

**Vote 7****Local Government and Traditional Affairs****Table 7.1: Summary of departmental allocation**

R' 000	2010/11 To be appropriated	2011/12	2012/13
<b>MTEF allocations</b>	<b>707 627</b>	<b>718 779</b>	<b>756 010</b>
of which			
Current payments	684 919	694 692	730 672
Transfers and subsidies	11 967	12 693	13 353
Payments for capital assets	10 742	11 394	11 985
<b>Statutory Amount</b>	<b>1 492</b>	<b>1 586</b>	<b>1 676</b>
Responsible MEC	<b>MEC for Local Government &amp; Traditional Affairs</b>		
Administering Department	<b>Local Government</b>		
Accounting Officer	<b>Head of Department</b>		

**1. Overview****1.1 Vision**

A strong and efficient department that promotes viable, developmental municipalities and traditional institutions that enables sustainable development.

**1.2 Mission**

To lead the enabling of developmental municipalities and traditional institutions through hands on support, integrated planning, governance arrangements, refined, strengthened fiscal and regulatory framework.

**1.3 Main services**

- Assess performance and capacity of municipalities
- Facilitate the turnaround of audit outcomes of municipalities
- Promote transformation and good governance in municipalities
- Strengthen and improve Spatial Development Framework
- Strengthen strategies and capacity for LED, Urban and Rural Development
- Improve municipal capacity for infrastructure development programmes
- Improve and strengthen indigent strategies
- Improve disaster, fire and emergency services
- Coordinate, monitor, report and evaluate municipal support programmes
- Facilitate and support the transformation and development of effective Traditional Institutions.

**1.4 Strategic Objectives**

- To support 45 municipalities to meet their targets for basic needs in line with credible IDP's by 2014.
- To support the achievement of clean audit outcomes by the department and 45 municipalities by 2014.
- To facilitate improved functionality of 45 municipal institutions through the complete implementation of individual performance management and development systems aligned to organizational performance managements systems by 2014.

- To implement a monitoring and evaluation service in 45 municipalities based on a provincial municipal-specific support programme aimed at improving credible IDP outcomes by 2014.
- Implement ward based planning in 636 wards by 2014 which includes monitoring and communication of ward development initiatives.
- To promote sustainable communities by implementing appropriate institutional systems, good governance and sustainable development in all traditional leadership institutions.

## 1.5 Core functions and responsibilities

The core functions of the department are the following:

- Supporting integrated service delivery through IGR and Communication Services
- To facilitate sound corporate governance practices in municipalities
- To promote viable sustainable and developmental municipalities that deliver basic services.
- To promote effective institutional systems, good governance and sustainable development in all traditional institutions

## 1.6 Acts, Rules and Regulations

- Constitution of the Republic of South Africa Act No. 108 of 1996
- Local Government Municipal Systems Act No. 32 of 2000 as amended
- Local Government Municipal Structures Act No.117 of 1998 as amended
- White paper on Local Government, 1998
- Local Government Transition Act No. of 1993
- Local Government Municipal Finance Management Act No. 56 of 2003
- Local Government Municipal Property Rates Act No. 6 of 2004
- Local Government Municipal Demarcation Act No.27 of 1998 as amended
- Disaster Management Act No. 57 of 2002
- Traditional Leadership and Governance Framework Act No.41 of 2003
- Division of Revenue Act No. 28 of 1998 and No. 30 of 1999
- Generally Recognised Accounting Practice
- Guidelines for the Implementation of Free Basic Services (FBS)
- Guidelines for the National Indigent Policy
- Integrated Sustainable Rural Development Strategy
- Inter-governmental Relations Framework, Act No. 13 of 2005
- Land Survey Act No. 8 of 1997
- Land Use Management Bill
- Land Use Planning Ordinance 15 of 1985
- Land Use Regulations Ordinance 15 of 1987
- Less Formal Township Establishment Act 113 of 1991
- Municipal Comprehensive Infrastructure Management Framework
- Municipal Comprehensive Infrastructure Planning Framework
- Municipal Infrastructure Grant Policy Framework
- Municipal Infrastructure Investment Framework
- National Disaster Management Policy Framework
- National Environmental Management Act, Act No 107 of 1998
- National Integrated Development Plan Guide Pack (Volumes 0 - 7)
- National Spatial Development Perspective
- Operational Guide for Nodal Urban Recourse Practitioners
- Policy Guidelines for Implementing Local Economic Development in South Africa
- Provincial Spatial Development Plan
- Re-determination of the Boundaries of Cross-boundary Municipalities Act No. 6 of 2005
- Regulation in terms of Municipal Property Rates Act
- Townships Ordinance
- Townships Ordinance 33 of 1934

- White Paper on Batho Pele
- White Paper on Disaster Management

## 2. Review for the current financial year 2009/10

*Local government is the primary pillar in the reconstruction and development of the nation. The department recognises that it has to respond and adapt to the broader and more challenging mandate of contributing towards the realisation of the developmental state. With the changing social and economic structure of the country, local government is forced to meet a new set of challenges. Whilst there are municipalities that are performing well, the local government sphere overall does not appear to be responding to these challenges effectively.*

In light of this, a nationwide local government research study was conducted on the Comprehensive Assessment of Municipalities. The research makes the following findings:

- Municipalities are under severe pressure to deliver services;
- Municipal service delivery systems need to be simplified;
- There is a growing gap between municipal service delivery and the actual needs of the communities they serve;
- The department would need to review its approach to municipal support in order to improve the effectiveness of support to municipalities;
- There needs to be more coordination between sector departments by way of improved delivery partnership between DLGTA, Office of the Premier and Provincial Treasury

From this assessment, as well as the fact that almost half of the municipalities in the province have been classified as most vulnerable, it becomes inevitable that the department will have to increase its efforts in supporting municipalities to deliver services effectively.

In 2009/10 the department launched Operation Clean Audit which it believes will have material positive effect on municipal financial management. This is a formidable task given the large number of municipalities with poor audit outcomes and the tight timeframes set for the achievement of targets. The programme will seek to eradicate all twenty five (25) qualified audit opinions and two (2) Disclaimer/Adverse audit opinions in the municipalities in the province.

The department of Local Government and Traditional Affairs together with other strategic partners viz. Provincial and National Treasuries, Department of Cooperative Governance and Traditional Affairs (COGTA), Office of the Premier and South African Local Government Association (Salga) as well as certain support providers have been charged with a responsibility to lead the Programme to improve audit outcomes of all municipalities.

The department invoked Section 139 interventions in Koukamma and Alfred Nzo municipalities. The department has provided support to these municipalities through the appointment of administrators to steady municipal functioning and improve the entire management of the said municipalities. The department continues to focus on a variety of issues in municipalities such as the interventions and investigations in fraud and corruption and land related matters in various municipalities.

The establishment of functioning municipal institutional structures in all municipalities in realising a turnaround in local government is critical. The department will ensure that 36 municipalities have established rules of order, delegations of powers and ordinary council meetings. The training of municipal officials and the councillors on leadership development is progressing albeit slowly. Skills audits have been conducted in five municipalities.

Some of the achieved outputs for the 2009/10 financial year are:

- Performance assessment for municipalities
- Support to municipalities on the Property Rates Act
- Assessment of municipal integrated development plans
- Provisioning of voting infrastructure to conduct national and provincial elections
- Five districts and metros are in the process of reviewing their performance management systems

All 45 municipalities were invited to participate in the Integrated Development Plan Assessment for better understanding and proper guidance by IDP Assessors. All municipalities have adopted their final IDPs. The National IDP Assessment Framework Tool is to be finalised in the last quarter of the financial year. A consolidated report has been compiled which details the sector departments Annual Performance Plans linkage with Integrated Sustainable Rural Development Programme/Urban Renewal Programme nodes.

The department is supporting 3 municipalities with capital infrastructure projects. The funds for the municipalities have been transferred and gazetted. All 45 municipalities are being monitored on their Municipal Infrastructure Grant outlay performance. Some municipalities are still spending their 2008/09 allocations. The department will give special focus to these municipalities in order to expedite their spending.

The process of research and consultation on areas of traditional council jurisdiction is continuing. Two hundred areas of jurisdiction of traditional councils have been confirmed. Sixty (60) genealogies of Senior Traditional Leaders have been collected.

The construction of the 5 new Traditional Councils is being monitored and is on progress. The construction process is at various stages, some traditional councils are at roof level stage whilst others are at window level. The Provincial House of Traditional Leaders is virtually complete. Furthermore, renovations to AmaHlubi Traditional council are complete and renovations to AmaQwati are in progress.

The development of the legislation dealing with customs has been delayed because of the development of policy preceding the legislation which must be adopted by the Legislature as a matter of procedure. The Bill which also makes provision for the establishment of Local Houses is still undergoing Legislature processes and therefore Local Houses cannot be established without such legislation. The reconstitution of Traditional Councils had been postponed twice but the programme is now progressing satisfactorily and elections will be conducted in 2010.

### **3. Outlook for the coming financial year 2010/11**

It is the aim of the department to build an effective and responsive state that is more accountable to the people that it serves, and more capable of accelerating the project of socio-economic transformation. The department remains steadfast in its commitment to play its part in ensuring efficient, effective and responsive local government systems and traditional institutions. Policy priorities for the department in the 2010/11 financial year are, namely:

- Strengthening leadership, accountability, and clean local government;
- Strengthening co-operative governance and development planning in a democratic developmental state;
- Accelerating service delivery to support the poor and vulnerable;
- Supporting local economic development and rural development to create decent work and sustainable livelihoods;
- Improving the developmental capacity of the Institution of Traditional Leadership.

In order to achieve these strategic priorities, the department will have to ensure that there is adequate capacity within the department. The department intends to increase the strategic visibility and profile of human resource development within the department. This would include identifying critical and scarce skills that the department does not have and ensure that a process of acquiring such skills receives urgent attention. Eastern Cape is largely a rural province thus one of the department's key programmes is the provision of support and the strengthening of traditional institutions in the province and the facilitation of collaboration between traditional institutions, municipalities and other stakeholders. The traditional leadership should spearhead development initiatives within their communities.

Some of the initiatives for the coming year financial year which are geared towards achieving clean audits and fighting corruption in the local government sphere include, the installation of an integrated electronic security system, security policy plan approved and implemented, conduct quarterly security workshops, bolstering municipal internal control systems, ensure the existence of a functional internal audit unit in municipalities and supporting all municipalities in developing and improving their anti-fraud and anticorruption strategies.

The department will develop and implement a municipal support co-ordination mechanism. At least 30 municipalities should have functional performance management systems. 15 more will be assisted in developing a performance management system. The province should see 20 municipalities participating in the Vuna Excellence awards.

The development of human resources is central to achieving a competent and efficient local government tier. In 2010 the department will seek to capacitate 60 municipal officials, 180 councillors and 100 traditional leaders. Municipalities will be assisted in developing Human Resource plans, Employment Equity and Skills Plan.

It will be ensured that all local municipalities have functional and credible ward committees. Public participation units shall be established in at least 14 municipalities. The department will ensure all municipalities receive the necessary support for the coming local government elections. 636 Community Development Workers will be trained and fully resourced. Each ward shall have a dedicated community development worker.

The department aims to implement a monitoring and evaluation service in all municipalities based on a provincial municipal-specific support programme aimed at improving credible IDP outcomes by 2014. The monitoring and evaluation function shall comprise of annual, quarterly and monthly reports that detail the performance of the IDP units within municipalities.

Supporting local economic development is a priority for the department. In this regard, 20 Local Economic Development (LED) practitioners are to be trained, 3 LED professionals will be positioned to facilitate sustainable local economies and another 3 will facilitate second economy initiatives. 25 young economists will be placed in various municipalities to enhance capacity. At least 5 small towns and 5 villages are set for socio-economic profiling so as to promote the regeneration of second economies. The department will support three Urban Renewal Programmes in the coming financial year.

The promotion of sustainable communities through the implementation of appropriate institutional and governance systems in all traditional leadership institutions is one of the strategic objectives of the department. The proposed legislation is to be submitted before the legislature in the coming financial year. This includes the Traditional Leadership and Governance Amendment Bill; and legislation on Traditions, Customs and culture. The department has to ensure that the legislative framework relating to Tradition, Customs and Culture is developed and implemented to minimise the death of initiatives. The department will continue to ensure compliance with the Traditional Leadership and Governance Act.

The department will provide both infrastructure and administrative support units for the Local Houses and the Traditional Councils to operate effectively. The five Local Houses have to be operational in the coming financial year, two Traditional Councils are to be constructed and two Traditional Councils are to be renovated. The election and selection of members of Traditional Councils has to be finalised in the same period. These processes will enable Traditional Leadership institutions to participate in democratically elected institutions (municipal councils). The department will be developing a programme

for the implementation of the new national legislation which has created other Traditional Leadership Institutions like King's /Queen's and Sub-Traditional Councils.

## 4. Receipts and financing

**Table 7.2: Summary of departmental receipts**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Equitable share	397 913	608 204	609 561	659 016	770 271	791314	707 627	718 779	756 010	( 10.58)
Conditional grants										
Departmental receipts						1276				( 100.00)
<b>Total receipts</b>	<b>397 913</b>	<b>608 204</b>	<b>609 561</b>	<b>659 016</b>	<b>770 271</b>	<b>792 590</b>	<b>707 627</b>	<b>718 779</b>	<b>756 010</b>	<b>( 10.72)</b>

**Table 7.2: Summary of departmental receipts by economic classification**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Tax receipts										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Sales of goods and services						221				( 100.00)
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on										
Sales of capital assets										
Transactions in financial assets						1055				( 100.00)
<b>Total departmental receipts</b>						<b>1276</b>				<b>( 100.00)</b>

The department has very limited resource generation and collection avenues. The only source of revenue to the department is the sale of tender document and commission on insurances and garnishes. The department does not budget for own revenue and any collected revenue is paid into the revenue fund.

## 5. Programme Summary

### Key Assumptions

Certain assumptions provide a framework to government officials for setting priorities, determining service levels and allocating limited financial resources. The following assumptions and factors were taken into account in finalizing the budget allocation:

Inflation rate (*Source: MTBPS 2009*)

- 2010/11: 6.4 %;
- 2011/12: 5.9%;
- 2012/13: 5.7%.

Personnel related adjustments (*Source: MTBPS 2009*)

- 2010/11: 5.3% (1 July 2009);
- 2011/12: 5.5%
- 2012/13: 5%;

**Table 7.3: Summary of departmental payments and estimates by programme**

Table 7.3: Summary of departmental payments and estimates by programme											
R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Administration	86 825	108 525	147 189	130 177	143 833	136 251	173 037	151 739	159 600	27.00
2.	Local Governance	79 232	222 163	145 376	137 855	180 765	206 406	196 981	208 938	219 760	(4.57)
3.	Development And Planning	133 998	151 502	127 763	156 039	153 975	152 147	95 290	101 075	106 309	(37.37)
4.	Traditional Institutional Management	97 858	126 014	189 233	234 945	291 698	297 786	242 319	257 027	270 341	(18.63)
Total payments and estimates		397 913	608 204	609 561	659 016	770 271	792 590	707 627	718 779	756 010	(10.72)

Table 7.3 shows the summary of payments and estimates for the programme. The budget of the department decreases from an adjusted budget of R770 million in the 2009/10 financial year to R707.6 million for the 2010/11 financial year during the adjustment budget. The main and adjusted budget for the 2009/10 financial year consists of a range of once off allocations which include disaster management relief funds, municipal support and municipal interventions. The R67.175 million additional allocation for the 2010/11 financial year is meant specifically for envisaged Section 139 municipal interventions, hands on support to municipalities and Public Viewing Areas for the 2010 FIFA World Cup.

**Table 7.3.1(a): Summary of departmental payments and estimates by economic classification**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from
Current payments	278 608	347 293	479 975	537 414	607 585	613 093	684 919	694 692	730 672	11.72
Compensation of employees	204 208	251 481	318 997	373 005	443 591	431 342	503 902	534 482	563 458	16.82
Goods and services	74 400	95 812	160 978	164 409	163 993	181 751	181 017	160 210	167 213	(0.40)
Interest and rent on land										
Transfers and subsidies	109 964	240 672	89 896	66 247	107 325	107 720	11 967	12 693	13 353	(88.89)
Provinces and municipalities	109 964	225 584	80 173	62 652	102 830	102 830	9 389	9 958	10 476	(90.87)
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international			1000	1045	1045	1045				(100.00)
Public corporations and private										
Non-profit institutions										
Households		15 088	8 723	2 550	3 450	3 845	2 578	2 735	2 877	(32.95)
Payments for capital assets	6 192	20 157	39 690	55 356	55 361	71 777	10 742	11 394	11 985	(85.03)
Buildings and other fixed structures	3 084	16 512	34 074	51 429	51 429	69 075	7 242	7 682	8 080	(89.52)
Machinery and equipment	3 108	3 645	5 616	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets	3 149	82								
Total economic classification	397 913	608 204	609 561	659 017	770 271	792 590	707 627	718 779	756 010	(10.72)

Table 7.3.1(a): shows the summary of payments and estimates by economic classification. The budget for compensation of employees grows from adjusted budget of R444 million in the 2009/10 financial year to R503 million in the 2010/11 financial year. Contributing to this increase in personnel expenditure are the increased payments towards Community Development Workers, salaries for the traditional leadership and funding for the improvement of conditions of service for civil servants.

The budget for goods & services has increased from an adjusted budget of R164 million in the 2009/10 financial year to R181 million in the 2010/11 financial year. The budget for transfers payments has decreased from R107 million in the 2009/10 financial year to the R12 million in the 2010/11 financial year. The large decrease in transfers and subsidies is due to once off allocations in the 2009/10 budget as well as reprioritisation of funds towards compensation of employees.

**Table 7.3.1(b): Summary of Infrastructure Payments**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
New infrastructure assets										
Existing infrastructure assets				25 000	25 000	25 000	7 242	7 682	8 080	( 71.03)
Upgrades and additions				20 000	20 000	20 000	5 000	5 200	5 580	( 75.00)
Rehabilitation, renovations and refurbishment										
Maintenance and repairs				5 000	5 000	5 000	2 242	2 482	2 500	( 55.16)
Infrastructure transfers										
Current										
Capital										
Current infrastructure				20 000	20 000	20 000	5 000	5 200	5 580	( 75.00)
Capital infrastructure				5 000	5 000	5 000	2 242	2 482	2 500	( 55.16)
Total departmental infrastructure				25 000	25 000	25 000	7 242	7 682	8 080	( 71.03)

The budget for infrastructure in the 2009/10 financial year went towards the completion of the Provincial House of Traditional Leaders and Traditional Councils hence the decrease in the 2010/11 budget allocation. The budget decreases from an adjusted budget of R25 million in the 2009/10 financial year to R7.2 million in the 2010/11 financial year.

## 6. Programme Description

### Programme 1: Administration

The purpose of Programme 1 is to give effective strategic leadership and efficient administration and support services for the Department of Local Government and Traditional Affairs.

The objectives of the sub programmes of the programme are:

1.1. *Office of the MEC* - Coordinating administrative support to the MEC and mainstreaming the needs of vulnerable groups.

1.2. *Corporate Services* – Provide efficient and effective support services for the department

**Table 7.8.1(a): Summary of departmental payments and estimates - Programme 1: Administration**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			from 2009/10
1. Office of the MEC	839	900	1284	1414	1420	1407	1600	1697	1786	13.72
2. Corporate Services	85 986	107 625	145 905	128 763	142 413	134 844	171 437	150 042	157 814	27.14
<b>Total payments and estimates</b>	<b>86 825</b>	<b>108 525</b>	<b>147 189</b>	<b>130 177</b>	<b>143 833</b>	<b>136 251</b>	<b>173 037</b>	<b>151 739</b>	<b>159 600</b>	<b>27.00</b>

Table 7.8.1(a) above shows the summary of payments and estimates by sub-programme. The budget for the programme has increased by R29 million or 20.3 percent moving from an adjusted budget of R143,8 million in the 2009/10 financial year to R173 million in the 2010/11 financial year. The increase is attributable to the once-off allocation of R30 million for the establishment of Public Viewing Areas (PVA's) for the 2010 Soccer World Cup.

**Table 7.8.1(b): Summary of departmental payments and estimates by economic classification - Programme 1: Administration**

R ' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			from 2009/10
Current payments	83 683	104 154	141 782	123 701	137 351	131 079	166 959	145 292	152 818	27.37
Compensation of employees	41723	51768	62 448	75 723	81443	74 703	83 356	88 407	92 987	1158
Goods and services	41960	52 386	79 634	47 978	56 208	56 376	83 603	56 885	59 831	48.30
Interest and rent on land										
Transfers and subsidies	34	644	2 127	2 550	2 550	2 470	2 578	2 735	2 877	4.37
Provinces and municipalities	34	421								
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Non-profit institutions										
Households		223	2 127	2 550	2 550	2 470	2 578	2 735	2 877	4.37
Payments for capital assets	3 108	3 645	3 280	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Buildings and other fixed structures										
Machinery and equipment	3 108	3 645	3 280	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets		82								
Total economic classification	86 825	108 525	147 189	130 177	143 833	136 251	173 037	151 739	159 600	27.00

Table 7.3.1(b) above shows the summary of payments and estimates by economic classification. Compensation of employees increases marginally from an adjusted budget of R81 million in the 2009/10 financial year to R83 million in the 2010/11 financial year. The increase is due to funding for the improvement of conditions of service. The budget for goods and services increases from an adjusted budget R56, 2 million in the 2009/10 financial year to R83, 6 million in the 2010/11 financial year. The increase is attributable to funding for Public Viewing Areas for the 2010 FIFA World Cup.

### Programme 2: Local Governance

The purpose of this programme is to ensure the transformation of developmental local government by strengthening municipal institutions to enable them to respond to the needs of the communities.

The objectives of the sub programmes of the programme are:

2.1 *Municipal Administration* - To monitor and facilitate effective municipal administration matters.

2.2 *Municipal Finance* - To facilitate and monitor the implementation of efficient and effective financial management systems in municipalities in accordance with the applicable Acts.

2.3 *Municipal Public Participation* - To deepen democracy, enhance service delivery and to contribute to citizen education and public participation.

2.4 *Capacity Development* - To provide support and management services to municipalities in respect of capacity building.

2.5 *Municipal Support* - provides hands-on support to municipalities- To ensure that there is capacity and performance assessment, effective coordinated support, and monitoring and evaluation services.

### Policy Development

- CDW Policy Framework
- Handbook on Ward Committees
- Local Government White Paper
- All Human Resources Policies
- Local Government Anti-corruption Strategy

### Changes: Policy, structure, service establishment, etc. Geographic distribution of services:

Following a comprehensive assessment of all municipalities in the country, a strategy named Local Government Turnaround Strategy (LGTAS) has been developed by the national Department of Co-operative Governance and Traditional Affairs (COGTA) and provincial departments. The LGTAS has been approved by the national cabinet.

Five strategic objectives are identified that will guide the LGTAS interventions and support framework. These are aimed at restoring the confidence of the majority of our people in our municipalities, as the primary expression of the developmental state at a local level.

These are:

- 1) Ensure that municipalities meet the basic service needs of communities
- 2) Build clean, effective, efficient, responsive and accountable local government
- 3) Improve performance and professionalism in municipalities
- 4) Improve national and provincial policy, oversight and support
- 5) Strengthen partnerships between local government, communities and civil society

These objectives have been identified as key drivers in order to rebuild and improve the basic requirements for a functional, responsive, effective, efficient, and accountable developmental local government.

The department of Local Government will play a key co-ordinating role in the implementation of LGTAS in the Eastern Cape.

**Table 7.8.2(a): Summary of departmental payments and estimates - Programme 2: Local Governance**

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Municipal Administration	46 742	70 189	50 786	21 331	36 770	31 725	25 350	26 889	28 281	(20.09)
2.	Municipal Finance	32 490	143 262	18 438	33 284	57 188	55 023	15 481	16 421	17 271	(7186)
3.	Municipal Public Participation		8 712	68 559	59 056	62 162	96 071	109 610	116 263	122 286	14.09
4.	Capacity Development			3 819	11 580	11 720	8 297	6 380	6 767	7 118	(23.1)
5.	Municipal Performance Monitoring, Reporting and Evaluation			3 774	12 604	12 925	15 290	40 160	42 598	44 804	162.66
Total payments and estimates		79 232	222 163	145 376	137 855	180 765	206 406	196 981	208 938	219 760	(4.57)

Table 7.8.2 (a) above shows the summary of payments and estimates by sub-programme. The budget for the programme has increased from an adjusted budget of R181 million in the 2009/10 financial year to R197million in the 2010/11 financial year. This is an increase of R16, 2 million or 9 percent. The increase is due to the additional allocation of R40 million, of which R10 million is for section 139 interventions and R30 million for hands-on-support to municipalities.

**Table 7.8.2(b): Summary of departmental payments and estimates by economic classification - Programme 2: Local Governance**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	<b>61 168</b>	<b>91 352</b>	<b>110 798</b>	<b>132 774</b>	<b>136 606</b>	<b>162 247</b>	<b>196 981</b>	<b>208 938</b>	<b>219 760</b>	<b>21.41</b>
Compensation of employees	44 732	70 070	89 686	94 614	95 804	125 661	141 280	149 857	158 910	12.43
Goods and services	16 436	21 282	21 112	38 160	40 802	36 586	55 701	59 081	60 850	52.25
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>18 064</b>	<b>130 811</b>	<b>34 562</b>	<b>5 081</b>	<b>44 159</b>	<b>44 159</b>				<b>(100.00)</b>
Provinces and municipalities	18 064	130 811	34 562	5 081	44 159	44 159				(100.00)
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>			<b>16</b>							
Buildings and other fixed structures			16							
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
<b>Payments for capital assets</b>										
<b>Total economic classification</b>	<b>79 232</b>	<b>222 163</b>	<b>145 376</b>	<b>137 855</b>	<b>180 765</b>	<b>206 406</b>	<b>196 981</b>	<b>208 938</b>	<b>219 760</b>	<b>(4.57)</b>

Table 7.8.2(b) shows the summary of payments and estimates by economic classification. Compensation of employees increases from an adjusted budget of R96 million in the 2009/10 financial year to R141 million in the 2010/11 financial year. The large increase in personnel payments is due to increased personnel costs resulting from the additional technical capacity to support municipalities and the increased wage bill for community development workers. There are no projected payments for transfers and subsidies over the 2010 MTEF. This is as a result of once off allocations in the 2009/10 budget meant for specific municipal interventions and assistance in municipalities.

**Service delivery measures**

Programme Two. Local Governance		2009/10	2010/11	2011/12	2012/13
<b>Municipal Administration</b>	Number of municipalities assessed and complying with relevant legislation	45	45	45	45
	Number of municipalities with functional IGR structures	7	7	7	7
<b>Municipal Finance</b>	Number of municipalities that are implementing MFMA	45	45	45	45
	Number of municipalities that have achieved unqualified audits	5	26	40	45
	Number of municipalities submitted AFS by 31 August.	35	45	45	45
	Number of municipalities that are implementing MPRA	31	45	45	45
	Number of municipalities that are supported in MPRA implementation	6	6	8	5
<b>Public Participation</b>	Number of municipalities with functional ward committees	39	39	39	39
	Number of CDWs deployed in municipalities	602	636	636	636
<b>Capacity Development</b>	Number of municipalities with skills plan adopted	43	45	45	45
	Number of municipal support plans developed	10	10	10	10
	Number of municipalities where shared services is implemented	15	15	15	15
	Number of councillor leadership training programmes implemented	40	180	250	400
	Number of Institutional Performance Management systems in place	20	30	40	45
<b>Municipal Performance Monitoring &amp; Evaluation</b>	Number of section 57 managers with signed employment contracts	47	45	45	45
	Number of section 57 managers with signed performance agreements	125	45	45	45
	Number of municipal annual performance reports submitted timeously	45	45	45	45
	Number of oversight reports submitted by Councils	45	45	45	45
	Number of municipalities with functional performance audit committees	45	45	45	45
	Number of municipalities with Internal Audit Units	45	45	45	45

**Programme 3: Development & Planning**

The purpose of this programme is to promote, facilitate and coordinate integrated planning in municipalities, facilitate the development of social infrastructure and disaster management.

3.1 *Spatial Planning* - Promoting appropriate good governance and sustainable development in communities

3.2 *Development Administration/Land Use Management* - Promoting sound land-use, management and administration

3.3 *Integrated Development and Planning* - To promote effective and efficient integrated development planning.

3.4 *Local Economic Development* – Seamless and integrated local economic development facilitation

3.5 *Municipal Infrastructure* - Building efficient social infrastructure to support service delivery.

3.6 *Disaster Management* - Improving disaster prevention, mitigation and responses

3.7 *Free Basic Services* - Improving indigent beneficiary access to Free Basic Services

**Table 7.8.3(a): Summary of departmental payments and estimates - Programme 3: Development And Planning**

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Spatial Planning	8 351	119 5	8 269	9 080	9 049	7 753	5 619	5 960	6 268	(27.52)
2.	Development Admin/Land Use Management	17 424	19 760	13 105	20 227	19 525	21 566	21 097	22 378	23 537	(2.17)
3.	Integrated Development Planning	23 729	14 905	15 935	10 467	10 561	10 787	7 298	7 741	8 142	(32.34)
4.	LED and Planning	25 373	28 697	26 350	31 334	31 676	31 222	21 224	22 513	23 679	(32.02)
5.	Municipal Infrastructure	29 874	31 850	21 591	25 256	25 287	24 957	19 658	20 852	21 931	(21.23)
6.	Disaster Management	29 247	44 375	42 513	59 676	57 877	55 862	20 393	21 631	22 752	(63.49)
Total payments and estimates		133 998	151 502	127 763	156 039	153 975	152 147	95 290	101 075	106 309	(37.37)

Table 7.8.3(a) above shows the summary of payments and estimates by sub-programme. The budget for the programme has decreased from an adjusted budget of R154 million in the 2009/10 financial year to R95 million in the 2010/11 financial year. This represents a significant decrease of R59 million or just below 40 percent. The decrease in the budget allocation for the programme is due to once off allocations in the 2009/10 main budget.

**Table 7.8.3(b): Summary of departmental payments and estimates by economic classification - Programme 3: Development And Planning**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	39 053	42 285	74 668	97 424	94 259	92 431	85 902	91 117	95 833	(7.06)
Compensation of employees	31305	35 243	45 375	57 012	60 326	58 843	61 329	65 051	68 422	4.22
Goods and services	7 748	7 042	29 293	40 412	33 933	33 588	24 573	26 066	27 411	(26.84)
Interest and rent on land										
Transfers and subsidies	91 796	109 217	52 106	58 616	59 716	59 716	9 389	9 958	10 476	(84.28)
Provinces and municipalities	91796	94 352	45 611	57 571	58 671	58 671	9 389	9 958	10 476	(84.00)
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international			1000	1045	1045	1045				(100.00)
Public corporations and private enterprises										
Non-profit institutions										
Households		14 865	5 495							
Payments for capital assets			989							
Buildings and other fixed structures										
Machinery and equipment			989							
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets	3 149									
Total economic classification	133 998	151 502	127 763	156 040	153 975	152 147	95 290	101 075	106 309	(37.37)

Table 7.8.3(b) shows the summary of payments and estimates by economic classification. Compensation of employees increases marginally from an adjusted budget of R60 million in the 2009/10 financial year to R61 million in the 2010/11 financial year. The increase is due to allocation for the improvement of conditions of service. Transfers and subsidies decrease from an adjusted budget of R59, 6 million in the 2009/10 financial year to R9, 3 million in the 2010/11 financial year. The decrease is due to once off allocations for the 2009/10 financial year.

**Service delivery measures**

<b>Programme Two. Local Governance</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Spatial Planning</b>	Number of Provincial Spatial Development Framework in place	6	8	8	9
<b>Land Use Management</b>	Number of Municipalities supported to develop their LUMS	12	10	8	10
<b>Local Economic Development</b>	Number of Municipalities with LED strategies/plans reviewed annually	6 DMs	6 DMs	6 DMs	6 DMs
	Number of Municipalities with LED structures	6 DMs	6 DMs	6 DMs	6 DMs
<b>Municipal Infrastructure</b>	Number of Municipalities that have registered projects on MIIS	45	45	45	45
	Number of Municipalities submit monthly reports on MIG performance	45	45	45	45
	Number of Municipalities that have been supported on MIG spending	45	45	45	45
<b>Disaster Management</b>	Number of Municipalities with applicable Disaster Management Frameworks and Plans	7	8	8	8
	Number of meetings of the Intergovernmental Disaster Management structures	12	12	12	12
	Number of Provincial fire preparedness reports compiled	7	7	7	7

**Programme 4: Traditional Affairs**

The purpose of Programme 4 is to promote appropriate institutional system, good governance and sustainable development in all traditional leadership institutions.

4.1 *Traditional Institutional Administration* – To provide secretariat and management services to the Provincial House

4.2 *Traditional Resource Administration* – To conduct traditional leadership research & policy development. To provide administrative and infrastructural support, capacity building and financial management support to Traditional Leadership Institutions.

4.3 *Rural Development Facilitation*. – To facilitate traditional community development initiatives

**Policy developments:**

The Traditional Leadership and Governance Framework Act were passed by the National Parliament in 2003. The Act has been cascaded down to the province through the passing of the Provincial Traditional Leadership and Governance Act in 2005.

*The aim of this legislation is:*

- To set out a national framework and norms and standards that will define the place and role of Traditional Leadership within the new system of democratic governance;
- To transform the institution in line with constitutional imperatives; and
- To restore the integrity and legitimacy of the institution of traditional leadership in line with customary law and practices

Implementing this legislation requires that certain policies be developed to guide the practitioners and officials in performing this task. This policy development will be vigorously pursued by the department during the MTEF period

**Changes: Policy, structure, service establishment, etc. Geographic distribution of services:**

During the MTEF period Local Houses required by the new legislation will be established in district municipalities.

**Table 7.8.4(a): Summary of departmental payments and estimates - Programme 4: Traditional Institutional Management**

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	78 change from 2009/10
		Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1.	Traditional Institutional Administration	62 569	78 975	105 708	22 685	20 429	23 433	12 105	12 840	13 505	(48.34)
2.	Traditional Resource Administration	34 941	43 635	71 453	202 505	261 562	264 631	223 805	237 390	249 686	(15.43)
3.	Rural Development Facilitation	348	3 404	12 072	9 755	9 707	9 722	6 408	6 797	7 150	(34.08)
Total payments and estimates		97 858	126 014	189 233	234 945	291 698	297 786	242 319	257 027	270 341	(18.63)

Table 7.8.4(a) shows the summary of payments and estimates by sub-programme. The budget for the programme has decreased from an adjusted budget of R292 million in the 2009/10 financial year to R242 million in the 2010/11 financial year. This represents a R49 million or 16.9 percent decrease. The decrease is due to the completion of the Provincial House of Traditional Affairs in the 2009/10 financial year.

**Table 7.8.4(b): Summary of departmental payments and estimates by economic classification - Programme 4: Traditional Institutional Management**

	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
R' 000	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Current payments	94 704	109 502	152 727	183 516	239 369	227 336	235 077	249 345	262 261	3.40
Compensation of employees	86 448	94 400	121 788	145 656	206 319	172 135	217 937	231 167	243 140	26.61
Goods and services	8 256	15 102	30 939	37 860	33 050	55 201	17 140	18 178	19 121	(68.95)
Interest and rent on land										
Transfers and subsidies	70		1 101		900	1 375				(100.00)
Provinces and municipalities	70									
Households			1 101		900	1 375				(100.00)
Payments for capital assets	3 084	16 512	35 405	51 429	51 429	69 075	7 242	7 682	8 080	(89.52)
Buildings and other fixed structures	3 084	16 512	34 074	51 429	51 429	69 075	7 242	7 682	8 080	(89.52)
Machinery and equipment			1 331							
Software and other intangible assets										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for capital assets										
Total economic classification	97 858	126 014	189 233	234 945	291 698	297 786	242 319	257 027	270 341	(18.63)

Table 7.8.4(b) above shows a summary of payments and estimates by economic classification. Compensation of employees increases from an adjusted budget of R206,3 million in the 2009/10 financial year to R217, 9 million in the 2010/11 financial year. The increase is due to additional projected personnel payments for the traditional leadership. The budget for payments for capital assets decreases from an adjusted budget of R51, 4 million in the 2009/10 financial year to R7, 2 million in the 2010/11 financial year. The large decrease is due to the completion of the Provincial House of Traditional Affairs and the reprioritisation of funds towards salaries for the traditional leadership.

## Service delivery measures

Programme Four. Traditional Affairs		2009/10	2010/11	2011/12	2012/13
Traditional Institutional Administration	Number of municipalities assessed and complying with relevant legislation	23 EXCO, 36 committee meetings & 4 House sittings	23 EXCO, 36 committee meetings & 4 House sittings	23 EXCO, 36 committee meetings & 4 House sittings	23 EXCO, 36 committee meetings & 4 House sittings
	No of outreach programmes conducted and constituencies report back in place.	4	4	4	4
Traditional Resource Administration	No of Traditional Leadership institutions supported.	230 council, 6 kingdoms	231 council, 6 kingdoms	232 council, 6 kingdoms	233 council, 6 kingdoms
	No of Policies and legislation in place	2	Implementation and monitoring	Impact monitored and review	Impact monitored and review
Rural Development Facilitation	No of Traditional leadership institutions and support structures empowered on development	70	75	75	85

## 7. Other Programme information

### 7.1 Personnel numbers and costs

**Table 7.9: Departmental personnel numbers and costs**

Programme	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	As at 31 March 2012	As at 31 March 2013
1. Administration	180	180	238	315	315	315	315
2. Local Governance	110	130		748	748	748	748
3. Development And Planning				171	171	171	171
4. Traditional Institutional Management	300	439		369	369	369	369
<b>Total personnel numbers</b>	<b>590</b>	<b>749</b>	<b>238</b>	<b>1603</b>	<b>1603</b>	<b>1603</b>	<b>1603</b>
Total personnel cost (R'000)	204 208	251 481	318 997	431 342	503 902	534 482	563 458
Unit cost (R'000)	346	336	1340	269	314	333	352

**Table 7.10: Departmental personnel numbers and costs**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	76 change from 2009/10
	Audited			Main budget	Adjuste	Revised	Medium-term estimates			
<b>Total for department</b>										
Personnel numbers (head count)	590	749	238	1603	1603	1603	1 603	1603	1603	
Personnel cost (R'000)	204 208	251481	318 997	373 005	443 591	431342	503 902	534 482	563 458	16.82
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)				64	64	64	64	64	64	
Personnel cost (R'000)				17 121	17 658	10 154	18 200	19 237	20 199	79.24
Head count as % of total for department				3.99	3.99	3.99	3.99	3.99	3.99	
Personnel cost as % of total for				4.59	3.98	2.35	3.61	3.60	3.58	53.43
<b>Finance component</b>										
Personnel numbers (head count)				60	60	60	60	60	60	
Personnel cost (R'000)				14 046	15 364	8 799	14 921	15 783	16 571	69.58
Head count as % of total for department				3.74	3.74	3.74	3.74	3.74	3.74	
Personnel cost as % of total for				3.77	3.46	2.04	2.96	2.95	2.94	45.16
<b>Full time workers</b>										
Personnel numbers (head count)				1603	1603	1603	1 603	1603	1603	
Personnel cost (R'000)				373 005	443 592	431342	505 133	541373	569 362	17.11
Head count as % of total for department				100.00	100.00	100.00	100.00	100.00	100.00	
Personnel cost as % of total for				100.00	100.00	100.00	100.24	101.29	101.05	0.24
<b>Part-time workers</b>										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for										
<b>Contract workers</b>										
Personnel numbers (head count)				52	52	52	52	52	52	
Personnel cost (R'000)				5 314	5 321	5 307	5 500	5 489	5 568	3.64
Head count as % of total for department				3.24	3.24	3.24	3.24	3.24	3.24	
Personnel cost as % of total for				142	120	123	1.09	103	0.99	(1129)

**Table 7.11: Payments on training**

R' 000		2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change
		Audited			Main budget	Adjusted	Revised	Medium-term estimates			from 2009/10
1.	Administration	2 537	2 666	2 488	2 906	2 906	2 906	3 037	3 174	3 333	4.51
	Subsistence and travel										
	Payments on tuition										
	Other	2 537	2 666	2 488	2 906	2 906	2 906	3 037	3 174	3 333	4.51
2.	Local Governance										
	Subsistence and travel										
	Payments on tuition										
	Other										
3.	Development And Planning				108	108	218		119	125	(100.00)
	Subsistence and travel										
	Payments on tuition										
	Other				108	108	218		119	125	(100.00)
4.	Traditional Institutional Management			847	1804	1804	1083	676	93	201	(37.60)
	Subsistence and travel										
	Payments on tuition										
	Other			847	1804	1804	1083	676	93	201	(37.60)
Total payments on training		2 537	2 666	3 335	4 818	4 818	4 207	3 713	3 386	3 659	(11.75)

**Reconciliation of structural changes**

There were no structural changes





**Annexure B to**  
**Estimates of Provincial Expenditure**  
**Local Government and Traditional Affairs**

**Table 7.B1: Specification of departmental own receipts**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Tax receipts</b>										
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
<b>Sales of goods and services other than</b>						221				(100.00)
Sales of goods and services produced by						221				(100.00)
Sales by market establishments										
Administrative fees										
Other sales						221				(100.00)
Of which										
Other						221				(100.00)
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
<b>Transfers received from:</b>										
<b>Fines, penalties and forfeits</b>										
<b>Interest, dividends and rent on land</b>										
Interest										
Dividends										
Rent on land										
<b>Sales of capital assets</b>										
Land and subsoil assets										
Other capital assets										
<b>Financial transactions in assets and</b>						1055				(100.00)
<b>Total departmental receipts</b>						1 276				(100.00)

Table 7.B2: Details of departmental payments and estimates by economic classification

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Current payments	278 608	347 293	479 975	537 444	607 585	613 093	684 919	694 692	730 672	1172
Compensation of employees	204 208	251481	318 997	373 005	443 591	431342	503 902	534 482	563 458	16.82
Salaries and wages	182 387	213 759	271147	317 054	386 505	366 641	428 317	454 309	478 941	16.82
Social contributions	21821	37 722	47 850	55 951	57 086	64 701	75 585	80 173	84 518	16.82
Goods and services	74 400	95 812	160 978	164 409	163 993	181751	181 017	160 210	167 213	(0.40)
Of which										
Administrative fees		30	140	190	190	190	180	211	201	(5.32)
Advertising	884	3 005	5 879	2 631	2 631	2 736	2 172	2 237	2 311	(20.62)
Assets <R5000	1429	83	519	463	463	984	441	469	472	(55.17)
Audit cost: External	4 161	3 136	4 317	4 642	4 642	5 024	8 125	5 113	5 369	6172
Bursaries (employees)	123	182		475	475	475	499	523	549	5.14
Catering: Departmental activities	1849	3 803	5 768	5 303	5 283	5 213	4 347	4 630	4 872	(16.62)
Communication	5 749	7 803	10 665	7 233	7 233	7 740	10 214	7 125	7 496	3196
Computer services	5 175	4 782	4 626	4 813	4 813	2 482	6 784	5 301	5 566	173.34
Cons/prof:business & advisory services	18 619	19 682	37 520	66 829	59 597	57 406	47 774	50 538	53 427	(16.78)
Cons/prof: Infrastructure & planning			30	53	53	53	2 754	2 921	3 072	5097.16
Cons/prof: Laboratory services										
Cons/prof: Legal cost	3 206	3 842	4 598	2 110	4 110	2 670	4 720	2 324	2 440	76.77
Contractors	1		4 124	3 026	1815	13 026	5 683	8 186	8 110	(56.37)
Agency & support/outsourced services			3							
Entertainment	58	22	173	187	187	154	140	187	196	(9.26)
Government motor transport	8 018	13 080	24 669	7 417	15 648	18 325	21 268	12 311	13 041	16.06
Housing										
Inventory: Food and food supplies				3	3	3	3	3	4	10.99
Inventory: Fuel, oil and gas										
Inventory: Learn & teacher support materials										
Inventory: Raw materials			26							
Inventory: Other consumables		973	59	62	62	62	65	69	72	5.62
Inventory: Stationery and printing	1433	1539	3 229	2 177	2 177	1351	2 126	2 398	2 518	57.33
Lease payments	2 186	3 899	5 457	2 184	2 184	4 093	1 208	1364	1449	(70.49)
Owned & leasehold property expenditure	971	1260	1173	1663	1663	2 477	1 200	933	983	(5155)
Transport provided dept activity										
Travel and subsistence	14 863	21240	35 816	39 989	37 804	35 714	41 715	39 106	40 237	16.80
Training & staff development	457	525	3 335	4 749	4 749	2 463	3 693	3 313	3 583	49.96
Operating expenditure	2 316	4 742	4 774	4 121	4 121	11266	10 548	6 798	6 790	(6.37)
Venues and facilities	2 902	2 184	4 078	4 089	4 089	7 844	5 356	4 149	4 456	(3172)
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	109 964	240 672	89 896	66 247	107 325	107 720	11 967	12 693	13 353	(88.89)
Provinces and municipalities	109 964	225 584	80 173	62 652	102 830	102 830	9 389	9 958	10 476	(90.87)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	109 964	225 584	80 173	62 652	102 830	102 830	9 389	9 958	10 476	(90.87)
Municipalities	109 964	225 584	80 173	62 652	102 830	102 830	9 389	9 958	10 476	(90.87)
Municipal agencies and funds										
Foreign governments and international			1000	1045	1045	1045				(100.00)
Households		15 088	8 723	2 550	3 450	3 845	2 578	2 735	2 877	(32.95)
Social benefits		15 088	8 723	2 550	3 450	3 845	2 578	2 735	2 877	(32.95)
Other transfers to households										
Payments for capital assets	6 192	20 157	39 690	55 356	55 361	71777	10 742	11394	11985	(85.03)
Buildings and other fixed structures	3 084	16 512	34 074	51429	51429	69 075	7 242	7 682	8 080	(89.52)
Buildings				25 000	25 000	57 827	7 242	7 682	8 080	(87.48)
Other fixed structures	3 084	16 512	34 074	26 429	26 429	11248				(100.00)
Machinery and equipment	3 108	3 645	5 616	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Transport equipment										
Other machinery and equipment	3 108	3 645	5 616	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Payments for financial assets	3 149	82								
Total economic classification	397 913	608 204	609 561	659 017	770 271	792 590	707 627	718 779	756 010	(10.72)

**Table 7.B2.1: Details of departmental payments and estimates by economic classification - Programme 1: Administration**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Current payments	83 683	104 154	141 782	123 701	137 351	131 079	166 959	145 292	152 818	27.37
Compensation of employees	41 723	51 768	62 148	75 723	81 143	74 703	83 356	88 407	92 987	11.58
Salaries and wages	35 465	44 003	52 826	64 365	68 758	63 498	70 853	75 146	79 039	11.58
Social contributions	6 258	7 765	9 322	11 358	12 385	11 205	12 503	13 262	13 948	11.59
Goods and services	41 960	52 386	79 634	47 978	56 208	56 376	83 603	56 885	59 831	48.30
Of which										
Administrative fees		30	94	116	116	116	122	129	135	5.25
Advertising	862	1689	4 695	1484	1484	1896	1 562	1635	1717	(17.64)
Assets <R5000	1420	81	504	353	353	874	372	389	409	(57.46)
Audit cost: External	4 161	3 136	4 317	4 642	4 642	5 024	8 125	5 113	5 369	61.72
Bursaries (employees)	123	179		475	475	475	499	523	549	5.14
Catering: Departmental activities	366	724	2 019	1 148	1 148	764	1 208	1264	1327	58.05
Communication	5 746	7 803	10 631	5 596	5 596	7 607	9 387	6 163	6 472	23.40
Computer services	5 175	4 782	4 626	4 813	4 813	2 482	6 784	5 301	5 566	173.34
Cons/prof: business & advisory services	3 790	1625	1343	3 971	3 971	5 500	8 678	4 374	4 593	57.77
Cons/prof: Infrastructure & planning										
Cons/prof: Laboratory services										
Cons/prof: Legal cost	3 206	3 842	4 598	2 110	2 110	2 110	4 720	2 324	2 440	123.68
Contractors	1		1 102	422	422	422	444	465	488	5.20
Agency & support/outsource services										
Entertainment	21	20	155	122	122	122	129	135	142	5.53
Government motor transport	8 018	13 080	24 669	7 417	15 648	15 399	19 802	12 311	13 041	28.59
Housing										
Inventory: Food and food supplies				3	3	3	3	3	4	10.99
Inventory: Fuel, oil and gas										
Inventory: Learn & teacher support material										
Inventory: Raw materials			26							
Inventory: Medical supplies										
Medsas inventory interface										
Inventory: Military stores										
Inventory: Other consumables		973	48	62	62	62	65	69	72	5.62
Inventory: Stationery and printing	1 124	1334	2 273	1609	1609	474	1 693	1772	1861	257.08
Lease payments	1609	2 694	4 111			675				(100.00)
Owned & leasehold property expenditure	753	1214	331	428	428	428	452	472	495	5.51
Transport provided dept activity										
Travel and subsistence	2 539	3 661	7 210	6 227	6 227	6 225	9 718	6 510	6 836	56.11
Training & staff development	457	525	2 488	2 869	2 869	2 361	3 018	3 160	3 318	27.81
Operating expenditure	1924	4 212	2 784	2 811	2 811	2 058	4 957	3 331	3 497	140.85
Venues and facilities	665	782	1610	1299	1300	1299	1 867	1442	1503	43.72
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	34	644	2 127	2 550	2 550	2 470	2 578	2 735	2 877	4.37
Provinces and municipalities	34	421								
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	34	421								
Municipalities	34	421								
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Public entities receiving transfers										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions										
Households		223	2 127	2 550	2 550	2 470	2 578	2 735	2 877	4.37
Social benefits		223	2 127	2 550	2 550	2 470	2 578	2 735	2 877	4.37
Other transfers to households										
Payments for capital assets	3 108	3 645	3 280	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	3 108	3 645	3 280	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Transport equipment										
Other machinery and equipment	3 108	3 645	3 280	3 927	3 932	2 702	3 500	3 712	3 905	29.53
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for financial assets		82								
Total economic classification	86 825	108 525	147 189	130 177	143 833	136 251	173 037	151 739	159 600	27.00

**Table 7.B2.2: Details of departmental payments and estimates by economic classification - Programme 2: Local Governance**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	61 168	91352	10 798	132 774	136 606	162 247	196 981	208 938	219 760	2141
Compensation of employees	44 732	70 070	89 686	94 614	95 804	125 661	141 280	149 857	158 910	12.43
Salaries and wages	38 022	59 560	76 233	80 422	82 034	106 812	120 088	127 379	135 074	12.43
Social contributions	6 710	10 511	13 453	14 192	13 770	18 849	21 192	22 478	23 835	12.43
Goods and services	16 436	21282	21112	38 160	40 802	36 586	55 701	59 081	60 850	52.25
Of which										
Administrative fees										
Advertising		37	185	227	227	69	177	249	261	165.91
Assets <R5000										
Audit cost: External										
Bursaries (employees)										
Catering: Departmental activities	170	415	1361	1361	1361	1421	1 471	1499	1573	3.51
Communication				1266	1266		636	761	814	
Computer services										
Cons/prof:business & advisory services	11636	14 898	5 480	23 138	22 780	19 822	22 145	27 891	29 525	1172
Cons/prof: Infrastructre & planning										
Cons/prof: Laboratory services										
Cons/prof: Legal cost					2 000	560				(100.00)
Contractors			5				4 000	6 000	6 000	
Agency & support/outsourced services										
Entertainment	7			33	33			36	38	
Government motor transport						329	812			146.81
Housing										
Inventory: Food and food supplies										
Inventory: Fuel, oil and gas										
Inventory:Learn & teacher support material										
Inventory:Raw materials										
Inventory: Medical supplies										
Medsas inventory interface										
Inventory: Military stores										
Inventory: Other consumables										
Inventory: Stationery and printing			40			111				(100.00)
Lease payments			14			50				(100.00)
Owned & leasehold property expenditure			547							
Transport provided dept activity										
Travel and subsistence	3 279	5 437	11412	10 228	11228	11981	19 010	18 543	18 931	58.67
Training & staff development						3				(100.00)
Operating expenditure	27	12	976	609	609	1198	5 102	2 671	2 204	325.87
Venues and facilities	1317	483	1092	1299	1299	1042	2 348	1432	1503	125.35
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	18 064	130 811	34 562	5 081	44 169	44 169				(100.00)
Provinces and municipalities	18 064	130 811	34 562	5 081	44 169	44 169				(100.00)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	18 064	130 811	34 562	5 081	44 169	44 169				(100.00)
Municipalities	18 064	130 811	34 562	5 081	44 169	44 169				(100.00)
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Public entities receiving transfers										
Universities and technikons										
Foreign governments and international										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
Payments for capital assets			16							
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment			16							
Transport equipment										
Other machinery and equipment			16							
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for financial assets										
Total economic classification	79 232	222 163	145 376	137 855	180 765	206 406	196 981	208 938	219 760	(4.57)

**Table 7.B2.3: Details of departmental payments and estimates by economic classification - Programme 3: Development And Planning**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	39 053	42 285	74 668	97 424	94 259	92 431	85 902	91117	95 833	(7.06)
Compensation of employees	31305	35 243	45 375	57 012	60 326	58 843	61 329	65 051	68 422	4.22
Salaries and wages	26 609	29 957	38 569	48 460	51242	50 017	52 130	55 293	58 159	4.22
Social contributions	4 696	5 286	6 806	8 552	9 083	8 826	9 199	9 758	10 263	4.22
Goods and services	7 748	7 042	29 293	40 412	33 933	33 588	24 573	26 066	27 411	(26.84)
Of which										
Administrative fees			46	74	74	74	58	82	66	(21.87)
Advertising	22	33	194	809	809	44	389	307	333	784.34
Assets <R5000	9	2		4	4	4	3	4	4	(15.46)
Audit cost: External										
Bursaries (employees)										
Catering: Departmental activities	309	18	192	557	537	262	444	540	577	69.54
Communication						2				(100.00)
Computer services										
Cons/prof:business & advisory services	2 778	1442	20 934	31817	24 944	21351	15 019	16 131	17 054	(29.66)
Cons/prof: Infrastructure & planning			30	53	53	53	2 754	2 921	3 072	5097.16
Cons/prof: Laboratory services										
Cons/prof: Legal cost										
Contractors								253	110	
Agency & support/outourced services										
Entertainment	3	2	4	21	21	21	598	5	5	(100.00)
Government motor transport						16				3639.38
Housing										
Inventory: Food and food supplies										
Inventory: Fuel, oil and gas										
Inventory:Learn & teacher support material										
Inventory: Raw materials										
Inventory: Medical supplies										
Medsas inventory interface										
Inventory: Military stores										
Inventory: Other consumables			9							
Inventory: Stationery and printing	73	43	48	3	3	34	3	3	4	(90.21)
Lease payments										
Owned & leasehold property expenditure										
Transport provided dept activity										
Travel and subsistence	3 705	4 580	6 679	6 001	6 416	8 869	4 473	4 843	5 144	(49.56)
Training & staff development				108	108	69		119	125	(100.00)
Operating expenditure	71	282	205	354	354	1738	445	455	488	(74.37)
Venues and facilities	778	540	952	610	610	1051	384	404	430	(63.44)
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	91796	109 217	52 106	58 616	59 716	59 716	9 389	9 958	10 476	(84.28)
Provinces and municipalities	91796	94 352	45 611	57 571	58 671	58 671	9 389	9 958	10 476	(84.00)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	91796	94 352	45 611	57 571	58 671	58 671	9 389	9 958	10 476	(84.00)
Municipalities	91796	94 352	45 611	57 571	58 671	58 671	9 389	9 958	10 476	(84.00)
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Public entities receiving transfers										
Universities and technikons										
Foreign governments and international			1000	1045	1045	1045				(100.00)
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions										
Households		14 865	5 495							
Social benefits		14 865	5 495							
Other transfers to households										
Payments for capital assets			989							
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment			989							
Transport equipment										
Other machinery and equipment			989							
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible										
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for financial assets	3 149									
Total economic classification	133 998	151 502	127 763	156 040	153 975	152 147	95 290	101 075	106 309	(37.37)

**Table 7.B2.4: Details of departmental payments and estimates by economic classification - Programme 4: Traditional Institutional Management**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Current payments	94 704	109 502	152 727	183 516	239 369	227 336	235 077	249 345	262 261	3.40
Compensation of employees	86 448	94 400	121 788	145 656	206 319	172 135	217 937	231 167	243 140	26.61
Salaries and wages	82 291	80 240	103 520	123 808	184 471	146 315	185 246	196 492	206 669	26.61
Social contributions	4 157	14 160	18 268	21 848	21 848	25 820	32 691	34 675	36 471	26.61
Goods and services	8 256	15 102	30 939	37 860	33 050	55 201	17 140	18 178	19 121	(68.95)
Of which										
Administrative fees										
Advertising		1246	805	111	111	727	45	47		(93.86)
Assets <R5000			15	106	106	106	66	76	60	(37.75)
Audit cost: External										
Bursaries (employees)		3								
Catering: Departmental activities	1004	2 546	2 196	2 238	2 238	2 766	1 224	1327	1394	(55.74)
Communication	3		34	372	372	131	191	200	210	45.66
Computer services										
Cons/prof:business & advisory services	415	1717	9 763	7 902	7 902	10 733	1 933	2 142	2 255	(81.99)
Cons/prof: infrastructure & planning										
Contractors			3 017	2 604	1394	12 604	1 239	1468	1512	(90.17)
Agency & support/outourced services			3							
Entertainment	27		14	11	11	11	11	12	12	
Government motor transport						2 581	55			(97.87)
Inventory: Other consumables			2							
Inventory: Stationery and printing	236	162	868	565	565	732	430	622	653	(41.29)
Lease payments	577	1205	1332	2 184	2 184	3 368	1 208	1364	1449	(64.14)
Owned & leasehold property expenditure	218	46	295	1234	1234	2 049	749	462	488	(63.47)
Transport provided dept activity										
Travel and subsistence	5 340	7 562	10 515	17 533	13 933	8 639	8 514	9 210	9 326	(145)
Training & staff development			847	1772	1772	30	676	35	140	252.59
Operating expenditure	294	236	809	347	347	6 272	44	342	601	(99.30)
Venues and facilities	142	379	424	881	881	4 452	757	871	1020	(83.01)
Other										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies (Total)	70		1101		900	1375				(100.00)
Provinces and municipalities	70									
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	70									
Municipalities	70									
Municipal agencies and funds										
Households			1101		900	1375				(100.00)
Social benefits			1101		900	1375				(100.00)
Other transfers to households										
Payments for capital assets	3 084	16 512	35 405	51 429	51 429	69 075	7 242	7 682	8 080	(89.52)
Buildings and other fixed structures	3 084	16 512	34 074	51 429	51 429	69 075	7 242	7 682	8 080	(89.52)
Buildings				25 000	25 000	57 827	7 242	7 682	8 080	(87.48)
Other fixed structures	3 084	16 512	34 074	26 429	26 429	11 248				(100.00)
Machinery and equipment			1331							
Transport equipment										
Other machinery and equipment			1331							
Of which: Capitalised compensation										
Of which: Capitalised goods and services										
Payments for financial assets										
Total economic classification	97 858	126 014	189 233	234 945	291 698	297 786	242 319	257 027	270 341	(18.63)

**Table 7.B4: Summary of departmental transfers to local government**

R' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	%
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			change from 2009/10
Category A			2 390	1 357	1 357	1 357				(100.00)
Nelson Mandela Metro			2 390	1 357	1 357	1 357				(100.00)
Category B			37 454	18 670	50 351	20 670	5 462	5 791	6 086	(73.58)
Amahlathi					22					
Baviaans										
Blue Crane Route										
Buffalo City			2 244	1 357	1 757	1 357				(100.00)
Camdeboo							350	371	390	
Elundini			250				200	212	222	
Emalahleni			293							
Engcobo			440		106		645	684	719	
Gariep					992					
Great Kei			701		7					
Ikwezi			700		23					
Inqquza					511		445	472	496	
Inkwanca					1081					
Intsika Yethu			446				200	212	222	
Inxuba Yethemba			43		16 128					
King Sabata Dalindyebo			9 582	6 685	6 685	6 685				(100.00)
Kouga										
Koukamma					4 793	2 000	445	472	496	(77.75)
Lukhanji			5 453	2 700	2 700	2 700				(100.00)
Makana			86							
Maletswai					665					
Matatiele			2 958				200	212	222	
Mbhashe			2 195	523	541	523	243	258	270	
Mbizana			1 142		683		446	472	496	
Mhlonlolo			1 226		929		446	473	497	
Mnquma			1 785		194					
Ndlambe										
Ngqushwa			414		157		551	584	615	
Nkonkobe			829		169		446	474	499	
Ntabankulu			593		87					
Nxuba			28		1060					
Nyandeni			1 325	2 000	2 177	2 000				
Port St Johns			917	3 154	5 258	3 154	200	212	222	
Qaukeni			706	2 251	2 251	2 251				
Sakizizwe			174		141					
Senqu			181		20		200	212	222	
Sundays River Valley			37		701		446	472	497	
Tsolwana					169					
Umtzimkhulu										
Umtzimvubu			2 706		347					
Unallocated										
Category C			40 329	42 625	51 122	42 625	3 927	4 168	4 389	(90.79)
Alfred Nzo			4 243	3 785	5 519	3 785	551	585	616	(85.44)
Amathole			13 679	118 12	14 112	118 12				
Cacadu			5 500	8 271	11 571	8 271	1 000	1 061	1 117	(87.91)
Chris Hani			6 992	5 173	5 473	5 173	1 426	1 513	1 593	(72.43)
OR Tambo			5 841	4 599	4 999	4 599	600	637	671	(86.95)
Ukhahlamba			4 074	8 985	9 448	8 985	350	372	392	(96.10)
Unallocated										
Unallocated	109 964	225 584			(0)	38 178		(1)	1	
Total transfers to local government	109 964	225 584	80 173	62 652	102 830	102 830	9 389	9 958	10 476	(90.87)

**Table 7.B5: Summary of departmental payments and estimates by district and local municipality**

R ' 000	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13	% change from 2009/10
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A							18 078	17 584	18 495	
Nelson M andela Metro							18 078	17 584	18 495	
Category B										
Unallo cated										
Category C							689 549	701195	737 514	
Alfred Nzo							18 078	17 584	18 495	
Amathole							596 161	613 275	645 041	
Cacadu							19 578	17 584	18 495	
Chris Hani							18 078	17 584	18 495	
OR Tambo							19 578	17 584	18 495	
Ukhahlamba							18 076	17 584	18 493	
EC Whole Province	397 913	608 204	609 561	659 016	770 272	792 590				(100.00)
Total payments and esti	397 913	608 204	609 561	659 016	770 272	792 590	707 627	718 779	756 009	(10.72)

Table 7.B6: Details of expenditure for infrastructure by category - Vote 07: Local Government and Traditional Affairs

Categories and Votes		Region/ district	Municipality	Project description	Project duration		Project cost		Programme	MTEF 2010/11 Total R'000	MTEF 2011/12 Total R'000	MTEF 2012/13 Total R'000
					Date: Start	Date: Finish	At start R	At com- pletion R				
1. NEW CONSTRUCTION												
1	Provincial House of Traditional Leaders (PHOTL)	Amatole	Buffalo City	Construction of PHOTL Cambers	2007-03-14	2010-12-09		53	4			
2	Traditional Council Offices	5 District Municipalities	Alfred Nzo	Construction of Traditional Councils	2005-07-01	2013-06-30		15 780	4	5 000	5 200	5 580
3	Maintenance and renovations	5 District Municipalities	Alfred Nzo	Maintenance				7 224		2 242	2 482	2 500
Total own new construction										7 242	7 682	8 080
2. REHABILITATION/UPGRADING												
Total rehabilitation/upgrading										-	-	
3. OTHER CAPITAL PROJECTS												
Total other capital projects										-	-	
4. RECURRENT MAINTENANCE												
Total recurrent maintenance										-	-	
TOTAL										7 242	7 682	8 080

