

Department of Housing and Local Government

To be appropriated by Vote in 2008/09	R 334 855 000
Responsible MEC	MEC for Housing and Local Government
Administrating Department	Department of Housing and Local Government
Accounting Officer	Deputy Director General: Department of Housing and Local Government

Overview

Vision

Sustainable, integrated human settlements within municipalities that are developmental local government and adhere to good governance.

Mission

- To promote and facilitate sustainable, integrated human settlements and infrastructure development for effective service delivery.
- To facilitate, monitor and support the consolidation and sustainability phases at municipalities for integrated, sustainable service delivery.
- To promote and support inter-sphere engagement for integrated planning and co-ordination.
- To facilitate, develop and support systems and structures to enhance traditional leadership.
- To ensure the efficient, effective and economic utilization of departmental resources to maximise service delivery.

The strategic objectives of the department is summarized in the following three programmes:

Administration

This programme is committed towards continuous service delivery improvements and meeting customer needs and sound management and administration of departmental resources.

Housing

The aim of this programme is the creation of integrated sustainable human settlements through a well-managed housing process in the Northern Cape Province. The program is geared to focus on speeding up the delivery of houses through the New Comprehensive Plan and the enhancement of the normal subsidy programmes. With the legislation and policy changes the Programme will endeavour to promote the achievement of creating a non-racial, integrated society through the development of sustainable human settlements.

Local Government

The aim of the programme is to promote good governance. Financial and institutionally viable municipal systems, structures and service delivery processes. To facilitate municipalities to provide infrastructure services within the framework of the Integrated Development Plan. To ensure orderly change in the building and natural environment in order to further integrate human settlement development and environmental sustainability.

Legislative and Other Mandates

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

- Constitution of the republic of South Africa (act 108 of 1996).
- The Public Finance Management Act (act 1 of 1999)
- The Housing Act (Act No. 107 of 1997) as amended
- Prevention Of Illegal Eviction From And Unlawful Occupation Of Land (Act of 1998)
- The Housing Consumers Protection Measures Act Of 1998
- The Rental Housing Act Of 1999
- Home Loan And Mortgage Disclosure Act Of 2000
- Disestablishment Of South African Trust Limited Act,(Act 26 Of 2002)
- National Housing Code (2000)
- The Urban And Rural Frameworks (1996),
- Municipal Structures Act 117 of 1998.
- The Municipal Systems Act 32 of 2000
- The Municipal Finance Management Act 56 of 2003
- The Disaster Management Act 52 act of 2002
- The Division Of Revenue Act
- National Housing code
- Property Rating Act and Property Valuation Ordinance No 148 of 1993
- The Demarcation Act of 1998
- The Northern Cape Interim Housing Act,6 of 1999

2. Review of the current financial year

Housing

- The department built 1116 houses.
- The department serviced 696 sites
- Three of the 24 blocked projects were completed.
- Trained 1000 beneficiaries in housing consumer education.
- Mobilization and training of 100 youth in housing construction
- Accreditation of 8 municipalities.
- Training of Councilors in the Municipal training programme.
- Development of housing chapters in municipal Integrated Development Plan(IDP).
- Launch of Rental Housing Tribunal in the Northern Cape
- A total of 1440 title deeds was issued to households to promote home ownership.

- The devolution of two (2) erven in Windsorton to the Dikgatlong Municipality was approved in terms of the Housing Act no 107 of 1997.

Local Government

- Developed a Northern Cape specific plan for the implementation of the Five Year Strategic Agenda for Local Government:
- The Provincial Project Management Unit was also established.
- Provided municipalities with support in terms of the recruitment of Municipal managers and Section 57 Managers:
- The department together with Provincial Treasury, SALGA-NC and South African Institute of Civil Engineers (SAICE) has been assisting municipalities in the recruitment process of Municipal managers and Section 57 Managers.
- The additional 133 Community Development Workers was permanently appointed on departmental establishment.
- Provided guidance and support to municipalities as they prepare to implement the Property Rates Act.
- Established a provincial co-ordination committee to monitor the implementation of Free Basic Services (FBS).
- Coordinated the Vuna Award processes in the Province and initiated Provincial Awards for the first time in this financial year.
- Analyzed municipal Integrated Development Plans(IDP) leading into Provincial IDP Engagement process to synchronize planning and harmonization across the three spheres and to increase the credibility of IDP's.
- A number of capacity building workshops were held with councilors and officials on free basic services, Performance Management System, Municipal Infrastructure Grant (MIG).
- Participated in a number of Disaster Management Activities, like containing veld fires, dealing with locust invasion. Supporting the districts in the re-establishment of Provincial Disaster Management Committee.

3. Outlook for the coming financial year (2008/09)

Housing

- The Department will deliver 2523 houses and service 2050 sites with the MTEF allocation
- The two ISUP pilot projects will move from the planning stage into the implementation stage and municipal services will be delivered during this year
- All blocked projects will be completed
- Two municipalities will be assisted with the development of housing sector plans
- One thousand housing consumers to be educated
- Two municipalities will be assisted to achieve Level 1 Accreditation.

Local Government

- Assessment of municipal Intergrated Development Plan (IDP) in order to enhance the credibility of IDP's.
- Continue the support and coordination of the Five Year Strategic Agenda for Local Government.
- Continue to support the establishment of District Operation and Maintenance Units.
- Setting up phase one of the Electronic Monitoring System.
- To facilitate support to municipalities in order to reach 100% compliance in terms of the submission of Annual Financial Statements by the end of August 2008.
- Support municipalities in dealing proactively with audit outcomes and developing mechanisms to deal with matters which results in negative audit outcomes.
- To host a municipal Anti-corruption Summit, leading to the development of District Municipal Anti - corruption Strategies.
- Facilitate a process whereby all 32 Municipalities will participate in the Vuna Awards process.
- To review the organizational structure of the Chief Directorate in order to strengthen the capacity to monitor and support municipalities
- To establish phase 1 of the Provincial Disaster Management Centre.
- Continue the co-ordination of further training for ward committees in municipalities.
- Monitoring the implementation of MIG, Galeshewe urban renewal project (GURP), free basic services and the infrastructure targets set by National Government.
- Continue with the feasibility survey of municipalities to determine their long-term sustainability.
- To conduct skills audit in all municipalities to address capacity.

4. Receipts and financing

Summary of receipts

The following sources of funding are used for the Vote:

Table 4.1: Summary of Receipts: Department of Housing and Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
Treasury Funding									
Equitable share	120,697	145,227	152,460	163,739	166,464	166,464	178,776	192,130	203,833
Conditional grants	114,340	107,682	108,854	130,976	131,036	131,036	161,312	199,332	258,638
Departmental Receipts	541	252	146	254	254	378	267	282	299
Total receipts	235,578	253,161	261,460	294,969	297,754	297,878	340,355	391,744	462,770

Table 4.2: Departmental receipts: Department of Housing and Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
Sales of goods and services other than capital assets	541	252	146	254	254	378	267	282	299
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts	541	252	146	254	254	378	267	282	299

5. Payment Summary

5.1 Key Assumptions

The following broad key assumptions were made during the preparation of the budget for the MTEF period commencing 2008/09.

- The annual salary increases are based on the wage agreement.
- Allocation for Housing subsidy grant is based on the allocation formula
- Expenditure is based on the allocated amount and housing policies from National department of Housing.
- All transfer payments to municipalities are gazetted on the Provincial gazette annually.

5.2 Programme Summary

Table 5.2: Summary of Payments and Estimates: Department of Housing and Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
Administration	22,718	27,139	38,649	38,151	39,521	43,660	44,716	46,710	49,976
Housing	116,722	119,793	121,682	160,914	160,974	159,026	193,591	237,197	298,317
Local Governance	95,597	105,977	100,983	95,650	97,005	94,814	101,782	107,555	114,178
Total payments and estimates	235,037	252,909	261,314	294,715	297,500	297,500	340,089	391,462	462,471

Table 5.3: Summary of Provincial Payments and Estimates by Economic Classification: Department of Housing and Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
Current payments	61,877	78,350	102,113	138,015	140,590	140,600	151,276	164,607	174,708
Compensation of employees	38,421	53,761	72,684	95,096	95,821	95,821	105,235	111,172	118,046
Goods and services	23,456	24,450	29,429	42,919	44,769	44,779	46,041	53,435	56,662
Interest and rent on land									
Financial transactions in assets and liabilities		139							
Unauthorised expenditure									
Transfers and subsidies:	171,965	171,829	155,996	153,617	153,677	153,710	185,547	223,438	283,865
Provinces and municipalities	81,105	70,493	51,090	22,141	22,141	21,996	20,910	20,626	21,749
Departmental agencies and accounts			169			178			
Universities and technikons									
Public corporations and private enterprises	500	500	15	500	500	500	500	500	500
Foreign governments and international organisations									
Non-profit institutions									
Households	90,360	100,836	104,722	130,976	131,036	131,036	164,137	202,312	261,616
Payments for capital assets	1,195	2,730	3,205	3,083	3,233	3,190	3,266	3,417	3,898
Buildings and other fixed structures	83		1,921		420	417			
Machinery and equipment	1,065	2,176	1,284	3,033	2,763	2,684	3,214	3,364	3,848
Cultivated assets						39			
Software and other intangible assets	39	70		50	50	50	52	53	50
Land and subsoil assets	8	484							
Total economic classification	235,037	252,909	261,314	294,715	297,500	297,500	340,089	391,462	462,471

5.4 Transfers

5.4.1 Transfers to other entities

Table 5.4: Summary of departmental transfers to other entities SALGA

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
SALGA	500	500		500	500	500	500	500	500
Total departmental transfers to other entities	500	500		500	500	500	500	500	500

5.4.2 Transfers to local government

Table 5.5: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
Category A									
Category B	14,599	16,345	16,345	12,487	12,487	12,487	15,749	15,279	16,277
Category C	52,686	49,667	33,010	9,941	9,941	9,942	5,434	5,607	5,833
Total departmental transfers	67,285	66,012	49,355	22,428	22,428	22,429	21,183	20,886	22,110

Programmes Description

6.1 Programme 1: Administration

The programme aims to ensure that the overall management is strategic, policy is implemented and administration is efficient, fair and accountable.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2004/05	2005/06	2006/07						
Office of the Mec	3,769	3,294	3,816	3,954	4,454	4,454	4,180	4,243	4,517
Corporate service	18,949	23,845	34,833	34,197	35,067	39,206	40,536	42,467	45,459
Total	22,718	27,139	38,649	38,151	39,521	43,660	44,716	46,710	49,976

Table 6.1.1: Summary of payments and estimates by economic classification: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2004/05	2005/06	2006/07				2007/08	2008/09	2009/10
Current payments	22,174	26,246	35,980	37,351	37,801	41,534	44,079	46,060	49,338
Compensation of employees	13,942	16,985	21,841	22,627	23,077	23,525	28,566	30,150	32,340
Goods and services	8,232	9,122	14,139	14,724	14,724	18,009	15,513	15,910	16,998
Interest and rent on land									
Financial transactions in assets and liabilities									
		139							
Unauthorised expenditure									
Transfers and subsidies:	61	54	358	170	170	202	182	192	100
Provinces and municipalities	61	54	189	170	170	25	182	192	100
Departmental agencies and accounts			169			177			
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	483	839	2,311	630	1,550	1,924	455	458	538
Buildings and other fixed structures	83		1,921		420	417			
Machinery and equipment	374	355	390	580	1,080	1,457	403	405	488
Cultivated assets									
Software and other intangible assets	26			50	50	50	52	53	50
Land and subsoil assets		484							
Total economic classification	22,718	27,139	38,649	38,151	39,521	43,660	44,716	46,710	49,976

6.2 Programme 2: Housing

The program is geared to focus on the delivery of houses through the normal subsidy programmes. With the legislation and policy changes as discussed in part 1, the options in housing will increase. The focus will in future move from delivery of top structures and services toward better quality. Instead of a top down approach the new approach asks for a bigger involvement of municipalities. The programme must get involve in the facilitation process will focus on addressing the backlogs through more options to the beneficiary.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Housing Planning and Research	5,431	5,789	5,984	7,191	7,191	7,191	8,869	9,179	9,644
Housing Performance and Subsidy Programme	105,143	107,657	112,856	149,006	149,066	147,118	180,225	223,248	283,562
Urban Renewal and HSRP	3,814	3,180							
Asset Management	2,334	3,167	2,842	4,717	4,717	4,717	4,497	4,770	5,111
Total	116,722	119,793	121,682	160,914	160,974	159,026	193,591	237,197	298,317

Table 6.2.1: Summary of payments and estimates by economic classification: Programme 2 Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Current payments	11,883	13,811	15,058	29,687	29,537	27,589	29,188	34,611	36,229
Compensation of employees	9,115	10,532	10,524	17,992	17,992	17,544	18,775	19,985	21,187
Goods and services	2,768	3,279	4,534	11,695	11,545	10,045	10,413	14,626	15,042
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	104,619	105,763	106,283	131,019	131,079	131,079	164,182	202,360	261,655
Provinces and municipalities	14,259	4,927	1,561	43	43	43	45	48	39
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	90,360	100,836	104,722	130,976	131,036	131,036	164,137	202,312	261,616
Payments for capital assets	220	219	341	208	358	358	221	226	433
Buildings and other fixed structures									
Machinery and equipment	212	219	341	208	358	358	221	226	433
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets	8								
Total economic classification	116,722	119,793	121,682	160,914	160,974	159,026	193,591	237,197	298,317

Service Delivery Measures

Measurable Objective	Performance indicator	Performance target 2008/09
To implement sound departmental supply chain management	Establish various departmental bidding committees. Ensure policies and procedures are in line with SCMF. Ensure the effective maintenance of an accurate Departmental Asset Register	Compliant with supply chain policies. Compliant with the PFMA and section 42
A well manage housing programme which will avail all the housing products to people of the Northern Cape	All National housing programmes performing according to National norms and standards and allocated funds spent on these programmes	
Develop multi-year development plans in line with National Housing Policy by October each year	Housing Development plan in place	Multiyear development plan
Revised and update IHHSF Conditional	Conditional Grant Business Plan in place.	IHHSF business plan in place.

grant business plan in line with MTEF & IDP's by Oct. each year.		
Develop policy guidelines, Proclamation of Acts and Amendments	No of new Acts passed and policy guidelines developed	1 Policy/Act.
Interaction with financial institutions and private sector on the mobilisation of credit for housing and raising consumer awareness w.r.t accessing and servicing bonds	Number of Financial and Private Sector Institutions and consumers engaged	Engage with financial institutions and private sector and consumers
To enhance capacity and provide support to municipalities in the provision of housing delivery	No of municipalities accredited No of training workshops provided to municipalities No of visits planned to municipalities	2 Municipalities accredited.

Facilitate access to quality housing goods and services	No. of unblocked projects completed	1
	No of serviced sites completed	2050
	No of houses completed	2523
	Number of houses completed under project linked subsidy	1121
	Number of houses completed under Individual subsidy	15
	Number of houses completed under PHP subsidy	50
	Number of houses completed under institutional subsidy	0
	Number of houses completed under Farm worker subsidy	37
	Number of houses completed under consolidation subsidy	67
	Number of poorly built houses rectified	494
	Number of houses completed under Informal settlements	200
	Number of houses completed under Social housing subsidy	0
	Number of houses completed under phased development	631
	No of sites completed in Informal Settlements Upgrading	500
	No of Social Amenities (facilities) provided	1
	All Subsidies allocated per financial year approved on HSS	100%
Provide quality assurance on the implementation of housing projects	% of houses constructed	100%
	Provide contract and administration management	100%
	% of Quality data for approved projects	100%
	% of running projects audited per annum	100%
	No of Quality reports on HSS & Statistics	12
Effective, efficient and economical management of properties	No of housing rental units transferred with EEDBS	14
	Number of residential properties transferred to households	3584
	Number of properties devolved to municipalities	149
	Number of properties maintained	14

	% of rentals collected (Debtor management)	100%
Regulate the relationship between the landlords and tenants	Number of disputes dealt with between landlords and tenants	100%

6.3 Programme 3: Local Government

The aim of the programme is to promote good governance, Financial and institutionally viable municipal systems, structures and service delivery processes. To facilitated municipalities to provide infrastructure services within the framework of the IDP. To ensure orderly change in the built and natural environment in order to further integrated human settlement development and environmental sustainability.

Table 6.3: Summary of payments and estimates: Programme 3 Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
					2007/08				
1. Local Governance	91,287	101,485	96,866	85,227	86,582	84,391	92,648	98,817	104,916
2. Development and Planning	4,310	4,492	4,117	10,423	10,423	10,423	9,134	8,738	9,262
Total	95,597	105,977	100,983	95,650	97,005	94,814	101,782	107,555	114,178

Table 6.3.1: Summary of payments and estimates by economic classification: Programme Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
					2007/08				
Current payments	27,820	38,293	51,090	70,977	73,252	71,477	78,009	83,936	89,141
Compensation of employees	15,364	26,244	40,319	54,477	54,752	54,752	57,894	61,037	64,519
Goods and services	12,456	12,049	10,771	16,500	18,500	16,725	20,115	22,899	24,622
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	67,285	66,012	49,340	22,428	22,428	22,429	21,183	20,886	22,110
Provinces and municipalities	66,785	65,512	49,340	21,928	21,928	21,929	20,683	20,386	21,610
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions	500	500		500	500	500	500	500	500
Households									
Payments for capital assets	492	1,672	553	2,245	1,325	908	2,590	2,733	2,927
Buildings and other fixed structures									
Machinery and equipment	479	1,602	553	2,245	1,325	869	2,590	2,733	2,927
Cultivated assets									
Software and other intangible assets	13	70				39			
Land and subsoil assets									
Total economic classification	95,597	105,977	100,983	95,650	97,005	94,814	101,782	107,555	114,178

7. Other Programme Information

Table 7.1: Personnel numbers and costs: Department of Housing and Local Government

	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
Personnel numbers							
Administration	48	94	75	118	120	125	125
Housing	43	62	73	84	100	106	106
Local Governance	176	182	185	317	457	484	484
Total personnel numbers *	267	338	333	519	677	715	715
Total personnel cost (R thousand)	38,421	53,761	72,684	95,096	105,234	111,172	118,046
Unit cost (R thousand)	144	159	218	183	155	155	165

8. Training

Table 8: Summary of training: Department of Housing and Local Government

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2004/05	2005/06	2006/07						
R thousand									
Programme 1: Administration	124	180	168	197	197	197	236	305	335
of which									
Subsistence and travel	57	68	36	44	44	44	55	65	75
Payments on tuition	67	112	132	153	153	153	181	240	260
Programme 2:	123	84	112	132	132	132	170	200	225
Subsistence and travel	16	16	23	52	52	52	70	80	85
Payments on tuition	107	68	89	80	80	80	100	120	140
Programme 3:				110	110	110	180	210	240
Subsistence and travel				30	30	30	50	60	70
Payments on tuition				80	80	80	130	150	170
Total payments on training	247	264	280	439	439	439	586	715	800