

VOTE 8

DEPARTMENT OF LOCAL GOVERNMENT

To be appropriated by Vote	R224 470 000
Responsible MEC	MEC of Local Government
Administering Department	Department of Local Government
Accounting Officer	Head of Department

1. OVERVIEW

Vision

To ensure that the Gauteng province comprises viable local government and sustainable communities.

Mission

The department's mission is to:

- *Monitor and support developmental local government;*
- *Promote integrated service delivery; and*
- *Enable Gauteng to become a globally competitive city region.*

Core functions of the department

There are five main roles of the department:

- *Monitor the development and performance of local government;*
- *Support local government where there are capacity constraints;*
- *Promote capacity development in a more systematic manner, to ensure that local government is increasingly able to manage its own affairs;*
- *Regulate how municipalities exercise their authority; and*
- *Intervene where local government consistently fails to adequately perform its designated functions.*

The functions of the department in the MTEF period will be geared towards achieving the five strategic goals, which are to:

- Strengthen local governance and accountability;
- Ensure functional and sustainable local government;
- Monitor municipal performance and evaluate service delivery;
- Ensure the effective management and utilisation of GPG land; and
- Strengthen the department's corporate capacity.

Mandate of the department

The department is drawing its mandate from the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and other related national and provincial legislation.

Constitutional mandate

In terms of the Constitution, the Department of Local Government is mandated as follows:

- Section 139 (1) - The Provincial Executive may intervene if a municipality fails to fulfil an executive obligation;
- Section 154 (1) - Provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions;
- Section 155 (5) - Provincial legislation must determine the different types of municipality to be established in the province;
- Section 155 (6) - Provincial government must establish municipalities in the province and must monitor, support and promote the development of local government;

- Provincial government has the legislative and executive authority ensure to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the Executive Authority exercised by municipalities in section 156 (1); and
- The MEC may assign any power or function that is to be exercised or performed in terms of an Act of Parliament or a Provincial Act, to Municipal Councils.

Legislative mandate

- Municipal Property Rates Act, 2004;
- Municipal Finance Management Act (MFMA), 2003;
- Gauteng Planning and Development Act, 2003;
- Disaster Management Act, 2002;
- Municipal Systems Act, 2000;
- Municipal Electoral Act, 2000;
- Municipal Demarcation Act, 1998;
- Rationalisation of Local Government Affairs Act, 1998;
- Municipal Structures Act, 1998;
- (Municipal Structures Act, 1998) Schedule 6 to Local Government: Municipal Structures Act, 1998: Identification of Traditional Leaders for purposes of Section 81;
- Water Services Act, 1997 ;
- Land Administration Act, 1996;
- Local Government Transition Act, 1993;
- Fire Brigade Services Act, 1987 ;
- Division of Land Ordinance, 1986;
- Black Communities Development Act, 1984;
- Local Authorities Capital Development Fund Ordinance, 1978;
- Local Authorities Rating Ordinance, 1977;
- Removal of Graves and Dead Bodies Ordinance, 1925;
- Agricultural Holdings Registration Act, 1919; and
- Local Authorities Roads Ordinance, 1904;

Brief analysis of demands services

In 2005, the department completed a five year review of local government performance. The review identified challenges facing municipalities in the following key performance areas: Institutional Development and Transformation, Service Delivery, Financial Management, Governance and Local Economic Development (LED). Therefore, the department undertook to provide municipalities with capacity support to address the challenges identified in the five year review.

The support projects of the department have been focussing on strengthening the capacity of municipalities to address these challenges. The department has deployed engineers in all municipalities to provide the following services; development of infrastructure master plans, project management, town planning, assessment of MIG business plans and registering the plans, technical and engineering advice and developed systems to address infrastructure bottlenecks.

The department also deployed accountants to provide service to municipalities such as strengthening internal controls, accountability protocols, preparation of annual financial statements, building finance personnel capacity and establishment of internal audit committees.

The department was called upon to provide the service of competency assessment in all municipalities to ensure that municipalities recruit the appropriate candidates for senior positions particularly in critical positions regarded as being important for municipal stability and improving service delivery.

As part of building the capacity of municipalities, the department has implemented the Executive Management and Leadership Development programme for councillors and officials, project management training to technical officials in the engineering and planning departments and accounting training to officials in the finance departments.

To ensure that government services reach communities, the department has deployed 417 Community Development Workers (CDW) as fulltime public servants. Over the past four years the department has recruited and trained CDWs to provide this service to communities and assist municipalities and sector departments in that area of responsibility.

These service demands on the department have resulted in an increase in the resources and budget allocation over the past three years of about 30 percent.

Key policy areas and developments

The core function of the department is to support and monitor municipalities in Gauteng Province. This is espoused in the vision and mission of the department. The functions of the department are carried out through five Chief Directorates (also referred to as Programmes) including the Office of the MEC, HOD and DDG. The work carried out in these programmes is aimed at strengthening the capacity of municipalities to enable them to perform their constitutional mandate.

The first key policy development that is impacting on the department's programmes in the coming years is the Five Year Local Government Strategic Agenda. The Agenda came about after a qualitative assessment of local government performance since 2000. This assessment highlighted progress and challenges of the past five years but it is also forward looking, taking into account the lessons from Project Consolidate.

The Agenda addresses the question of what must be done to support local government in the next five years (2006 – 2011). The key strategic priority of the Agenda is to mainstream hands-on support to local government to improve governance, performance and accountability. Therefore, since 2006 the local government support programmes of the department have been focusing on achieving this strategic priority.

The second key policy development is entrenching good governance systems in municipalities. The lessons drawn from the review of the performance of local government in the previous term highlighted the issue of weak accountability mechanisms at local government level. To address this problem, the department together with municipal leadership established the Municipal Public Accounts Committees (MPACs) throughout Gauteng. In 2008/09 financial year the department will focus its attention on monitoring the effectiveness of MPACs carrying out its oversight and accountability functions. The department will conduct an assessment study on how these committees are working and identify challenges, in order to provide municipalities with appropriate support.

The questions that need to be dealt with are around community involvement and improvement in the quality of local democracy. The key issue for 2008/09 financial year will be implementation of the ward based planning. The strategy for community participation will be implemented. The mechanisms to strengthen the functionality of the ward committees will also be implemented.

The third policy development is the Framework and Bill on Traditional Leaders. This framework and bill will be completed in 2007/08 financial year. The department will ensure that the institution of Traditional Leaders receives the administrative support through appropriate systems and structures. The department will continue defining the relationship between Local Government structures and Traditional Leaders and Traditional Communities in the province.

Gauteng Provincial Government has adopted the Global City Region (GCR) perspective and the department has duly responded by developing new policies on local government matters. These policies are:

- The Powers and Function study; and
- The Feasibility Study on the Metropolitan form of Local Government

The allocation of powers and functions between different spheres of government and within the two-tier system of local government will be reviewed annually in an effort to enhance efficiency and effectiveness, equity and sustainability across the three spheres of government.

The process of determining the feasibility of moving towards a metropolitan form of local government in Gauteng started in 2007/08 financial year. In 2008/09 financial year the department will embark on a consultative drive, where stakeholders will be engaged to optimally reconfigure the system of local government in order to give the Gauteng region a global competitive edge.

Finally, the Department of Provincial and Local Government's policy process of developing a White Paper on Provincial Government and reviewing the White Paper on Local Government. These key policy developments will have an impact on the role of provinces; as a result the department will participate and if necessary facilitate the involvement of relevant stakeholders in the processes of shaping these policies.

2. REVIEW OF THE 2007/08 FINANCIAL YEAR

To strengthen local governance and accountability systems the departmental achievements in 2007/08 financial year are:

All wards in the province have at least one CDW deployed to ensure that government services are accessible to the communities; in order to strengthen public participation; the public participation framework has been developed in order to provide guidelines on strengthening of ward committees. The municipalities have been assisted to establish the Municipal Public Accounts Committee and were provided capacity building training to the committee members. The anti-corruption strategy has been implemented and the municipalities are being monitored on a regular basis.

To ensure functional and sustainable local government the department achieved the following in 2007/08 financial year:

The institutional Diagnostic Study which was identified to provide institutional transformation and development has been completed. The study is said to provide strategies to address the transformation and development challenges faced by municipalities. Seven municipalities, with institutional development and transformation issues such as performance Management System, organisational restructuring and competency assessment have been assisted.

The Leadership and Management training was offered to 51 councillors and officials. About 400 women councillors were identified and the mentorship development programme was provided; Sedibeng was also assisted with issues such as Performance Management System, organisational restructuring, competency assessments and skills development.

The Revenue Enhancement Project was completed cleansing of data for Top 100 government debtors, Top 300 business and residential debtors. As a result R30 million was collected from government debtors and R864 million was written off from total of R20 billion in municipal debts; a total of 199 municipal officials were trained in accounting by Association of Accounting Technicians (AAT) and SAICA. Deployed 25 Senior Engineers, 10 graduates, 165 students to assist municipalities with the implementation of infrastructure projects and the expenditure on MIG projects. Finally the Provincial Disaster Management Centre was launched.

There is still a challenge to provide technical capacity in municipalities, particularly civil engineering and project management. This has affected the delivery of infrastructure projects and municipalities are faced with high backlog. There is also the lack of adequate financial management which has affected the capacity of municipalities to collect revenue.

To monitor municipal performance and evaluate service delivery the following were achieved:

The municipal monitoring and evaluation framework was implemented and municipalities were monitored for compliance to finance management legislation (MFMA, POBA, MPRA etc).

To ensure the effective management and utilization of land:

The Land Asset Register was completed and all land belonging to the Provincial Government was registered. Process has started to record land on GIS; the final draft of the Land Disposal Policy was completed and consultation on the policy is in process; and the Provincial Land Invasion Policy Framework was completed.

3. OUTLOOK FOR 2008/09 FINANCIAL YEAR

To contribute towards strengthening local governance and accountability in municipalities, the department plans to continue capacitating the Municipal Public Accounts Committees (MPACs) and monitoring their efficacy particularly on their first task of assessing the 2007/08 of the Annual Report of municipalities.

The department will also work with municipalities to implement the Public Participation Framework. The framework will assist local government to address recurring problems that exist in community participation processes and also the functionality of ward committees.

In 2008/09 financial year, the department will deploy organisational development specialists to support municipalities with organisational development issues such as human resource strategies, performance management systems, skills development, etc. The capacity building programmes such as Executive Leadership and Management Programme will be offered to councillors and project management will be offered to technical officials responsible for infrastructure projects. As part of the women mentorship programme, 90 women Councillors

will receive training on Community Development, Public Speaking, Community Participation, Facilitation of Community Forums, Batho Pele and Financial Management.

The department will deploy accountants to assist municipalities to implement the Programme of Action that was adopted at the 2007 Municipal Finance Summit. To build the financial management skills of municipalities, the department in partnership with SAICA (South African Institute of Accountants) and AAT (Association of Accountants Technicians) will train 200 municipal officials working the finance departments.

The department will continue improving the ability of municipalities to raise revenue through the Revenue Enhancement Project. The focus in 2008/09 financial year is to establish the Municipal Revenue Management Entity that will manage and recover debt on behalf of municipalities.

Senior engineers will be deployed to support municipalities to complete their infrastructure master plans. This will enable the department to complete and implement the provincial infrastructure investment strategy and sanitation strategy. The engineers will also assist municipalities to implement infrastructure projects and ensure that MIG budget allocation of R1.2 billion is spent.

The department will also acquire a mobile disaster management centre to ensure a safe 2010 World Cup, (Level 3 Command Unit).

The department will continue to improve monitoring municipal performance through the implementation of the Monitoring and Evaluation Programme. This will include monitoring municipalities' compliance to Municipal Finance Act and implementation of the Property Rates Act.

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Equitable share	216,653	104,887	206,163	228,441	249,277	249,277	224,470	237,588	211,911
Conditional grants	130,108	24,198							
Total receipts	346,761	129,085	206,163	228,441	249,277	249,277	224,470	237,588	211,911

The main funding source for the department is the provincial equitable share. The budget allocation for 2004/05 to 2007/08 has been decreased by an average of 28.1 percent due to the introduction of Municipal Support and the Disaster Management Centre. Allocations are expected to decrease by 10 percent from R249.3 million to R224.5 million in 2007/08 to 2008/09 due to the completion of the Disaster Management Centre. The budget allocation for 2008/09 to 2009/10 increased by 5.8 percent from R224.5 million to R235 million due to an increase on Municipal Support and further decrease of 10.8 percent to R211.9 104 for 2010/11 due to the completion Municipal Support and Disaster Management Centre.

4.2 Departmental receipts collection

TABLE 2: DEPARTMENTAL RECEIPTS: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Sales of goods and services other than capital assets			61	186	186	186	186	186	186
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land			12						
Sales of capital assets									
Financial transactions in assets and liabilities	217	386	425	110	110	110	110	110	110
Total departmental receipts	217	386	498	296	296	296	296	296	296

Collection in terms of receipts (revenue) is not easily determined as the department is not generating income. Most of the revenue to be collected is for servitudes from Eskom which is not consistent. As a result revenue will always vary from month to month due to non-determination. This inconsistency makes it difficult to determine an exact revenue budget. Revenue which is relatively minimal is generated mainly from parking fees, rental of housing (domestic services), interest earned from staff debt, commission on staff deductions and stale cheques. Departmental receipts remain stagnant over the seven year period and no growth is projected over the 2008 MTEF.

5. PAYMENT SUMMARY

5.1 Key assumptions

When preparing this budget the department allocated each of the additional funds to respective programmes over the MTEF period. The 2008 MTEF budget took into consideration salary increase and full cost of aspects of personnel matters. The impact of anticipated cost increases on goods and services that is consistent with the outlook for inflation was taken into account based on operational budget for the running and renting of the Disaster Management Centre. The department is responsible for supporting and monitoring local government by promoting integrated service delivery to ensure efficiency and effectiveness among municipalities in the province.

5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
1. Administration	41,825	37,807	39,313	39,557	37,257	37,257	49,816	50,310	53,509
2. Local Governance	61,107	67,885	117,725	130,856	148,792	148,792	127,123	129,887	108,830
3. Integrated Development Planning and Service Delivery	110,473	22,792	46,351	53,731	58,931	58,931	42,953	54,231	46,207

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
4. Traditional Institution Management				4,297	4,297	4,297	4,578	3,160	3,364
Total payments and estimates: Local Government	213,405	128,484	203,389	228,441	249,277	249,277	224,470	237,588	211,910

As per the table above, it is evident that the actual expenditure under this vote decreased by R1 495 million between 2004/05 and 2010/11, primarily due to decrease in the allocation to Programme 3: Integrated Development Planning and Service Delivery (R64 266 million). Despite the marginal average decrease in the overall budget of the department, it is worth noting that the allocation under Programme 2: Local Governance increased by R47 723 million followed by Programme 1: Administration (R11 684 million). Programme 4: Traditional Institution Management, which was created in 2007/08 as result of demarcation process, has seen a small decrease of R933 000. A decline of R84 921 million in the actual expenditure for this department between 2004/05 and 2005/2006 was a result of a function shift, namely the Municipal Infrastructure Grant Programme being migrated to municipalities. The increase of R74 905 million in the 2006/07 financial year was due to the establishment of the Provincial Disaster Management Centre and employment of Community Development Workers (CDWs).

A decline of the budget of 5,6 percent between 2007/08 and 2010/11 marks completion of once of projects such as Disaster Management Centre which is located in Midrand, province-wide hazardous chemical and biological response system as well as province-wide urban search and rescue response system for the 2010 FIFA World Cup. In addition funding for municipal support programme ends in 2009 because municipalities would have build necessary managerial, professional and technical staff to implement developmental programmes and service delivery.

5.3 Summary of economic classification

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	82,954	93,498	147,766	178,444	200,328	200,328	196,850	206,756	196,710
Compensation of employees	30,273	52,354	66,157	103,677	103,177	103,177	123,572	124,475	131,061
Goods and services	43,047	41,142	81,560	72,617	97,151	97,151	73,278	82,281	65,649
Interest and rent on land	9,555			2,150					
Financial transactions in assets and liabilities	79	2	49						
Transfers and subsidies	130,108	30,653	27,702	18,047	16,999	16,999	17,420	20,282	7,400
Provinces and municipalities	130,108	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Departmental agencies and accounts		200							
Universities and technikons									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households		6,255	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Payments for capital assets	343	4,333	27,921	31,950	31,950	31,950	10,200	10,550	7,800
Buildings and other fixed structures									
Machinery and equipment	343	4,333	27,921	31,950	31,950	31,950	10,200	10,550	7,800
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: (name of department)	213,405	128,484	203,389	228,441	249,277	249,277	224,470	237,588	211,910

The expenditure for compensation of employees as a share of total expenditure for the department rises sharply from 20 percent in 2004/05 to 32 percent in 2005/06 and to 40 percent in 2006/07, before declining slightly to 39 percent in 2007/08, mainly due to the restructuring of the department. The average share of compensation of employees in the next three years of the MTEF would be an average of 33 percent. The decline in appropriations for transfer payments from 61 percent in 2004/05 to 19 percent in the 2005/06 financial years similarly mirrors the trends highlighted above, namely the reduction in allocation to the Municipal Demarcation Board after the local government elections during the 2005/06 financial year, and also the Municipal Infrastructure Unit that ceased operations in March 2006. Payments for machinery and equipment account for the very pronounced increase in the share of payments for capital goods mainly as a result of the establishment of the Disaster Management Centre.

Overall expenditure for compensation of employees increased at an average rate of 78 percent from 2004/05 to 2006/07 due to restructuring of the department and filling of vacant positions including Community Development Workers. Between 2007/08 and 2010/11 the budget for compensation of employees will increase by 1.8 percent. The bulk of the department's budget is attributable to compensation of employees followed by goods and services. Goods and services vary from year to year due to once-off projects. Allocation for goods and services has increased by an average of 40.7 percent from 2004/05 to 2007/08.

5.5 Transfers

5.5.1 Transfers to local government

TABLE 5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Category A	67,338	14,999	9,075	5,263	5,083	5,083	6,131	5,803	
Category B	24,561								
Category C	38,209	9,199	11,695	6,784	5,916	5,916	4,789	7,479	
Total departmental transfers to local government	130,108	24,198	20,770	12,047	10,999	10,999	10,920	13,282	

The department has an obligation to transfer funds to municipalities for the HIV/AIDS programme. The figures shown in the table above are suspended from the Department of Health's budget to fund the HIV/AIDS project. It is important to note that funds that are transferred to municipalities are based on the business plans which explain how the money will be used. The transfers to municipalities have decreased mainly due to Local Government capacity grant and water and sanitation transfers which were discontinued in 2004/05 financial year.

6. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The *Administration* programme renders corporate support to the department. The programme enables the business units of the department to perform efficiently by providing HR support, financial management support, strategic planning support, ITC and facilities' support.

Programme objectives

- To ensure that Human Resource Management is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide an effective, efficient and stable ICT infrastructure and support to the department; and
- To ensure prudent financial management, efficient and effective procurement systems and that financial planning and budget is aligned to the strategic plan of the department

TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
1. Office of the MEC	2,210	3,290	2,848	3,360	3,560	3,560	3,738	3,993	4,272
2. Corporate Services	39,615	34,517	36,465	36,197	33,697	33,697	46,078	46,317	49,237
Total payments and estimates: Administration	41,825	37,807	39,313	39,557	37,257	37,257	49,816	50,310	53,509

The expenditure for Programme 1: Administration has increased by R11 684 million between the 2004/05 and 2010/11 financial years, 82 percent of this growth being as a result of the Corporate Services sub-programme, which shows a growth of R9 622 million. The remainder of the growth of R2 062 million was for the Office of

the MEC sub-programme. It is important to note that this programme will grow by 44 percent between 2007/08 and 2010/11 after experiencing a decline of 6 percent between 2004/05 and 2006/07 as a result of a function shift.

TABLE 7: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	41,551	29,636	31,805	33,057	30,757	30,757	42,516	42,460	45,209
Compensation of employees	14,460	18,046	18,724	21,392	20,392	20,392	23,425	24,173	24,648
Goods and services	17,459	11,588	13,032	11,665	10,365	10,365	19,091	18,287	20,561
Interest and rent on land	9,555								
Financial transactions in assets and liabilities	77	2	49						
Transfers and subsidies		6,455	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Provinces and municipalities									
Departmental agencies and accounts		200							
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households		6,255	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Payments for capital assets	274	1,716	576	500	500	500	800	850	900
Buildings and other fixed structures									
Machinery and equipment	274	1,716	576	500	500	500	800	850	900
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	41,825	37,807	39,313	39,557	37,257	37,257	49,816	50,310	53,509

It is evident that the main cost driver for this programme is expenditure relating to compensation of employees that accounts for average of 46.5 percent between 2004/05 and 2010/11 financial years; followed by goods and services with average of 35.2 percent for the same period under review. Transfers to households' share

of the total budget is 13.1 percent. Substantial increase of 12.1 percent in compensation of Employees of this programme between 2004/05 and 2006/07 was as a result of restructuring and filling of vacant positions, and therefore the budget will increase by average of 6.5 percent during the 2008 MTEF period. Goods and services will experience strong average growth rate of 25.6 percent between 2007/08 and 2010/11.

PROGRAMME 2: LOCAL GOVERNANCE

Programme description

The Local Governance programme supports and monitors local government in the province. It aims to ensure that municipalities are viable and sustainable to perform their constitutional responsibilities. The programme also ensures that communities have access to basic services and government services.

Programme objectives

To improve access to government services for communities by:

- Deepening democracy and good governance;
- Monitor and evaluate Municipal Performance;
- Mainstreaming of HIV/ AIDS programmes in municipalities;
- Ensuring accelerated municipal basic service and infrastructure delivery to meet national targets;
- Ensuring that Municipalities are institutionally viable; and
- Supporting and developing capacity of municipalities to become fully functional and sustainable.

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
1. Municipal Administration	41,787	40,496	81,685	11,718	11,518	11,518	9,898	9,924	11,033
2. Municipal Finance	19,320	2,280	1,471	21,077	19,277	19,277	24,798	20,544	9,191
3. Community Development Workers		25,109	34,569	70,000	70,000	70,000	70,000	70,000	73,150
4. Capacity Development				28,061	47,997	47,997	22,427	29,419	15,456
Total payments and estimates: Local Governance	61,107	67,885	117,725	130,856	148,792	148,792	127,123	129,887	108,830

Over the 2004/05 and 2010/11 period, the budget for this programme increased by R47 723 million. The increase reflects the important role of this programme, which is that it is tasked to grow the technical capacity in engineering, finance and project management, development of institutional capacity and municipal reform, improving service delivery and infrastructure development as well as deployment of CDWs to municipalities. The increase was mainly driven by sub-programme 3: Community Development Workers (allocated R73 150 million in the outer year) and sub-programme 4: Capacity Development (allocated R15 456 million in the outer year). However, it is important to note that during the same period under review, the allocations for sub-programmes Municipal Administration and Municipal Finance declined by R30 754 million, R10 129 million respectively. The decline in the budget can be attributed to the shifting of funds from other sub-programmes to sub-programme 4: Capacity Development which was established in 2007/08.

Overall growth in expenditure stood at the average of 34.5 percent between 2004/05 and 2007/08 owing to municipal support programme, before dropping to 9.9 percent in 2007/08 and 2010/11 which marks the end of this support in 2009/10 financial year.

TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main	Adjusted	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	30,302	41,407	95,032	117,759	136,743	136,743	114,703	114,905	106,930
Compensation of employees	12,537	25,235	34,816	66,042	65,142	65,142	77,136	77,419	81,567
Goods and services	17,765	16,172	60,216	51,717	71,601	71,601	37,567	37,486	25,363
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Provinces and municipalities	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets		2,280	1,923	1,050	1,050	1,050	1,500	1,700	1,900
Buildings and other fixed structures									
Machinery and equipment		2,280	1,923	1,050	1,050	1,050	1,500	1,700	1,900
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Programme 2: Local Governance	61,107	67,885	117,725	130,856	148,792	148,792	127,123	129,887	108,830

The bulk of expenditure and appropriations fall in the category compensation of employees which accounts for the average share of 46.6 percent of the total budget for the programme, as a result Community Development Workers which is labour intensive. Goods and services accounts for the average share of 33.4 percent between 2004/05 and 2010/11 period. The average shares of 18.6 percent, 1.4 percent goes to transfers and subsidies and payments for capital assets respectively.

The decline in expenditure for transfers and subsidies of 29.1 percent between 2004/05 and 2006/07 reflects the discontinuation of the water and sanitation programme as already explained above. It is necessary to point out that compensation of employees grew by 73.2 percent between 2004/05 and 2006/07 as a result of increase in the allocation for CDW, however the expenditure stabilises (7.8 percent) in the 2008 MTEF period.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

LOCAL GOVERNANCE

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
Support to developmental initiatives in communities	Number of projects identified and supported in each region	Mobilisation of communities to participate in IDP process	Western Region: 25 projects supported and linked to relevant sector departments	Western Region: 25 projects supported and linked to relevant sector departments	Western Region: 25 projects supported and linked to relevant sector departments
			Eastern Region: 15 projects supported and linked to relevant sector departments	Eastern Region: 15 projects supported and linked to relevant sector departments	Eastern Region: 15 projects supported and linked to relevant sector departments
			Northern Region: 15 projects supported and linked to relevant sector departments	Northern Region: 15 projects supported and linked to relevant sector departments	Northern Region: 15 projects supported and linked to relevant sector departments

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
Assessment of the CDW Programme	The impact of CDW programme in ensuring communities' access to government services	Impact assessment review of the CDW Programme	Monitor CDW impact on service delivery access by communities by ensuring 100% monthly reporting by CDWs	Monitor CDW impact on service delivery access by communities by ensuring 100% monthly reporting by CDWs	Monitor CDW impact on service delivery access by communities by ensuring 100% monthly reporting by CDWs
	Number of advocacy initiatives across all spheres supported by CDWs	14 advocacy initiatives across all spheres supported	20 advocacy initiatives across spheres of government supported	20 advocacy initiatives across spheres of government supported	20 advocacy initiatives across spheres of government supported
Profiling and promoting the work of CDWs	Perception of communities on CDWS	Approval of CDW communication plan	Implementation of a comprehensive CDW communication plan	Profiling and promoting CDW work in community radio stations, news papers and national media	Profiling and promoting CDW work in community radio stations, news papers and national media
2007 Citizen Satisfaction Survey	Change in citizens' perception on service delivery in Gauteng	A final report on the 2007 Citizen Satisfaction Survey	14 municipalities adopting and implementing actions based on the 2007 study plans based on the CSS	2009 Citizen Satisfaction Survey	14 municipalities adopting and implementing actions based on the 2007 study plans
2006 Business Satisfaction Survey	Number of municipalities adopting and implementing recommendations of the survey	2006 Business Satisfaction Survey			
Seminars on local government matters	Number of seminars per year	Seminar on local and provincial policy process	2 seminars on local government matters	2 seminars on local government matters	2 seminars on local government matters
Policy and Research Projects	Number of research and policy projects per year	Four research projects: (1) Feasibility Study on the all metro system of local government	6 policy and research projects conducted:	Policy guidelines on the municipal management of informal sector business	
		(2) Evaluation of the New Oversight Function in the City of Joburg	(1) Policy process on local and provincial government and alignment to the metro system recommendations	2 community surveys	
		(3) Evaluation of the efficacy of Municipal Public Accounts Committees	(2) A report on national transfers with recommendations		
		(4) Indigent policy and guidelines	(3) Evaluation study on the implementation of 50/50 women representation		
			(4) 2 Basic community surveys focusing on the poor communities in informal settlements		
			(5) Investigate the current municipal approach to environmental management		
			(6) Municipal management of informal business		
Monitoring and Evaluations (M & E) System	Number of municipalities reporting on the 5 key performance areas on monthly, quarterly and annual basis in line with M&E framework	A well functioning M & E System	14 municipalities reporting on the 5 KPAs in line with the M&E framework on monthly, quarterly and annual basis	14 municipalities reporting on the 5 KPAs in line with the M&E framework on monthly, quarterly and annual basis	14 municipalities reporting on the 5 KPAs in line with the M&E framework on monthly, quarterly and annual basis
		2005/06 annual municipal performance report			
		Quarterly municipal performance reports			

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
Annual Financial Statements of Municipalities	Annual Financial Statements of Municipalities	A report on the assessment of Municipal AFS for 2006/07	A report on the assessment of Municipal AFS for 2007/08	A report on the assessment of Municipal AFS for 2008/09	A report on the assessment of Municipal AFS for 2009/10
Monitoring Compliance to Municipal Properties Rates Act (MPRA)	Level of MPRA compliance	MPRA Compliance report 2007/08	Implementation of the Property Rates Act	Monitor the implementation of Valuation roll	Monitor the implementation of Valuation roll
Monitoring Compliance to the Municipal Financial Management Act (MFMA)	Level of municipalities' compliance to MFMA	All reports on MFMA compliance	Compliance by all municipalities to GAMAP	Compliance by all municipalities to GAMAP	Compliance by all municipalities to GAMAP
		Monthly, quarterly, bi-annually and annually 06/07	All MFMA reports submitted in line with GAMAP	All MFMA reports submitted in line with GAMAP	All MFMA reports submitted in line with GAMAP
Compliance to Public Office Bearers Act (POBA) monitored	Report on the level of compliance to POBA	A report on municipal compliance to POBA	A report on municipal compliance to POBA	A report on municipal compliance to POBA	A report on municipal compliance to POBA
Monitor Budgets and Grants of municipalities	Report on budgets and grants	Report on budgets and grants	Report on budgets and grants	Report on budgets and grants	Report on budgets and grants
Electronic Municipal Monitoring Assistance (EMMA)	Level of effectiveness of EMMA	Fully trained municipal officials and generation of reports	Reports to be produced and used as an early warning indicator	Reports to be produced and used as an early warning indicator	Reports produced from the EMMA system
HIV/AIDS Guidelines	Number of HIV/AIDS guidelines implemented in 14 municipalities	Develop HIV/AIDS guidelines	HIV/AIDS Guidelines implemented by all municipalities	Monitor municipal adherence to the HIV/AIDS Guidelines	Monitor municipal adherence to the HIV/AIDS Guidelines
HIV/AIDS Municipal Performance monitoring	Number of quarterly and annual reports on HIV/AIDS programme by all municipalities	HIV/AIDS Municipal Performance report	4 quarterly reports and one annual report of HIV/AIDS Municipal Performance for 2008/09 financial year	4 quarterly reports and one annual report of HIV/AIDS Municipal Performance for 2009/10 financial year	4 quarterly reports and one annual report of HIV/AIDS Municipal Performance for 2010/11 financial year
	Audited HIV/AIDS reports				
	Extent of implementing of the HIV/AIDS programme	Local Government HIV/AIDS Indaba	Conference assessing the performance of municipalities on the HIV/AIDS programme	All municipalities implementing the HIV/AIDS programme effectively	All municipalities implementing the HIV/AIDS programme effectively
Promote women participation in Local Government issues	An increase in the number of women participating in the Women in Local Government Awards	200 nomination forms received for the Women in Local Government Awards	250 nomination forms received for the Women in Local Government Awards	300 nomination forms received for the Women in Local Government Awards	2010 Women and local Government awards
Promote mainstreaming of gender issues in municipalities	Number of municipalities implementing		Approved gender guideline for municipalities	14 municipalities implementing gender guidelines	14 municipalities implementing gender guidelines
Promote the mainstreaming of youth and disability guidelines in municipalities	Number of municipalities effectively implementing Youth and Disability guidelines		Youth and disability guidelines developed and implemented in municipalities	14 municipalities implementing and reporting on the implementation of youth and disability guidelines	14 municipalities implementing and reporting on the implementation of youth and disability guidelines
Promote youth internship and learnership programmes in municipalities	Number of municipalities implementing youth learnership and internship programmes		14 municipalities implementing and reporting on the implementation of internship and learnership programmes	14 municipalities implementing and reporting on the implementation of internship and learnership programmes	14 municipalities implementing and reporting on the implementation of internship and learnership programmes
Municipal Infrastructure Grant (MIG) and Capital Expenditure	Municipal infrastructure expenditure	Quarterly and Monthly infrastructure expenditure reports	Quarterly municipal infrastructure expenditure reports and capital projects including MIG	Quarterly municipal infrastructure expenditure reports and capital projects including MIG	Quarterly municipal infrastructure expenditure reports and capital projects including MIG
Expanded Public Works Programme (EPWP)	Number of municipalities implementing EPWP	4 municipalities implementing EPWP projects	11 municipalities implementing EPWP projects	11 municipalities implementing EPWP projects	11 municipalities implementing EPWP projects
Eradication of Bucket Systems	Number of buckets and owner-built pit latrines replaced with water borne and VIP systems	12 332 buckets replaced with water borne and VIP systems	13 588 buckets and owner-built pit latrines replaced with water borne and VIP systems		

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
Service delivery infrastructure development, information management, research and development of the infrastructure sector	Reduction of electricity consumption through energy saving measures and the use of alternative energy systems and resources	Alternative energy systems and resources identified and a provincial strategy developed	Develop Strategy for Alternative Energy systems and Resources	Develop implementation plan for the Strategy & roll-out energy saving measures and explore alternative energy options	Roll-out energy saving measures & explore alternative energy options
Establishment of Project Management Units (PMUs)	Number of established and functional PMUs at municipalities	6 PMUs (55%) established and functional	11 fully functional PMUs (100%) established	Monitor and evaluate functionality and effectiveness of established PMUs	Monitor and evaluate functionality and effectiveness of established PMUs
Electricity Loss Strategy	Percentage reduction in electricity losses		Electricity loss strategies for 14 municipalities	Monitor and support municipalities to implement the strategies	Monitor and support municipalities to implement the strategies
Waste water treatment plant	Completion of the waste water treatment plants	Feasibility study on the decentralisation of waste water treatment plants	Pilot construction of decentralised waste water treatment plant	Post construction evaluation and study on the waste water treatment plants	
Municipal Technical Support	The impact of deployed technical capacity on the delivery of infrastructure projects	19 senior engineers and 34 graduates and students deployed in 6 municipalities	Technical skills support programme in partnership with SAICE and DBSA	Monitor impact of technical skills deployment in municipalities	Monitor impact of technical skills deployment in municipalities
			Support plan to fill all critical engineering posts in municipalities		

PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme description

The Development and Planning programme coordinates and facilitates integrated development and planning in municipalities to ensure that a variety of services are delivered in an integrated and sustainable manner.

Programme objectives

- Facilitate and coordinate processes towards ensuring that MIDPs are credible, implementable and aligned to national and provincial policies, plans and strategies;
- To co-ordinate the implementation of the Disaster Management Plan; and
- To ensure strategic management of provincial land for economic and social purposes.

TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES: INTEGRATED DEVELOPMENT PLANNING AND SERVICE DELIVERY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
1. Land Management	2,023	7,390	3,701	9,539	8,739	8,739	4,733	9,695	11,893
2. Municipal Integrated Development Planning	1,933	3,017	6,188	4,306	4,306	4,306	7,711	7,171	9,358
3. Disaster Management	1,171	6,918	30,461	34,852	40,852	40,852	22,219	29,812	18,014
4. Municipal Infrastructure	105,346	5,467	6,001	5,034	5,034	5,034	8,290	7,553	6,942
Total payments and estimates: Integrated Development Planning and Service Delivery	110,473	22,792	46,351	53,731	58,931	58,931	42,953	54,231	46,207

It can be seen in the table above that actual expenditure and appropriation in this programme declined by R64 266 million between 2004/05 and 2010/11, driven mainly by decrease in sub-programme 4: Municipal Infrastructure (R98 404 million). It has already been mentioned above that municipal infrastructure grant programme was migrated to municipalities in 2005/06 and the budget that is retained in the sub-programme is for co-ordination. During the same period under review, the budget for Land Management, Municipal Integrated Development Planning and Disaster Management increased by R9 870 million, R7 425 million and R16 843 million respectively. Sub-Programme 4: Disaster Management has seen the largest increase between 2004/05 and 2010/11 because of the importance of providing adequate response to all disaster incidents that may occur or threaten to occur before and after the 2010 World Cup tournament.

The average decrease in expenditure of 18.9 percent between 2004/05 and 2006/07 is as a result of the same reasons provided in the paragraph above. The decline in the growth rate of the budget by 7.8 percent between 2007/08 and 10/11 is due to the once-off capital projects relating to the establishment of the disaster management centre.

TABLE 11: SUMMARY OF ECONOMIC CLASSIFICATION: INTEGRATED DEVELOPMENT PLANNING AND SERVICE DELIVERY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	11,101	22,455	20,929	23,331	28,531	28,531	35,053	46,231	41,207
Compensation of employees	3,276	9,073	12,617	14,534	15,934	15,934	20,412	20,976	22,009
Goods and services	7,823	13,382	8,312	6,647	12,597	12,597	14,641	25,255	19,198
Interest and rent on land				2,150					
Financial transactions in assets and liabilities	2								
Transfers and subsidies	99,303								
Provinces and municipalities	99,303								
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	69	337	25,422	30,400	30,400	30,400	7,900	8,000	5,000
Buildings and other fixed structures									
Machinery and equipment	69	337	25,422	30,400	30,400	30,400	7,900	8,000	5,000
Cultivated assets									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: Integrated Development Planning and Service Delivery	110,473	22,792	46,351	53,731	58,931	58,931	42,953	54,231	46,207

Compensation of employees and goods and services account for similar share of the total budget, on average 32.9 percent and 32.5 percent respectively, during the period under review. Growth in appropriations has been relatively healthy; compensation of employees grew by 285 percent between 2004/5 and 2006/07 before increasing at a reduced rate of 7.8 percent in the 2008 MTEF period. Actual expenditure for goods and services grew by 6.3 percent between 2004/05 and 2006/07; it is expected to increase by 52 between 2007/08 and 2010/11.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

INTEGRATED DEVELOPMENT PLANNING AND SERVICE DELIVERY

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
IDP Analysis and Commenting Process	Credible, implementable MIDPs that are aligned to national and provincial policies, plans and strategies	Sustained 100% municipal compliance with MSA in terms of IDP process and submission	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act
Public Participation Study	Improved democratic, accountable and inclusive governance practices with regard to the IDP	A completed report on Public Participation Study	A pilot project to be undertaken, guided by outcomes of Public Participation Study	Monitor public participation through IDP process	Monitor public participation through IDP process
Provincial Consolidated Input		A consolidated GPG Input (projects and budgets) to each of the 3 metros and 3 districts for inclusion into the IDP	A consolidated GPG Input (projects and budgets) to each of the 3 metros and 3 districts for inclusion into the IDP	A consolidated GPG Input (projects and budgets) to each of the 3 metros and 3 districts for inclusion into the IDP	A consolidated GPG Input (projects and budgets) to each of the 3 metros and 3 districts for inclusion into the IDP
IDP Support	Quality of all 14 municipal IDPs	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act	Credible and implementable IDPs of all 14 municipalities that comply with the Municipal Structures Act
Provincial operational Disaster Management structures established and coordinated	Level of interoperability between all municipal disaster management centres and emergency services	Operational Disaster Management and Fire Brigade Service Advisory Forums	Establishment of Disaster Management & Fire Brigade Services systems	100% Disaster Management and Fire Brigade Services structures operational	Full communications interoperability between all municipal disaster management centres and emergency services

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
Disaster Risk Reduction and Management Strategies	Identification and development of risk reduction and response plans for identified risks (2010 World Cup, Gautrain & Major Hazard Installations)	Complete Provincial Fire Safety Regulations	Level III Incident Command Unit complete	All received Gautrain building plans approved within 30 days of receipt	Monitor and assess the implementation of strategies and adjust as required
			First phase of Provincial Nuclear, Biological & Chemical Response System complete	Two Gautrain readiness exercises complete	
			First phase of Provincial Urban Search & rescue System complete	One 2010 readiness exercise complete	
			Major Hazard Installations included in electronic risk planning system	Second phase of Provincial Nuclear, Biological & Chemical Response System complete	
			All received Gautrain building plans approved within 30 days of receipt	Second phase of Provincial Urban Search & rescue System complete	
			Two Gautrain readiness exercises complete		
			One 2010 readiness exercise complete		
Capacity, awareness and response capacity for Disaster Management and Fire/Rescue Services	Capacity levels to deal with disaster management, fire/ and rescue responses	Risk Aware programme (400 persons)	Four emergency response exercises	Four emergency response exercises	Emergency response exercises
		PIER Training (240 People)	Pre winter fire awareness campaign (500 people)	Pre winter fire awareness campaign(500 people)	
		Schools Disaster Awareness Programme	Flood/Drowning awareness campaign (500 people)	Flood/Drowning awareness campaign(500 people)	Flood/Drowning awareness campaign)
		Schools Disaster Awareness Programme	PIER training (30 people)	PIER training (30 people)	PIER training
		Fire & Rescue programmes	Schools disaster awareness campaign(50 Schools)	Schools disaster awareness campaign(50 Schools)	Schools disaster awareness campaign
					International Disaster Reduction Week Functional Provincial Fire and Disaster Management Training Academy
Capacity, awareness and response capacity for Disaster Management and Fire/Rescue Services	Capacity levels to deal with disaster management, fire/ and rescue responses		International Disaster Reduction Week	International Disaster Reduction Week	Functional Provincial Fire and Disaster Management Training Academy
			Costing and implementation plan for Provincial Fire and Disaster Management Training Academy	Establishment of Provincial Fire and Disaster Management Training Academy	Development of community based disaster response structures in targeted high risk communities
			Development of community based disaster response structures in 10 high risk communities	Development of community based disaster response structures in 10 high risk communities	

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Performance Target		
			2008/09	2009/10	2010/11
	Effective and responsive fire and rescue services	Establishment of fire/rescue services regulations, norms and standards	Monitoring compliance to fire/rescue services regulations, norms and standards	Quarterly and annual reports on the State of Disaster Management & Fire Rescue services in the province	Quarterly and annual reports on the State of Disaster Management & Fire Rescue services in the province
			Completion of quarterly and annual reports on the State of Disaster Management & Fire Rescue services in the province		
			Strengthening and formalisation of community development forums/volunteers.		
			Reported participation in the drafting of the Fire and Rescue Services Act.		

PROGRAMME 4: TRADITIONAL INSTITUTION MANAGEMENT

Programme description

To promote and facilitate viable and sustainable traditional institutions and to support and enhance the capacity of traditional authorities. The key performance areas are:

- Traditional Institutional Administration;
- Traditional Resource Administration;
- Rural Development Facilitation; and
- Traditional Land Administration

Programme objectives

- Strengthen co-operative governance between municipalities and traditional leaders;
- To manage institutional administrative and financial framework of the traditional institutions;
- To draw administrative policy guidelines, capacity building programme and to implement capacity building programmes;
- To support and strengthen the development capacity for structures of the institution of traditional leadership; and
- To manage and register traditional land rights.

TABLE 12: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTION MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
1. Traditional Institution Administration				1,400	1,400	1,400	2,593	1,581	1,697
2. Traditional Resource Administration				1,409	1,409	1,409	1,985	1,579	1,667
3. Rural Development Facilities				1,488	1,488	1,488			
Total payments and estimates: Traditional Institution Management				4,297	4,297	4,297	4,578	3,160	3,364

This programme was established after the incorporation of North West and Mpumalanga traditional community areas into the Gauteng Province. The actual expenditure and appropriation decrease by R933 million between 2007/8 and 2010/11. The appropriations for sub-programmes Traditional Institution Administration and Traditional Resource Administration will increase by R297 000 and R258 000 respectively during the same period. The two sub-programmes were established to provide for the administration of traditional affairs.

TABLE 13: SUMMARY OF ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTION MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments				4,297	4,297	4,297	4,578	3,160	3,364
Compensation of employees				1,709	1,709	1,709	2,599	1,907	2,837
Goods and services				2,588	2,588	2,588	1,979	1,253	527
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: Programme 4: Traditional Institution Management				4,297	4,297	4,297	4,578	3,160	3,364

The average share of compensation of employees stands at 60.3 percent of the total programme and goods and services accounts for 39.7 percent. Compensation of employees will grow by 13.4 percent between 2007/08 and 2010/11 financial years. 'Goods and Services will drastically decrease by 43.7 percent during the same period under scrutiny.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

TRADITIONAL INSTITUTION MANAGEMENT

Strategic Objective	Performance Measure Indicator	Estimate 2007/08	Target		
			2008/09	2009/10	2010/11
Framework for Traditional Management of Traditional Leaders	The functionality of systems and structures for Traditional Leaders	A complete Framework Bill on traditional leaders	100percent alignment of Institutional Traditional Leadership to IGR system and structures	Evaluating the IGR for and recommend improvements where necessary	Monitor the implemented IGR system and provide support

7. OTHER PROGRAMME INFORMATION

7.1 Personnel numbers and costs

TABLE 14: PERSONNEL NUMBERS AND COSTS¹: LOCAL GOVERNMENT

Personnel numbers	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011
1: Administration	171	119	135	119	116	111	114
2: Local Governance	210	249	522	600	665	665	667
3: Integrated Development Planning and Service Delivery	143	40	49	99	98	98	104
4: Traditional Institutional Management				5	5	5	55
Total personnel numbers	524	408	706	823	884	879	940
Total personnel cost (R thousand)	30,273	52,354	66,157	103,177	123,572	124,475	131,061
Unit cost (R thousand)	58	128	94	125	140	142	139

1. Full-time equivalent

TABLE 15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: LOCAL GOVERNMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2007/08		2008/09
Total for department									
Personnel numbers (head count)	524	408	706	823	823	823	884	879	940
Personnel cost (R thousands)	30,273	52,354	66,157	103,677	103,177	103,177	123,572	124,475	131,061
Human resources component									
Personnel numbers (head count)	16	10	16	16		16	16	16	17
Personnel cost (R thousands)	2,009	2,071	2,469	2,523		2,523	2,619	2,729	2,801
Head count as % of total for department	3%	2%	2%	2%		2%	2%	2%	2%
Personnel cost as % of total for department	7%	4%	4%	2%		2%	2%	2%	2%
Finance component									
Personnel numbers (head count)	23	18	20	25		25	26	26	26

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Personnel cost (R thousands)	3,792	8,016	3,344	4,108		4,108	4,369	4,669	4,796
Head count as % of total for department	4%	4%	3%	3%		3%	3%	3%	3%
Personnel cost as % of total for department	13%	15%	5%	4%		4%	4%	4%	4%
Full time workers									
Personnel numbers (head count)	416	408	706	823		823	884	879	940
Personnel cost (R thousands)	31,603	61,658	66,157	103,677		103,677	100,930	107,194	107,194
Head count as % of total for department	79%	100%	100%	100%		100%	100%	100%	100%
Personnel cost as % of total for department	104%	118%	100%	100%		100%	82%	86%	82%
Part-time workers									
Personnel numbers (head count)		5	15						
Personnel cost (R thousands)		96	249						
Head count as % of total for department		1%	2%						
Personnel cost as % of total for department									
Contract workers									
Personnel numbers (head count)			4	12		12	15	15	15
Personnel cost (R thousands)			61	96		96	102	135	148
Head count as % of total for department			1%	1%		1%	2%	2%	2%
Personnel cost as % of total for department									

7.2 Training

TABLE 16: PAYMENTS ON TRAINING: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Programme 1: Administration of which Subsistence and travel Payments on tuition	1,100	1,100	272	286		286	176	174	179
Programme 2: Local Governance of which Subsistence and travel Payments on tuition	1,100	1,100	272	286		286	176	174	179
Programme 3: Integrated Development Planning and Service Delivery of which Subsistence and travel Payments on tuition			570	572		572	698	769	769
Programme 4: Traditional Institution Management of which Subsistence and travel Payments on tuition			570	572		572	698	769	769
Programme 5: Integrated Development Planning and Service Delivery of which Subsistence and travel Payments on tuition			209	198		198	188	188	198
Programme 6: Traditional Institution Management of which Subsistence and travel Payments on tuition			209	198		198	188	188	198
Total payments on training: Local Government	1,100	1,100	1,051	1,056		1,056	1,062	1,131	1,146

TABLE 17: INFORMATION ON TRAINING: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Number of staff	945	570	850	712		712	883	878	940
Number of personnel trained of which	282		257	348		348	469	517	570
Male	114		115	145		145	194	214	236
Female	168		142	203		203	275	303	334
Number of training opportunities	149	134	305	21		21	58	68	80

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
of which									
Tertiary	14	10	35	11		11	24	27	31
Workshops	108	92	230	1		1	9	12	15
Seminars	27	32	40				3	4	5
Other				9		9	22	25	29
Number of bursaries offered	14	10	30	11		11	25	28	30
Number of interns appointed	6	4	15	13		13	20	24	27
Number of learnerships appointed	254	205		319		319	311	241	233
Number of days spent on training	240	217	243						

7.3 Reconciliation of structural changes

TABLE 18: RECONCILIATION OF STRUCTURAL CHANGES: LOCAL GOVERNMENT

Programmes for 2007/08			Programmes for 2008/09		
	2007/08 Equivalent				
	Programme	Sub-programme		Programme	Sub-programme
Local Governance	2	7	Development and Planning	3	4
Local Governance	2	5	Development and Planning	3	3

Annexure to Budget Statement 2

TABLE 19: SPECIFICATION OF RECEIPTS: LOCAL GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets			61	186	186	186	186	186	186
Sale of goods and services produced by department (excluding capital assets)			61	186	186	186	186	186	186
Sales by market establishments									
Administrative fees									
Other sales			61	186	186	186	186	186	186
Of which									
Health patient fees									
Other (Specify)			61	186	186	186	186	186	186
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other									
governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land			12						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Interest			12						
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities	217	386	425	110	110	110	110	110	110
Total departmental receipts	217	386	498	296	296	296	296	296	296

TABLE 20: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	41,551	29,636	31,805	33,057	30,757	30,757	42,516	42,460	45,209
Compensation of employees	14,460	18,046	18,724	21,392	20,392	20,392	23,425	24,173	24,648
Salaries and wages	12,293	15,508	16,970	18,684	20,392	17,684	20,445	20,710	21,038
Social contributions	2,167	2,538	1,754	2,708		2,708	2,980	3,463	3,610
Goods and services of which	17,459	11,588	13,032	11,665	10,365	10,365	19,091	18,287	20,561
COM: TEL/FAX/TELEGRAP&TELEX	2,059	1,794	2,611	2,376	2,376	2,376	2,200	2,600	2,600
AUDIT FEES: EXT									
CURRENT YEAR	1,543	1,500	1,444	1,801	1,801	1,801	1,950	2,000	2,000
OTHER ITEMS	4,302	8,294	9,603	7,488	10,365	6,188	14,941	13,687	15,961
Interest and rent on land	9,555								
Interest									
Rent on land	9,555								
Financial transactions in assets and liabilities	77	2	49						
Transfers and subsidies		6,455	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts		200							
Social security funds		200							
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households		6,255	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Social benefits		6,255	6,932	6,000	6,000	6,000	6,500	7,000	7,400
Other transfers to households									
Payments for capital assets	274	1,716	576	500	500	500	800	850	900
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	274	1,716	576	500	500	500	800	850	900
Transport equipment									
Other machinery and equipment	274	1,716	576	500	500	500	800	850	900
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Administration	41,825	37,807	39,313	39,557	37,257	37,257	49,816	50,310	53,509

ABLE 21: SUMMARY OF ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	30,302	41,407	95,033	117,759	136,743	136,743	114,703	114,905	106,930
Compensation of employees	12,537	25,235	34,816	66,042	65,142	65,142	77,136	77,419	81,567
Salaries and wages	10,954	21,885	30,282	56,643	65,142	55,743	66,184	66,390	69,957
Social contributions	1,583	3,350	4,534	9,399		9,399	10,952	11,029	11,610
Goods and services	17,765	16,172	60,217	51,717	71,601	71,601	37,567	37,486	25,363
of which									
CONS&SPEC SER:									
AGEN ADM&SUP									
STAFF			27,155	22,920	22,920	22,920	8,546	200	675
TRAIN&STAFF									
DEV:EXTERNAL	40	60	252	5,034	5,034	5,034	3,000	4,660	4,660
OTHER ITEMS	120	245	5,024	4,535	71,601	43,650	26,021	32,626	20,028
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Provinces and municipalities	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Municipalities	30,805	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Other transfers									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets		2,280	1,922	1,050	1,050	1,050	1,500	1,700	1,900
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment		2,280	1,922	1,050	1,050	1,050	1,500	1,700	1,900
Transport equipment									
Other machinery and equipment		2,280	1,922	1,050	1,050	1,050	1,500	1,700	1,900
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: Local Governance	61,107	67,885	117,725	130,856	148,792	148,792	127,123	129,887	108,830

TABLE 22: SUMMARY OF ECONOMIC CLASSIFICATION: INTEGRATED DEVELOPMENT PLANNING AND SERVICE DELIVERY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments	11,101	22,455	20,928	23,331	28,531	28,531	35,053	46,231	41,207
Compensation of employees	3,276	9,073	12,617	14,534	15,934	15,934	20,412	20,976	22,009
Salaries and wages	3,030	8,132	11,459	12,790	15,934	14,190	17,537	18,048	18,953
Social contributions	246	941	1,158	1,744		1,744	2,875	2,928	3,056
Goods and services of which	7,823	13,382	8,311	6,647	12,597	12,597	14,641	25,255	19,198
CONS&SPEC SER: FIN,ADVIS&MAN CONS			2,147	3,254	3,254	3,254	3,000	3,000	3,000

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
T&S DOM									
WITHOUT OP:GG									
VHCL			108	125	125	125	130	130	130
OTHER ITEMS			148	239	12,597	12,836	11,511	22,125	16,068
Interest and rent on land				2,150					
Interest									
Rent on land				2,150					
Financial transactions in assets and liabilities	2								
Transfers and subsidies	99,303								
Provinces and municipalities	99,303								
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	99,303								
Municipalities	99,303								
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	69	337	25,423	30,400	30,400	30,400	7,900	8,000	5,000

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	51	324	25,237	30,400	30,400	30,400	7,900	8,000	5,000
Transport equipment									
Other machinery and equipment	51	324	25,237	30,400	30,400	30,400	7,900	8,000	5,000
Cultivated assets	18	13	186						
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: Integrated Development Planning and Service Delivery	110,473	22,792	46,351	53,731	58,931	58,931	42,953	54,231	46,207

TABLE 23: SUMMARY OF ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTION MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Current payments				4,297	4,297	4,297	4,578	3,160	3,364
Compensation of employees				1,709	1,709	1,709	2,599	1,907	2,837
Salaries and wages				1,695	1,695	1,695	2,233	1,531	2,443
Social contributions				14	14	14	366	376	394
Goods and services of which				2,588	2,588	2,588	1,979	1,253	527
CONS&SPEC SER: FIN,ADVIS&MAN									
CONS				1,983	1,983	1,983	1,000	900	400
T&S DOM									
WITHOUT OP:GG									
VHCL				75	75	75	100	70	70
OTHER ITEMS				105	105	105	879	283	57
Interest and rent on land									
Interest									
Rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Transport equipment									
Other machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification 4: Traditional Institution Management				4,297	4,297	4,297	4,578	3,160	3,364

TABLE 24: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: LOCAL GOVERNMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
HIV/AIDS	105,547	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Category A	67,338	14,999	9,075	5,263	5,083	5,083	6,131	5,803	
City of JHB	29,775	4,883	4,845	2,315	3,131	2,083	3,131	2,465	
City of Tshwane	34,388	5,558	2,000	1,450	1,500	1,500	1,500	1,600	
Ekurhuleni	3,175	4,558	2,230	1,498	1,500	1,500	1,500	1,738	
Category B									
Westonaria									
Randfontein									
Nokeng Tsa									
Taemane									
Merafong									
Kungwini									
Lesedi									
Emfuleni									
Midvaal									
Mogale City									
Category C	38,209	9,199	11,695	6,784	5,916	5,916	4,789	7,479	
Metsweding	676	3,312	4,597	2,956	2,083	2,083	1,683	3,200	
Sedibeng	11,180	2,383	2,695	2,004	1,750	1,750	1,423	2,150	
West Rand	26,353	3,504	4,403	1,824	2,083	2,083	1,683	2,129	
Unallocated									
Local Govt Capacity Build & LED	24,561								
Category A									
City of JHB									
Municipality 2 City of Tshwane									
Ekurhuleni									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
Category B	24,561								
Westonaria	5,131								
Randfontein	2,550								
Nokeng Tsa									
Taemane	1,500								
Merafong	6,900								
Kungwini	2,000								
Lesedi	400								
Emfuleni	5,380								
Midvaal	200								
Mogale City	500								
Category C									
Metsweding									
Sedibeng									
West Rand									
Unallocated									
Total									
departmental transfers	105,547	24,198	20,770	12,047	10,999	10,999	10,920	13,282	
Category A	67,338	14,999	9,075	5,263	5,083	5,083	6,131	5,803	
City of JHB	29,775	4,883	4,845	2,315	2,083	2,083	3,131	2,465	
City of Tshwane	34,388	5,558	2,000	1,450	1,500	1,500	1,500	1,600	
Ekurhuleni	3,175	4,558	2,230	1,498	1,500	1,500	1,500	1,738	
Category B	24,561								
Westonaria	5,131								
Randfontein	2,550								
Nokeng Tsa									
Taemane	1,500								
Merafong	6,900								
Kungwini	2,000								
Lesedi	400								
Emfuleni	5,380								
Midvaal	200								
Mogale City	500								
Category C	38,209	9,199	11,695	6,784	5,916	5,916	4,789	7,479	
Metsweding	676	3,312	4,597	2,956	2,083	2,083	1,683	3,200	
Sedibeng	11,180	2,383	2,695	2,004	1,750	1,750	1,423	2,150	
West Rand	26,353	3,504	4,403	1,824	2,083	2,083	1,683	2,129	

