review of MoA in terms of expenditure			Monthly	Monthly	Monthly
Facilitate MIS and align to national departments through Batho Pele Gateway Information partners	Training and implementation of the Gate Way Portal to CDWs, ward committees and communities to promote electronic access to government services			Ongoing	Ongoing	Ongoing
Promoting Participatory Governance	Facilitate and support community participation within the prescribed guidelines			5	5	5
	Support the implementation of public participation processes in municipalities			30	30	30
	Public participation conferences (provincial, metro and districts)			1	1	1
	Facilitate the establishment of new ward committees			30	30	30
	Training of officials at provincial level and municipal level and community based planning			30	30	30
	Monitoring the functioning of ward committees			Quarterly	Quarterly	Quarterly
	Capacity building for ward committees.			Ongoing	Ongoing	Ongoing

<b>Sub-programme 3.1: Local governance</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
Support local youth unit within Municipalities	Assist with the establishment of youth units.			7	20	30
	Link all youth initiatives to the Provincial Youth Commission and Nantional Youth Service Umsobomvu projects and programmes)			7	20	30
	Provincial, Metro & District Youth Conferences			1	1	1
	Identify youth training programmes / workshops(provincial/ metro/districts			Ongoing	Ongoing	Ongoing
	Facilitate the allocation and administering of bursaries for external youth in building environment			10	10	10
African Peer Review Mechanism	Ensuring community participation in the next phase of the APRM processes.					
	Facilitate the implementation of the elements of the APRM programme of action.					
<b>Municipal support and capacity building</b>						
To provide broad based general support to municipalities to enhance their capacity to improve and accelerate service delivery.	Number of support initiatives identified and undertaken based on needs analysis of municipalities		1	1	1	1
	Number of guideline documents issued		4	2	2	2
	Number of workshops facilitated based on municipal needs analyzed		1	1	1	1
	Number of info sessions held based on municipal needs analyzed		1	1	1	1
Supporting municipalities with the implementation of Batho Pele ethos by including principles in all training	Number of good practices shared between municipalities			1	1	1
	Number of communication instruments to enhance Batho Pele			1	1	1
To evaluate the adherence and to support municipalities with the implementation of the performance management regulations on municipal manager performance agreements	Number of good practice examples shared between municipalities		1	1	1	1
	Workshop to promote and support municipalities with implementation			1	1	1

Sub-programme 3.1: Local governance						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
To provide and/or facilitate specialized interventions and hands-on support to identified municipalities	Monthly one on one engagements to monitor progress		12	12	12	12
	Quarterly PMT meetings		4	4	4	4
	Monthly progress report		12	12	12	12
	An accessible pool of internal and external expertise			1	1	1
	Number of appropriate deployed experts from Department, sector departments		7	10	10	10
	Municipal capacity building action plans			10	10	10
	Number of district municipalities supported with the sharing of services			5	5	5
To facilitate the implementation of the capacity building strategy based on the results of an annual assessment of the municipalities' capacity needs.	Identified capacity needs			Needs per district	Needs per district	Needs per district
	Capacity building action plan per district			5	5	5
	Revised strategy		1	1	1	1
	Capacity building reference group		1	1	1	1
	Number of specialized training interventions for municipal officials		3	2	2	2
	Number of best practice examples and distribution/ sharing with other municipalities			4	4	4
	Capacity profile of municipality			1	1	1
To support and monitor municipalities with the implementation of the Property Rates Act.	Number of supporting initiatives		1	1	1	1
	Number of guideline documents issued		1	1	0	0
	Maintained monitoring tool		1	1	1	1
	Established valuation appeal boards			As required	As required	As required

Sub-programme 3.2: Development and Planning						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
Facilitate the development of credible socio-economic analysis chapters of IDP's and long term strategy	Strategies in IDPs are informed by available socio-economic reality and trend analysis		30	30	30	30
	Improve long-term sustainability thinking and strategy in IDP's including national and provincial strategy linkages		30	30	30	30

<b>Sub-programme 3.2: Development and Planning</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
Improved municipal strategic management capability within each municipality for IDP planning and implementation	Dedicated IDP responsibility and staff in each municipality			30	30	30
	Annual Provincial IDP Conference in IDP best practice and provincial development strategy			1	1	1
	Support to district Planning and Implementation Support (PIMS) centres			5	5	0
	Support the planning component of shared service centres			5	5	5
	Facilitate annual IDP training events to municipal staff involved in IDP			4	4	4
	Maintain IDP web-page on provincial website			Continuous updating	Continuous updating	Continuous updating
Improved Provincial-municipal planning and budgeting alignment	Number of IDPs and municipal budgets aligned to national and provincial programmes.			30	30	30
	Provincial departments have access to IDP information of municipalities					
	A completed annual engagement process between provincial departments and municipalities on IDP strategic priorities and budget implications			Continuous updating of IDP database and nerve centre	Continuous updating of IDP database and nerve centre	Continuous updating of IDP database and nerve centre
				2 per year	2 per year	2 per year
Monitor and Evaluate municipal IDP drafting and implementation	Municipal IDPs are received and assessed in terms of Municipal Systems Act, 2000 against the IDP credibility framework			30	30	30
	Bi-annually progress reports on the implementation of IDPs			Bi-annually	Bi-annually	Bi-annually
Facilitate the co-ordination and integration of development programmes in the presidential nodes.	Number of additional integrated projects identified and implemented by all 3 spheres of government in nodes			5	8	10
	Provincial-nodal priorities and resources are aligned with the 5 Year Strategic Local Government Agenda			30%	70%	100%



Sub-programme 3.2: Development and Planning						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
	Provincial-municipal multi-disciplinary teams established as required			5	5	5
	Facilitate regular feedback sessions between the spheres of government			4 p.a.	4 p.a.	4 p.a.
	Ensure that monitoring systems are implemented.			1	1	1
Promote the department as the principal liaison structure, facilitating development co-operative governance in terms of the Intergovernmental Relations (IGR) legislation.	<p>Effective functioning of IGR structures (Premiers Coordinating Forum (PCF), Premier Metropolitan Coordinating Forum (PMCF) and District Coordinating Forum (DCF) and Provincial Technical Forums</p> <p>Engage with municipalities on mutual development agenda through Provincial Advisory Forum</p> <p>Quarterly meetings are held in Districts (DCF) and the Metro (PMCF)</p> <p>Facilitate PMCF and PCF technical working group meetings as required</p> <p>Support the Premiers Department with PCF engagements</p>			4	4	4
Improved coordination and integration between the three spheres of government				1 meeting per quarter	1 meeting per quarter	1 meeting per quarter
			1 meeting per quarter	1 meeting per quarter	1 meeting per quarter	1 meeting per quarter
			2 meetings per annum	2 meetings per annum	2 meetings per annum	2 meetings per annum
			2 meetings per annum	2 meetings per annum	2 meetings per annum	2 meetings per annum
Improved coordination and integration between the three spheres of government	Priorities and resources of the three spheres of government are aligned.		30%	50%	80%	100%
	Agendas of DCF structures are strategically influenced by provincial departments			Quarterly	Quarterly	Quarterly
	Facilitate municipal and provincial working group meetings		30%	70%	100%	100%
	Intra-and inter departmental teams are established per programmes or as requires			30%	70%	100%
	Support internal Integrated Human Settlement team with intergovernmental relation process as required			As required	As required	As required
	Support the roll-out of Izimbizo programmes through IGR framework			5	5	5
To develop a Monitoring and Evaluation system for Intergovernmental relations to promote accountability	Regular outcomes based progress reports on actions emanating from IGR structures		Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports

<b>Sub-programme 3.2: Development and Planning</b>						
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Year-1 * 2005/06 (actual)</b>	<b>Base year * 2006/07 (estimate)</b>	<b>Year 1 2007/08 (target)</b>	<b>Year 2 2008/09 (target)</b>	<b>Year 3 2009/10 (target)</b>
<b>Municipal infrastructure</b>						
To facilitate the management of the Municipal Infrastructure Grant (MIG) programme in the Province.	% of provincial MIG allocation spent by municipalities.	80%	100%	100%	100%	
	Monthly progress reports to national department.	12	12	12	12	
To influence the creation of economic opportunities and maximize the MIG programme benefits.	Number of joint initiatives between the MIG, Expanded Public Works Programme (EPWP) and other municipal infrastructure projects.	2	10	15	15	
	Number of initiatives/training sessions undertaken to influence municipal project prioritization	2	1 Training session and 12 interactions with engineers	2 training sessions And 12 interactions with engineers	2 training sessions And 12 interactions with engineers	
To monitor the condition and maintenance of municipal infrastructure.	Number of studies undertaken with regard to municipal services.	1	1	1	1	
To monitor the competencies of municipal personnel to tackle their infrastructure challenges. To monitor municipal infrastructure backlogs. To monitor municipal expenditure on infrastructure development. To monitor municipal expenditure on the maintenance of existing municipal infrastructure.	% Progress made in respect of the development and maintenance of a flexible monitoring tool.	90%	80%	90%	90%	
	Maintained database.	1	1	1	1	
	Number of reports to HOD, Minister and municipalities.	4	4	4	4	
<b>Disaster management</b>						
To establish integrated institutional capacity within the Province to enable effective implementation of disaster risk management policy and legislation	• Number of meetings of the Intergovernmental Disaster Management Committee (IGDMC).	Establish committee	2	2	2	
	• Number of meetings of the Provincial Disaster Management Advisory Forum (PDMAF).	Establish forum	2	4	4	
	• Number of meetings of the Disaster Management Technical Committee.	Establish committee	12	12	12	
To mitigate the severity of disasters.	• Implement continued disaster risk and vulnerability assessments in the province.		3	6	6	
	• Develop and implement an awareness programme as per the Disaster Risk and Vulnerability Assessment		1	1	1	

Sub-programme 3.2: Development and Planning						
Measurable objective	Performance measure	Year-1 * 2005/06 (actual)	Base year * 2006/07 (estimate)	Year 1 2007/08 (target)	Year 2 2008/09 (target)	Year 3 2009/10 (target)
	<ul style="list-style-type: none"> <li>Develop and implement a disaster management capacity building/training programme in the province.</li> </ul>		1	1	1	
	<ul style="list-style-type: none"> <li>Maintain and extend the already developed TEAM programme areas in the Province.</li> </ul>		6	10	10	
To prepare for and respond to disasters.	<ul style="list-style-type: none"> <li>Number of District and Metro Emergency Management Centres established.</li> <li>Initiate the development of a generic disaster management contingency plan.</li> </ul>		3  Initiate	5  Finalize	6  Implement	
To oversee the coordination, monitoring and support of the disaster management recovery function.	<ul style="list-style-type: none"> <li>Develop and maintain guidelines pertaining to disaster recovery.</li> </ul>			1	1	1
	<ul style="list-style-type: none"> <li>Co-ordinate disaster debriefings per incident.</li> </ul>			As required	Finalize	Implement
	<ul style="list-style-type: none"> <li>Monitor the expenditure of disaster recovery funding per incident.</li> </ul>			As required	As required	As required
	<ul style="list-style-type: none"> <li>Assist with the coordination, monitoring and support of disaster relief, rehabilitation, reconstruction activities per incident</li> </ul>			As required	As required	As required
To ensure compliance to the Fire Brigade Act.	<ul style="list-style-type: none"> <li>Number of Provincial Fire Brigade Forum Meetings.</li> <li>Number of Category of Authorized Persons investigations.</li> </ul>	Establish forum	4  5	4  10	4  11	

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

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

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

**Table 6: New projects, upgrades and rehabilitation (R '000)\***

Upgrading & Rehabilitation	2004/05 (actual)	2005/06 (actual)	2006/07 (estimate)	2007/08 (budget)	2008/09 (projection)	2009/10 (projection)
Programme 2		7 000	7 000	9 000	9 000	3 000
Total upgrading and rehabilitation		7 000	7 000	9 000	9 000	3 000

**Table 7: Building maintenance (R '000)**

Maintenance	2004/05 (actual)	2005/06 (actual)	2006/07 (estimate)	2007/08 (budget)	2008/09 (projection)	2009/10 (projection)
Programme 2	2 116	5 000	3 000	3 000	3 000	3 000

## 10 Medium-term revenues

### 10.1 Summary of revenue

**Table 8: Summary of revenue: Local Government and Housing**

R 000	2004/05 (actual)	2005/06 (actual)	2006/07 (estimate)	2007/08 (budget)	2008/09 (MTEF projection)	2009/10 (MTEF projection)
Equitable share	75 090	158 958	149 336	155 292	165 668	190 994
Conditional grants	551 698	580 484	998 143	948 548	1 203 984	1 468 699
Departmental receipts	39 094	50 725	60 090	50 000	50 000	30 000
Financing			48 855	30 000		
Own receipts (Provincial Treasury)			8 093	14 254	18 680	15 180
<b>Total revenue</b>	<b>665 872</b>	<b>790 167</b>	<b>1 264 517</b>	<b>1 198 094</b>	<b>1 438 332</b>	<b>1 704 873</b>

## 10.2 Departmental revenue collection

**Table 9: Departmental revenue collection: Local Government and Housing**

R 000	2004/05 (actual)	2005/06 (actual)	2006/07 (estimate)	2007/08 (budget)	2008/09 (MTEF projection)	2009/10 (MTEF projection)
<b>Current revenue</b>						
Tax revenue						
Non-tax revenue	1 047	1 644	3 000	3 090	3 090	3 090
<b>Capital revenue</b>						
(specify) Financial transactions in assets and liabilities	38 037	49 081	57 000	22 000	22 000	22 000
<b>Departmental revenue</b>	<b>39 084</b>	<b>50 725</b>	<b>60 090</b>	<b>1 198 094</b>	<b>1 438 332</b>	<b>1 704 873</b>

## 10.3 Donor funding

None

## 10.4 Conditional grants

**Table 10: Summary of Conditional Grants**

Name of Conditional Grant	2004/05 (actual)	2005/06 (actual)	2006/07 (estimate)	2007/08 (budget)	2008/09 (projection)	2009/10 (projection)
CMIP/MIG	3 427					
LG Capacity Building Fund	21 141	10 783				
Disaster relief grant		24 500	6 589			
Human settlement and redevelopment	16 179	29 738				
Integrated housing & human settlement development	510 943	533 249	998 143	948 548	1 203 984	1 468 699
<b>TOTAL</b>	<b>551 690</b>	<b>598 270</b>	1 004 732	948 548	1 203 984	1 468 699

## 11 Co-ordination, co-operation and outsourcing plans

### 11.1 Interdepartmental linkages

- The Department has linkages with the National Department of Provincial and Local Government and the Department of Housing. In addition it liaises with sister national Departments including: Land Affairs, Social Development and Treasury. It also facilitates the implementation of national programmes such as the EPWP.
- The Department is delivering programmes on behalf of the National Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government systems improvement grant, MIG and LED funds, as well as other programmes such as URP and ISRDP.
- The Department works within the provincial frameworks of *Ikapa Elihlumayo* and the Provincial lead strategies such as the PSDF, MEDS and SIP.
- The Department has links with every Provincial Department in relation to their municipal interface.
- The Department also coordinates the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews
- The Department formulates legislation within the national legislation.
- The Department performs its disaster management responsibilities in close co-operation with the national Disaster Management Centre situated in the Department of Provincial and Local Government. A similar relationship exists with District Municipalities through the phased implementation of the Disaster Management Act.

### 11.2 Local government linkages

- The Department works very closely with municipalities in providing capacity and other forms of support and funding for housing
- In terms of the IGR Framework Act, the Department is responsible for establishing, maintaining and supporting IGR structures and relationships.
- The Department is delivering programmes on behalf of the National Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government systems improvement grant, MIG and LED funds, as well as other programmes such as URP and ISRDP.
- The Department has links with every Provincial Department in relation to their municipal interface
- The Department also coordinates the IDP interface between Provincial Departments and Municipalities and leads a multi-Departmental team in IDP reviews.
- The Provincial Treasury and the Department co-operate in relation to the monitoring of Municipal Finances.
- The Department executes its disaster management responsibilities in close co-operation with the municipalities in the Province, as the primary implementation agent of disaster management.

### 11.3 Public entities

The Department is still responsible for winding up the affairs of the Western Cape Housing Development Board, although the WCHD Fund is dormant.

### 11.4 Public, private partnerships, outsourcing etc

None

## 12 Financial Management:

### 12.1 Strategies to address audit queries

**Table 12: Auditor-General report emphasis of matter on 2005/06 annual financial statements**

Number	Emphasis of matters	Medium term strategy to address
1.	<b>Asset management</b> <ul style="list-style-type: none"><li>Assets amounting to R5 356 000 were procured during the 2005-06 financial year that were not recorded on the Logistical Information System (LOGIS) asset register at 31 March 2006, because unique asset numbers have not been allocated and added to the asset register when the assets were received.</li><li>All assets procured during previous years via the Basic Accounting System (BAS), since the implementation of LOGIS during February 2001, have not been captured on the fixed asset register.</li><li>A complete asset count was not performed by the department as at 31 March 2006 and compared with the asset register to ensure the completeness of the asset register and to ensure that all assets existed.</li><li>Due to a lack of unique asset numbers affixed to all movable assets, the selected items could not be followed through from the various locations to the asset register.</li><li>Several assets identified to be redundant could not be traced to the asset register to determine whether all redundant furniture disposed off during the year was removed from the department's asset register. The RSA numbers as indicated on the list could not be followed through to the asset register.</li></ul>	An action plan to address shortcomings was implemented. Monthly reports on the progress will be submitted to the management meetings with the Minister.
2.	<b>Non-compliance with Treasury Regulations</b> <p>In terms of the PFMA and Treasury Regulation 8.2.3, unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days after receipt of an invoice. During the year under review various invoices were identified that have not been paid within the prescribed 30-day period. Due to unreliable reports produced by BAS, an age analysis as well as the total amount outstanding for longer than 30 days could not be determined.</p>	An action plan to address shortcomings was implemented. Monthly reports on the progress will be submitted to the management meetings with the Minister. The Service level agreement will be updated to ensure compliance with prescripts.

Number	Emphasis of matters	Medium term strategy to address
3.	<p><b>N2 Gateway project</b></p> <p>The department incurred expenditure amounting to R91 913 076 relating to the N2 Gateway project during the 2005-06 financial year, while the “conceptual business plan” has not been finalised in terms of a memorandum of understanding between the National Minister of Housing, the Western Cape MEC for Local Government and Housing and the Mayor of the City of Cape Town. Included in the above amount was expenditure of R6, 5 million that was reimbursed to the City of Cape Town that related to the redesign and planning cost of the Boystown subproject. This resulted from the fact that after the detailed planning and design of the project was completed, the social housing programme was subsequently approved and the project had to be redesigned.</p> <p>At the time of finalising this report the department has not performed an exercise to determine whether the above expenditure of R6, 5 million should be regarded as fruitless and wasteful expenditure. The amount has therefore not been accounted and disclosed accordingly in the financial statements.</p>	<p>The Department will implement the corrective steps as recommended by the auditors</p>
4.	<p><b>Housing subsidies: discount benefit scheme and phasing-out programme</b></p> <p>Various shortcomings in the controls regarding the administration of housing subsidies relating to the discount benefit scheme and the phasing-out programme were identified during the audit. The control over the relevant supporting subsidy files as well as the completeness of the information on the files was a concern.</p>	<p>An action plan to address shortcomings was implemented. Monthly reports on the progress will be submitted to the management meetings with the Minister.</p>
5.	<p><b>Performance information</b></p> <p>The following deficiencies relating to the performance information as reported in the draft of part 2 of the department's annual report for 2005-06 were brought to the attention of the accounting officer in a management letter:</p> <ul style="list-style-type: none"> <li>• The planned outputs/targets for 2005-06 as reported differed in comparison with the approved budget.</li> <li>• Deviations were identified between planned and actual outputs for 2005-06 that were not explained.</li> <li>• Actual outputs relating to the previous financial year (2004-05) were not indicated in certain cases.</li> <li>• Actual outputs versus the planned outputs/targets for 2005-06 were not reported on in various cases.</li> </ul>	<p>The shortcomings as listed by the Office of the A-G, were due to the various reporting formats and objectives required by various roll players who we had to report to. The guidelines stipulate that the objectives indicated in the AR must be in line with the Quarterly report's objectives – which we did in the first draft. The objectives in the APP were not in line with new policies implemented during the year. The Department took this up prior to the submission of the first draft with the A-G. It was also discussed with Dr Annatjie Moore of NT on 3 July 2006 and PT. The Department decided to revert to the APP objectives after receiving the management letter from the A-G and a new document was submitted on 23 July 2006 – However it was then too late to take the issue out of the report.</p> <p>For the 2005/06 financial years the matter is thus resolved. Performance management/ reporting on non-financial information will be shifted to the new Directorate: M &amp; E created to monitor and evaluate, as well as report on departmental and municipal performance as from the 2006/07 financial year. Finance however</p>



Number	Emphasis of matters	Medium term strategy to address
		still did the first quarterly report and the function will be handed over to the Director: M & E to drive. Finance will play a supportive role in the hand over period.
6.	<p><b>Performance audit relating to the approval and allocation of housing subsidies</b></p> <p>A performance audit relating to the approval and allocation of housing subsidies at the former Department of Housing in the Western Cape for the period January 1995 to March 2004 was conducted and the findings were brought to the attention of the accounting officer during June 2005. A separate report in this regard will be issued.</p>	An action plan to address shortcomings was implemented. Monthly reports on the progress will be submitted to the management meetings with the Minister.

## 12.2 Implementation/compliance of/to the PFMA

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

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

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

The Department is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005 extended by Resolution 95/2005 for 2 more years to 31 March 2007.

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter. However it did not address internal audit issues as envisaged in its Charter and the PFMA, due to the suspension of Internal Audit activity in 2003 (Provincial Treasury Circular No. 25/2003).

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the Provincial Government over a three-year period.

The assessment of Internal Controls by Internal Audit was suspended in 2003 and the Operational Audit Plan was rescheduled to commence in 2005/6, following completion of the Risk Assessment and Process and Control Mapping exercises.