

Local Government and Housing



Annual Performance Plan

2009/10



Western Cape Provincial Department of Local Government and Housing
Wes-Kaapse Provinsiale Departement van Plaaslike Regering en Behuising
Isebe lePhondo leNtshona Koloni looRhumumente boMmandla nezeZindlu



**Provincial Government:
Western Cape**

**Department of Local
Government and Housing**

Annual Performance Plan

2009/10



Foreword:

Local Government



P. Uys

Municipalities carry enormous responsibility for rendering services to the residents of our Province. The role of the Department is to provide a range of measures to support municipalities with these responsibilities.

The Department has two strategies in carrying out this mandate. The first is to ensure that the Province and municipalities work closely together. The Province continued with its “LG MTEC” process, whereby provincial departments and municipalities meet face to face three times a year to discuss provincial and municipal strategic plans, budgets, and implementation plans. Intergovernmental co-operation and joint action has also been supported by the effective functioning of the intergovernmental structures. These processes will be strengthened and sharpened in the coming year, as integrated budgeting, planning and implementation form the bedrock of effective delivery to our people.

The second strategy is to provide proactive support through capacity-building initiatives in municipalities. The Department has developed municipal support plans to identify specific support

measures for each municipality. These plans were developed together with municipalities and will form the basis for improved performance. The specific measures will be rolled out in the coming year.

A component of the support plans is a programme to deepen public participation in local government processes, such as integrated development planning processes. Community Development Workers play a key role in this regard, as well as in facilitating community projects and access to government services and programmes.

Being proactive requires a focus on prevention. As the emphasis of disaster management is on prevention and mitigation, the support to municipalities in 2009/10 will focus on the development of credible Disaster Management Chapters in Integrated Development Plans. The Disaster Management Centre will also finalise a generic disaster management contingency plan, which will guide provincial departments and municipalities in managing the disasters for which they are responsible.

The Department is also focusing on prevention in the area of anti-corruption. It is important to raise awareness about this issue, as this is the most effective way of avoiding corrupt practices. The Department has conducted anti-corruption and good governance training workshops in the past year, and this programme will continue in the coming year.

The local sphere of government will always face challenges. By ensuring that there are sound intergovernmental relations and effective support programmes, municipalities will be able to deal effectively with these challenges.

P. Uys
MEC OF LOCAL GOVERNMENT, ENVIRONMENTAL
AFFAIRS AND DEVELOPMENT PLANNING

Foreword: Housing



P.M. Jacobs

In August 2008 the responsibility of Executive Authority for Housing was placed upon me and Cabinet saw it fit to separate the two functions of Housing and Local Government. This decision was not taken lightly as the enormous responsibility of providing housing, security and comfort to all our people required special focus and attention.

Since taking the office, I have found a Department hard at work trying to eradicate the huge and ever growing housing backlog created by many decades of deprivation and influx control in the Western Cape. The Department in its endeavour to deal with this challenge has over years generated many strategies to better the lives of our people and provide them with decent living conditions. Amongst these are the Isidima, Enhanced Extended Discount Benefit Scheme, Special needs and the Backyard Dwellers strategies to implement the following priorities in the 2009/10 financial year:

- Delivery of 18 000 serviced sites and 16 000 housing units
- Expansion of Housing Demand Database and background research into practices of waiting lists at municipal level
- Transfer houses to over 1 000 households through our Enhanced Extended Discount Benefit Scheme
- Conduct research and explore interventions to improve housing affordability for the GAP market based on the current economic climate
- Prioritisation of military veterans in housing programmes
- 10,000 households will be assisted through the informal settlement upgrading programme
- More than ten land release projects
- Provide rectification on RDP stock to 1 000 households
- Mainstreaming of Isidima into Departmental work, including application of Isidima sustainability criteria to all new housing projects
- Pilot of backyarder programme in selected area
- Credible human settlement plans in the six municipalities involved in the Built Environment Support Program

The Department will ensure that these priority programmes speak to the objectives of the Provincial Growth and Development Strategy, Ikapa Elihlumayo. We will also ensure that skills development, job creation opportunities, building social and human capital, economic development and spatial and infrastructural development are mainstreamed in every programme that we manage.

A handwritten signature in dark ink, appearing to read 'P.M. Jacobs', written in a cursive style.

P.M. Jacobs
MEC OF HOUSING

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Part A

1. Vision

Creating integrated and sustainable human settlements within developmental and well-governed municipalities

2. Mission

The mission of the Department of Local Government and Housing is:

- To be effective agents of change in capacitating municipalities to deliver services and ensuring integrated and sustainable development
- To promote, facilitate and develop participative and integrated sustainable human settlements
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

3. Values

The work of Department rests on and is guided by the following values:

- Integrity, which includes honesty, fairness and respect
- Trust
- Responsibility and accountability
- Harnessing diversity
- Participative decision-making
- Transparency
- Professionalism, including friendliness
- Efficient service delivery
- Social responsibility
- Dedication to a culture of learning
- Good governance
- Co-operative governance.

4. Overview of Strategic Plan

4.1 Housing Strategic Overview

The Department of Local Government and Housing in consultation with all the key stakeholders and partners has developed the Isidima strategy which provides a roadmap for the creation of dignified communities through integrated quality human settlements. The Department is committed to accelerating delivery, while promoting social cohesion through the development of sustainable human settlements.

Human settlement development is a poverty alleviation tool, which enables the creation of employment opportunities while creating assets for citizens through housing, thus ultimately promoting social cohesion and leveraging economic growth.

Sustainable human settlements must take into account physical and social health, opportunities for access to the economy, environmental suitability, legal and security concerns etc. Therefore the types of human settlements must, amongst other things, comprise of the following aspects:

- Well-managed residential areas
- A growing economy
- Accessible and available social and economic facilities
- Accessible to job opportunities
- Accessible transport facilities
- Growth of asset values

Province is currently confronted with a pressing need for thorough, coherent spatial planning that will underpin the various components of the iKapa Growth and Development Strategy and its supporting strategies, especially the Provincial Spatial Development Framework (PSDF), Isidima - the Sustainable Human Settlements Strategy, and the Strategic

Infrastructure Plan.

The PSDF and Isidima seek to reduce commuter time, promote mixed-use, integrated developments, and promote economic growth opportunities. In short, provincial policies have a spatial dimension and will be fundamentally compromised if they are based upon poorly-conceptualised municipal spatial development frameworks and human settlement plans.

To address these needs in a more focused way, the Built Environment Support program has been initiated. This program sets out to transform apartheid planning patterns and restructure urban areas by supporting the revision of Municipal Spatial Development Frameworks and 5-year Human Settlement Plans and capacitating municipalities to carry out their planning and delivery functions. This would be underpinned by a focused policy and research agenda that would inform planning of integrated sustainable human settlements in future.

In an effort to achieve a better understanding of the demand, the National Department of Housing with the support of the Department of Local Government and Housing has embarked on a process to determine the housing demand in the Western Cape. This process was launched during 2006 in the Metropolitan area of Cape Town.

Building on the lessons learnt from this process, the initiative was intensified and extended to the rest of the Province. Information for the second phase should be available later in 2009. Municipalities are also involved in ensuring that this process would be sustained in future so that the information could be utilized for their planning processes and integrated development plan updates.

The housing demand is considered in terms of the extent to which existing dwellings satisfactorily support the occupants – thus

inhabitants of informal settlements, overcrowded conditions and backyard shacks are taken into account when estimating the backlog. Similarly, 2001 census data likewise informs estimates of housing need in so far as calculations are based on those earning within or under the existing subsidy bands. Furthermore, information regarding the tenure status is likewise considered and therefore rented accommodation (both privately-owned and public stock that is rented) is also taken into account.

In response to the housing demand, the supply side of housing is considered in terms of the budgeted amounts for the different municipalities and the extent to which these institutions have been able to absorb and disburse their housing budget effectively.

4.1.1 Housing Delivery Environment

The Western Cape Province is divided into five district municipalities and one Metro, Cape Town, which is eccentrically located on the south-western tip and dominates the province economically as well as in terms of the population it supports. The next District Municipality (DM) supporting the second highest population is the Boland region, adjacent to the Cape Town area. More recently, this region has changed its name to Cape Winelands. Owing to the changes in boundary alignments and other factors, the term Boland DM has also been retained in some instances. The region comprising Mossel Bay, George, Knysna and Plettenberg Bay in the Eden DM in the south-eastern part of the province, is the third major urban concentration (Source: Growth Potential Towns in the Western Cape: 2000). The other three District Municipalities are Overberg; Central Karoo; and West Coast.

Housing Delivery Environment consists of the following ten sub-headings:

- Population Distribution
- Employment

- Incomes
- Cape population data
- Population growth trends
- Housing situation and demand
- Household numbers in Cape town
- Land needs
- Service needs and impacts on service delivery
- Housing delivery environment constraints.

4.1.1.1. Population Distribution

Table 1: Western Cape population: Urban/Non-urban

District/Metro Municipalities	% Urban	% Rural
Cape Town	99	1
Cape Winelands	67,2	32,8
Overberg	64,7	35,3
Central Karoo	67	33
Eden	81,3	18,7
West Coast	64,7	35,3
Total	74	26

The spread of the population across the province reflects the high proportion (some 75%) that is urbanized.

According to the 2001 census, the population of the Western Cape Province is calculated at some 4.5 million people. This represents an increase of 14, 3% from the 1996 census. The population is distributed across the six district municipalities as follows:

Table 2: Population distribution per district/Metro

District/Metro Municipalities	Total population	Percentage
Cape Town	2 893 251	63.9%
Cape Winelands	629 489	13,9%
Overberg	203 514	4,5%
Central Karoo	60 478	1,3%
Eden	454 924	10,1%
West Coast	282 667	6.2%
Total	4 524 323	100%

4.1.1.2. Employment

Unemployment in the Western Cape is estimated at 18, 4% (2002). This is the lowest rate in the country, and is almost half that of the Eastern Cape which has the third highest unemployment rate at 32%.

4.1.1.3. Incomes

Measurement of income inequality involves indicators such as the Gini coefficient from 0 to 1 (absolute inequality). Income inequality examines the shares in total income of groups

of households arranged in order of income level. The poorest 40% of households (equivalent to 50% of the population) receive only 11% of total income, while the richest 10% of households (equivalent to only 7% of the population) receive over 40% of total income. Inequality of income distribution between race groups is considerable, and accounts for 37% of total income inequality. However, inequality within race groups is also substantial; African households, for example, have a Gini coefficient of 0.54, nearly as high as the

national figure. Rural/urban inequality is considerable, with African and coloured median incomes in the rural areas being about half the African and Coloured median incomes earned in urban areas" (Julian May et al - Poverty and Inequality in South Africa 1998).

4.1.1.4. Cape Town population data

With such a high proportion of the province's population residing in Cape Town, an examination of the socio-economic status of the city's residents is relevant. Census data determines the cities population as follows:

- 1996 census 2 563 095
- 2001 census 2 893 251

This reflects an average annual growth rate of 2,6%. The age-sex population pyramid for Cape Town reflects a typical developing population being skewed towards the younger age group where 65% is younger than 34 years of age, and 27% is younger than 14. The male/female ratio is relatively even at 52% being female and 48%, being male. This young population has obvious implications for future growth scenarios which will be compounded by the relatively low income that this group will be able to lever. The educational levels reflect that more than half of the Cape Town population has not completed matric. Of 939 444 workers, 27% were in the service/sales/clerical industries; 21,7% in the unskilled or elementary sector and 21,4% in professional and technical fields. A further 29% of the metropolitan population was unemployed and unemployment figures were slightly higher for females than for males. Unemployment increased from 1996 to 2001 from 20% to 29%, which is higher than the national average, and some 10% higher than the provincial figure. A total of 50% of economically active Africans were classified as being unemployed.

4.1.1.5. Population growth trends

Population growth trends in the province are influenced by three factors:

- The natural growth rate
- The migration rates into the province and

the Cape Town region in particular

- The potential impact of HIV/Aids.

On the basis of the 1996 census data, the Provincial Housing Plan projected the provincial population at three different levels for 2006. It is apparent that the "low" rate scenario might be the most appropriate as this approximates most closely with the reality of 4,5 million in 2001. This "low" rate takes into account certain variables including the impact of HIV/Aids, fertility and migration rates. The population unit of the Western Cape Social Services and Poverty Alleviation Department predicts the total provincial population for 2015 to be 5 372 009. This is based on the 2001 figure of 4 627 601 and a total provincial population of 4 959 183 for 2006.

For the City of Cape Town, population growth trends, based on a growth rate of 2, 45% per annum approximate to an estimated 2021 "low" population of 3,3 million or a "high" of 4,2 million people. The potential impact of HIV/Aids is likely to affect both the number of births as well as the number of deaths.

The impact of migration on population growth is relevant as the Western Cape Province is experiencing a net gain from in-migration. Factors influencing migration may be varied although economic pressures are generally agreed to be the most important consideration, as migration usually takes place from areas of less, to areas of better economic opportunity. Most migration takes place over relatively short distances and the flow decreases with distance. During the 1997 – 2001 period, 184 971 people moved to the province. Rural-urban migration is significant as all the nine major urban areas experienced a net inflow of migrants with the metropolitan areas reflecting the highest gains. Cape Town showed the highest net migration figure. In spite of a 47% increase in in-migration to Cape Town during this period, the number of people moving from the province to other provinces also more than doubled from 11 921

in 1997 to 26 567 in 2001. The patterns point to an increase in the number of poor in the city. Unemployment figures are higher for migrants than non-migrants possibly due to language barriers or reduced social networks.

The PSDF also notes that the coastal districts appear to be growing more rapidly than even the City of Cape Town and certainly more than the inland centres. This migration pattern appears to affect all economic groups with the slowest increase being recorded in the Central Karoo. In spite of estimates of between 48 000 and 54 000 people migrating into the province

each year, the PSDF considers this to be relatively minimal when taking the total population into account.

The housing implications of these migration trends are deemed, therefore, to be relatively insignificant when considering the total housing backlog across the province. The main emphasis in this regard, the PSDF suggests, should be on addressing the existing housing backlog rather than accommodating new growth.

4.1.1.6. Housing Situation and Demand

The sanitation study shows that the population was accommodated in the following housing types in the five DM's and one Metro in the province.

Table 3: Type of Dwelling: Cape Town and District Municipalities 2001

Municipality/Metro	Number of households			
	Informal housing with no access to basic sanitation (excluding BD)	Informal housing with access to basic sanitation (excluding BD)	Backyard dwellers (BD) with access to shared services	Total Existing backlog
City of Cape TownWest	100	120 000	180 000	300 100
West Coast District	992	2 346	12538	15 876
Cape Winelands District	2 039	7 108	29375	38 522
Overberg District	2 650	4 348	10 429	17 427
Central Karoo District	450	72	2 000	2 522
Eden District	8 376	7 491	19 513	35 380
Total for Province	14 607	141 365	253 855	409 827

Recognizing that Cape Town comprises some 65% of the total population as well as the greatest proportion of housing need, a more detailed analysis of the situation prevailing there demonstrates the following:

4.1.1.7. Table 4: Household Numbers in Cape Town (Census)

Year	Formal Households	Informal Households with/ without tenure	Informal Households no tenure	Total Households	Comments
1996	548 514	103 458	-	651 972	1996 Census data
2001	649 484	110 109	-	759 763	2001 Census data
2002	669 464	111 210	83 684	780 674	Projected figures
2003	689 548	112 322	96 951	801 870	Projected figures
2004	710 234	113 445	94 972	823 680	Projected figures
2005	731 541	114 580	-	846 121	Shack count 2005

The projected figures are based on a 3% p.a. increase for formal households and a 1% increase for informal households. The total number of formal households in 2005 is projected at 731 541 with 114 500 informal households, thus comprising a total of 846 121 households. With a total population of 3,2 million accommodated in that number of households the average household size is approximately 3.8 individuals per household.

The average size of households currently residing in the informal settlements within the city of Cape Town is reported to be less than this provincial figure. This will impact on the ability to intervene in this sector, as a greater number of households will have to be targeted within the confines of the financial budget in order to satisfy the need. This need has been determined using figures generated from the sanitation study.

Table 5: Sanitation study (2006)

Municipality/Metro	Number of households			
	Informal housing with no access to basic sanitation (excluding BD)	Informal housing with access to basic sanitation (excluding BD)	Backyard dwellers (BD) with access to shared services	Total Existing backlog
City of Cape Town	100	120 000	180 000	300 100
Berg River	0	0	565	565
Cederberg	205	512	830	1 547
Matzikama	188	485	1 155	1 828
Saldanha Bay	0	1 045	4 996	6 041
Swartland	249	304	4 992	5 545
West Coast District DMA	350	0	0	350
Total for West Coast District	992	2 346	12 538	15 876
Breede River / Winelands	0	628	4 635	5 263
Breede Valley	470	2 041	5 180	7 691
Drakenstein	1 189	2 112	10 200	13 501
Stellenbosch	10	100	7 760	7 870
Witzenberg	0	2 227	1 600	3 827
Cape Winelands District DMA	370	0	0	370
Total for Cape Winelands District	2 039	7 108	29 375	38 522

Municipality/Metro	Number of households			
	Informal housing with no access to basic sanitation (excluding BD)	Informal housing with access to basic sanitation (excluding BD)	Backyard dwellers (BD) with access to shared services	Total Existing backlog
Cape Agulhas	322	0	620	942
Overstrand	0	2 683	4 749	7 432
Swellendam	322	100	820	1 242
Theewaterskloof	1 156	1 565	4 240	6 961
Overberg District DMA	850	0	0	850
Total for Overberg District	2 650	4 348	10 429	17 427
Beaufort West	0	72	1 182	1 254
Laingsburg	0	0	158	158
Prince Albert	0	0	660	660
Central Karoo District DMA	450	0	0	450
Total for Central Karoo District	450	72	2 000	2 522
Bitou	2 190	98	1 057	3 345
George	0	3 470	6 130	9 600
Hessequa	126	95	3 402	3 623
Kannaland	50	0	1 030	1 080
Knysna	4 737	2 753	1 539	9 029
Mossel Bay	0	950	3 490	4 440
Oudtshoorn	273	125	2 865	3 263
Eden District Municipality DMA	1 000	0	0	1 000
Total for Eden District	8 376	7 491	19 513	35 380
Total for Province	14 607	141 365	253 855	409 827

Within the City of Cape Town it is understood that 300 000 families are in need of improved shelter and access to basic services to alleviate their current inadequate conditions. This figure comprises 180 000 households who are in informal settlements across the city. An additional 100 000 families who currently reside in backyard shacks and in the public housing stock also require improved accommodation. Furthermore, 20 000 households who are currently accommodated on serviced sites require assistance with developing top structures. Recognizing that a further 15 000 households require some form of assistance as they are not able to qualify for the housing subsidy owing to their income levels being too high, a range of housing options needs to be designed to deal with the demand.

4.1.1.8. Land needs

In line with the National Spatial Development Perspective (NSDP) and the Western Cape Spatial Development Framework (WCSDP), it is necessary to understand the development potential of different parts of the province in order to ascertain where investment should be directed. The potential is based on a complex set of relationships, which in turn are dependent on a combination of the physical and spatial dynamics of the place itself. These include the availability of appropriate land and the extent to which this can support different types of economic activity.

The Housing Atlas produced by the NDoH provides detailed information regarding the relationship between development potential and

environmental constraints, access to land etc. This is based on “sensitivities of geology, soil, vegetation, land cover, land use and river buffer zones, rainfall, runoff, hydrology and terrain”. This enables values to be placed on the different types and provides an index for the combined values. It should be noted that the western and southern parts of the Western Cape offer little with regard to potential land supply.

In addition to the above mainly physical characteristics of the environment, there are further inherent qualities and certain features that either support economic activity or detract from it. Studies indicate that Cape Town presents the highest potential and that the George, Knysna and Mossel Bay areas and those to the north and east of Cape Town present with the second most potential. These findings concur with the PSDF that identifies these parts of the province as those that are most appropriate for further investments. The Department of Local Government and Housing will investigate further suitable parcels of land in line with Isidima objectives.

4.1.1.9. Services needs and impacts on service delivery

Access to services provides one of the indicators for understanding the extent to which government's policies and practices are assisting the poor to improve the quality of their lives and whether they are “sharing in the benefits of economic growth through increased access to services (formal housing, piped water, electricity and proper sanitation).”

Asset equality is attained in respect of access to good basic services (water, sanitation, energy and refuse removal) and social services (health care, education and skill development and shelter). The City of Cape Town Population Profile, a presentation prepared by the City's Strategic Information Unit in 2003, highlights the following:

- A decline in access to services occurred during the period between the Census of 1996 and that of 2001. Where previously some 90% of the population had enjoyed piped water, either in their dwelling or on their site, by 2001 this had reduced to 84%. Sanitation access showed that 7% of people had no access to sanitation services with a further 5% who utilized either a pit latrine or bucket system. Although the decline was not as marked as that for water services, access had declined since 1996.
- Access to electricity supply had improved by 10% with more African households gaining access to this service since 1996. The majority of households use electricity for both lighting and cooking. This improvement in the numbers of people accessing electricity must be considered in the light of Eskom introducing electricity in informal settlements, as well as in the growth of informal settlements owing to these being a more affordable form of accommodation. What is positive is the improvement in the quality of life for a greater number of people in urban areas (Source: City of Cape Town Population Profile).

4.1.1.10. Housing Delivery Environment Constraints

The Western Cape Province faces generic issues, as other provinces. In fulfilling its housing mandate, the following highlights the key issues:

- Limited capacity at municipality and province to plan, implement and monitor housing projects
- Migration from neighbouring provinces
- Mushrooming of informal settlements
- Limited bulk infrastructure
- MIG alignment to housing budget allocation.
- The cost and availability of well located suitable land for housing remains a major key challenge. This is the initial step in providing housing. Hence, land

rationalisation study undertaken

- Cost of building materials
- Limited funding for human settlement development has the implication that less than 5% of the backlogs can be attended to in the course of financial year
- Timeframes as prescribed by several legislations relating to Planning and Development processes are lengthy.

Guided by the NSDP and the City Housing Plan (CHP), the following recommendations are suggested to address the constraints identified:

- To focus economic growth and employment creation in areas where this is most effective and sustainable;
- To support restructuring where feasible to ensure greater competitiveness;
- To foster development on the basis of local potential; and
- To ensure that development institutions are able to provide basic needs throughout the country.

The Housing Atlas highlights six principles that are applicable in this regard:

- *Concentration* – focus on localities with greatest economic potential;
- *Balance* – balance the use of resources with the carrying capacity of the eco-systems;
- *Integration* – investment needs to be intensified, using transport corridors and link areas of greatest need with areas of greatest economic potential to facilitate spatial integration particularly of displaced communities;
- *Choice* – in areas which do not present with high economic potential, investment in people through skills development needs to occur;
- *Density and Diversity* – the higher the level of economic potential in an area, the greater the intensity of investment in higher density housing forms should be;
- *Clustering of Facilities* – human settlements

need to provide a range of social, economic and recreational opportunities in reasonable proximity to the different housing types.

4.1.2. Spatial analysis of housing delivery

Housing delivery in the Western Cape is spatially analysed according to the following three sub-headings:

- Hostels in Cape Town
- Social Housing Programmes
- Spatial Investment.

4.1.2.1 Upgrading of Hostels / Community Residential Unit (CRU) Programme

More than 8 000 flats will be developed over 8 years, positively impacting on the lives of 30 000 – 40 000 people. Phases 1 – 4 of this project have to date already delivered a total of 2 325 rental units (converted flats).

Since the inception of the programme, the Department of Local Government and Housing has contributed considerably towards the upgrading of the single quarters into family friendly accommodation, where the focus is on converting “Hostels to Homes”.

A CRU- application submitted by the City of Cape Town - a pilot project - encompassing 10 individual phases and comprising 7 775 units has been approved. This project uses the CRU programme and will refurbish the existing rental units.

Additional applications for new projects in Langa, Gugulethu, Nyanga, Lwandle and Mfuleni are considered greenfield projects whilst the rest are refurbishment of old stock. The total number of units for these projects have increased from 21 000 to 21 655, which also includes Lwandle and Mfuleni.

4.1.2.2 City of Cape Town Social Housing Programmes

Restructuring zones for the implementation of Social Housing currently occurs only within the City of Cape Town. Identification of additional restructuring zones within the Province is an important growth area and investigations are currently underway to enable the establishment of restructuring zones in other growing municipalities.

The Province is managing the development of a social housing pipeline within the Cape Town metro, aimed at the development of new social rental housing through partnerships with established Social Housing Institutions (SHI's) with available capacity to co-ordinate the development and undertake the long-term management of the stock developed. The programme intends to develop 5000 social rental units over 5 years. At present the City is working with the following partners:

- Social Housing Company (SoHCo) – Signed partnership agreement
- Cape Town Community Housing Company (CTCHC) – Signed partnership agreement
- Communicare – Memorandum of Understanding with City and PGWC.

The Western Cape is in the process of formulating a Provincial Rental Housing Strategy and Operational Plan, which includes the following:

- The development of a 5 year rental housing strategy for the Western Cape
- Linked to the strategy, a clear implementation plan with a roll out programme with timeframes and budgets
- Well defined institutional arrangements to enhance delivery coupled with a capacity building programme for the rental housing unit and municipalities in the Province
- Customised generic policies for the Province.

The Provincial Rental Strategy will be underpinned by land investigation, a demand study and additional research to guide the fast-tracking of rental housing delivery within the Province. The DLG&H have gone into partnership with the Social Housing Foundation to fund this critical body of work, which is intended to be used to draw key lessons which could aid the development of rental strategies across all Provinces.

In addition, the Province is exploring the conversion of current provincial rental stock into Social Housing or Community Residential Unit (CRU) opportunities. Feasibility studies for these 8 sites will commence by March 2009. There are currently thirty two proposed social housing projects in City of Cape Town, consisting of approximately 6000 housing units.

4.1.2.3 Spatial Investment

Table 6: Description of leader and priority towns in the Western Cape Province (Growth Potential Towns in the Western Cape 2004)

The following towns are proposed as “leader towns” requiring concentrated investment in infrastructure and housing:	Further, towns that present both high potential and high need include the following:
<ul style="list-style-type: none"> • Vredendal • Vredenberg • Saldanha • Swellendam • Malmesbury • Worcester • Wellington • Beaufort West • Oudtshoorn • Paarl • Stellenbosch • Hermanus • George • Knysna • Mossel Bay 	<ul style="list-style-type: none"> • Ashton • Beaufort West • Ceres • Elim • Franschhoek • Gansbaai • George • Grabouw • Hermanus • Kalbaskraal • Klapmuts • Knysna • Oudtshoorn • Paarl • Plettenberg Bay

Within the province two main regions are identified as possessing particular economic growth potential. These are the City of Cape Town, which encompasses the adjoining parts of the Overberg, Cape Winelands and West Coast district municipalities and the region adjacent to George, Mossel Bay and Knysna municipalities. Noting the figures regarding the provincial housing backlog, the Cape Town city region comprises some 70% of this need. The second region is George municipality in Eden district, which follows the City of Cape Town with the metropolitan features.

In addressing housing need for these two regions, the following approaches have to be addressed:

- Spatial Development Framework (SDF) land identification for developments
- Urban Core: allowing mixed land use on well located land, densification in under-utilised land, and bringing people closer to the CBD

- New Housing Delivery: Encourage diverse housing environments and settlement types through greater densities, housing design, housing credit and the delivery route. Numerous sites have been identified to cater for the different initiatives being greenfield development, consolidation projects, social housing projects and gap housing projects, restitution projects and emergency housing projects
- Upgrade of Informal settlement programme (UISP): *In situ* upgrading will be managed so that the informal settlements, wherever possible, will be integrated into the urban fabric to overcome spatial, social and economic exclusion
- Area-based urban renewal.

4.2 Local Government Strategic Overview

The mandate of the Department of Local Government and Housing is to build and strengthen the ability of municipalities to implement their constitutional mandate and to enable sustainable development and service delivery. In carrying out this mandate the Department is guided by the provisions of the Five Year Local Government Strategic Agenda (5-year LGSA).

During the financial year 2008/09 the Department made significant progress in mainstreaming the 5-year LGSA through a number of processes. For example the Department's capacity-building support to municipalities is informed by the 5-year LGSA and by the three key performance areas for which Department is responsible, namely institutional transformation, service delivery, and good governance and public participation.

The key challenge is ensuring that relevant sector departments begin to mainstream their roles and responsibilities in respect of the 5-year LGSA within their strategic plans. The Department intends to drive this process during the next year and is thus facilitating the establishment of partnerships with relevant departments. The Department in conjunction with Department of the Premier has established a provincial government reporting team to provide data in respect of sector department interventions. The first bi-annual report was submitted in April 2008. Data is also being collected and collated via a "Municipal Snapshot" and a range of other tools in line with the 5Year LGSA

The basis for providing targeted support is knowledge of the capacity needs of municipalities. During 2008/09, the Department developed a Capacity-building Strategy and District Support Plans for every District. The Department is in the process of conducting roadshows with municipalities to confirm the

priorities identified in the Support Plans.

In addition the Department has provided intensive support to municipalities who's IDPs did not meet the "credibility" criteria identified by Department. On-going support was provided to all 30 municipalities in ensuring the linkages between IDP priorities and municipal budgets. For example, face-to-face engagements were held through the Province's "LGMTEC 3" process in April/May 2008. In addition, the Department of Local Government and Housing met with municipal IDP managers through IDP Manager Forums in each of the five districts to monitor progress and offer guidance on IDP review processes.

Community Development Workers have continued to play an invaluable role in facilitating peoples' access to government services. They have been actively involved in facilitating workshops together with relevant government departments, including workshops on HIV / AIDS, co-operatives, entrepreneurial skills, violence against women and children, fire awareness, and empowering farmwomen. They have also assisted in establishing youth forums, provided career guidance, established community development projects, and helped over 30,000 people apply for ID documents.

The Western Cape encounters unique challenges with regard to disasters and fires, particularly given the shifting realities of climate change. The Department of Local Government and Housing is mindful that the province is likely to have severe flood and fire disasters / emergencies annually. Given this reality, the Department has been proactive in ensuring that all Municipal Disaster Management Centres conducted detailed Risk and Vulnerability Assessments.

As the cornerstone of our preparedness and coordination efforts, the Disaster Management Centre launched its intergovernmental relations structures on 1 April 2008. The purpose of these

structures is to ensure that the political as well as technical/administrative activities and policies are aligned for proper implementation of the Disaster Management Act.

The working relationship between Provincial Ambulance Services, Provincial Traffic, Disaster Management, Department of Community Safety, Social Development and especially municipalities was evident in the effective coordination and management of recent major incidents such as the xenophobic violence (May 2008) and flooding incidents (July and November 2008).

4.2.1 2009/10 Key deliverables

Our key deliverables for 2009/10 build directly on the 2008/09 deliverables:

- Further improvements to Integrated Development Planning through a certified training programme for municipal IDP practitioners
- Support programme to improve municipal performance management systems
- Implementation of Municipal Capacity Support Plans tailored to the needs of each municipality
- Finalisation of a Generic Disaster Management Contingency Plan that will guide provincial departments and municipalities in the event of a disaster
- Strengthening of public participation mechanisms in municipalities to improve public accountability
- Development of a municipal performance information system that integrates and evaluates information from a variety of sources.

5. Sectoral situation analysis

The Department of Local Government and Housing has identified national priorities that impact on our work and the challenges encountered in responding to these priorities.

5.1 National priorities and challenges

The critical issues that dominate the national agenda are reducing poverty, addressing the legacies of apartheid planning, ensuring developmental local government, improving inter-governmental relations, managing disasters, and engaging and communicating with communities.

a. Reducing poverty

Poverty remains a daunting challenge for government. There is a pressing need to make decisive advances towards eradicating poverty and underdevelopment. As its contribution to addressing poverty the Department identified a number of key challenges, which include:

- The magnitude of structural poverty and inequality
- The need to ensure sustainability of many of the existing indigent policies at municipal level
- The lack of capacity of municipalities to respond adequately to the needs of communities, especially the poor
- High unemployment, particularly amongst the youth.

In order to ensure that these challenges are addressed, the Department of Local Government and Housing ensures that they are reflected in the various programmes that support local government.

b. Facilitating developmental local government

Developmental local government is committed to working with communities to find sustainable ways to meet their social, economic and material needs and to improve the quality of

their lives. The task of developmental local government includes:

- Mobilising communities to participate in development
- Redressing socio-economic inequalities through extending services and programmes that target the poor
- Ensuring coordinated planning, budgeting and implementation
- Ensuring the sustainability of government through the productive investment of resources, revenue generation and efficient service delivery.

c. Redressing apartheid and colonial planning and development

The first decade of democracy saw 1,6 million houses being constructed nationally (with 193,450 houses constructed in the Western Cape), translating to some 6 million people housed nationally with access to water, electricity and sanitation. However, houses were still built on readily available land on peripheries of cities and towns with varying degrees of community facilities.

The shortcomings of the first decade of delivery and its purely quantity driven approach, has resulted in a shift in focus for the second decade of democracy: it is a shift from simply the number of units to the provision of quality, improved living environments through the development of integrated and sustainable human settlements.

The major challenges facing Department of Local Government and Housing include (but are not limited to):

- The growing housing backlog, which is resulting in a proliferation of informal settlement areas, and increase in backyard housing and overcrowding of existing houses
- Poverty, unemployment and rapid urbanisation as people move closer to urban areas looking for work opportunities all contribute to the increasing demand for housing

- The lack of well-located, suitable and affordable land for housing remains a constraint to the development of integrated sustainable human settlements. Where affordable land does exist it is often far from the centre of town, costly to service for the public sector and increases transport costs for the poor
- Higher density and innovative housing typologies are essential for our urban areas.

The development of integrated human settlements requires integrated planning between and within the three spheres of government. The Provincial Government of the Western Cape is working towards aligning the National Spatial Development Perspective and the Provincial Growth and Development Strategies with the Municipal Integrated Development Plans.

Integrated Development Plans (IDPs) are a critical tool for participative community based planning. Ongoing support is provided to municipalities to enable them to develop responsive, credible IDPs. The Department will continue to pay particular attention to supporting municipalities in the development of housing chapters of IDPs in an attempt to strengthen integrated planning.

d. Ensuring sound inter-government relations (IGR)

The Intergovernmental Relations Framework Act provides the basis for the establishment and effective operation of intergovernmental structures. The goal of accelerating service delivery can only be achieved through strengthening intergovernmental relations (IGR) at all levels. Current challenges relating to communication between provincial departments and national government as well as between provincial and local government pose serious constraints to developmental local government and the consequent reduction of poverty.

e. Engaging and communicating with communities

Community liaison and public participation is key to the realisation of developmental governance and the success of delivery. There is a need to engage and communicate more effectively with communities.

f. Managing disasters

The thrust of the Accelerated and Shared Growth Strategy is to provide a comprehensive infrastructure base for South Africa, as this is the foundation for the provision of sustainable basic service delivery and for supporting equitable growth of the economy. Proactive disaster management strongly supports this approach; hence the identification of disaster risks and implementing measures to address these risks is fundamental to protecting basic services and other infrastructure.

The starting point for all disaster management activities is that efforts and funding invested today can prevent human and financial losses that are many times more than the initial resources invested.

5.2 Provincial context and challenges

Provincial priorities

The Western Cape faces the multiple challenges of fragile community relations, poverty, unemployment, a growing gap between the rich and the poor, crime, substance abuse, gang violence, child and women abuse as well as climate change. In order to respond effectively and decisively to these challenges it is important to note the following critical imperatives:

- The importance of balancing unity and diversity and building social integration between and within class groups
- The need to address poverty and inequality
- A commitment to growing the economy and reducing unemployment

- A comprehensive fight against crime
- A commitment to shared, equitable, sustainable and resilient growth
- The need to enhance the developmental capacity of the state
- A commitment to harmonious intergovernmental relations
- The importance of partnerships and social dialogue.

In order to deal with these critical imperatives the Provincial Government has responded with the *iKapa Growth and Development Strategy* with its lead strategies. These strategies include:

- Provincial Spatial Development Framework, which shows where growth in the Province should take place
- Strategic Infrastructure Plan, which shows what infrastructure is needed where and how it can be built over time
- Isidima (Sustainable Human Settlements Strategy) sets out a number of policy options to address the Apartheid spatial planning legacy by reducing the housing backlog. These options include the upgrading informal human settlements, creating more affordable housing choices and ensuring sustainable construction methods and sustainable resource use. This strategy furthermore institutionalises residential accommodation that is close to public transport, shops, work opportunities and places of leisure. Municipalities should ensure that Isidima principles are reflected in their IDPs.

The Department realises that it cannot deal successfully with these mammoth challenges without forging partnerships with social partners, namely organised business, labour, and civil society.

5.3 Institutional context and challenges

A key challenge for the Department is transforming itself into a learning organisation that is developmentally orientated, motivated, fully equipped and capacitated for effective delivery. An analysis of the institutional context and challenges identified the following key priority areas:

a. Stakeholder Management

An analysis of the institutional context revealed a weakness in the management of its stakeholders. In this regard a forum for engagement with stakeholders is critical for closing the gap between the stakeholders and the Department.

b. Project Management Capability

It emerged that project management must be strengthened within the Department. A silo approach makes it difficult for the department to meet the challenges of promoting developmental local government. In this regard the Department is in the process of introducing a project-based approach to executing its

operations through inter-directorate project teams. Since this will be a new way of operating, internal capacity building, support and the recruitment of requisite skills will be of paramount importance. In response to the above challenge, the development of a project management unit to coordinate departmental projects has been initiated.

c. Communication

Weak internal communication was identified as a key challenge for the Department. There is a need for more collaborative synergy and teamwork. In addition, stronger links need to be forged between business units and the communications team to ensure that relevant information is shared with communities.

d. Information Management

Institutional memory remains a key challenge, and comprehensive information is required to support the Department's reporting processes and knowledge management more generally. The Department has initiated a project to assess all its information needs and design an integrated information management system.

6. Legislative and Policy Mandates

6.1. Housing Legislative and Policy Mandate

The following is a summary of the main pieces of legislation, as well as policy directives, applicable to the integrated housing development environment:

Table 7: Housing legislative and policy mandate

Legislation	Brief Description
The Constitution, Act No. 108 of 1996	<p>The Department of Local Government and Housing derives its mandate mainly from the Constitution of the Republic of South Africa Act (Act 108 of 1996).</p> <p>In terms of section 26 of the Constitution everyone has the right to have access to adequate housing (Section 26(1)). The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right (Section 26(2)). The legislation that Department of Local Government and Housing has promulgated and implemented falls squarely within this Constitutional imperative.</p>

Legislation	Brief Description
The Public Finance Management Act, Act 1 of 1999	This Act promotes the objectives of good financial management in the Public Sector, sets out responsibilities of accounting officers and executive authorities with regards to public finance.
The Division of Revenue Act	This Act provides for the equitable distribution of revenue amongst the three spheres of government and the responsibilities of each sphere with regards to monitoring and accounting of allocated funds.
The Housing White Paper – December 1994	This sets down the fundamental policy and developmental principles for housing in South Africa.
The Housing Act, 1997 (Act No. 107 of 1997)	Through its legislation, existing and future, and the Housing Code, the Department of Local Government and Housing is carrying out its legislative imperative. Section (2) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1) (a)). In addition all 3 spheres of government must ensure that housing development: <ul style="list-style-type: none"> (i) provides as wide a choice of housing and tenure options as is reasonably possible; (ii) is economically, fiscally, socially and financially affordable and sustainable; (iii) is based on integrated development planning; and (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1)(c)).
The National Housing Code as amended (2007)	This sets out the understanding of policy principles and adherence criteria in respect of the various subsidy instruments. Guidelines, norms and standards that apply to various housing assistance programmes. The Code has been updated to reflect the Comprehensive Plan for Sustainable Human Settlements (2004) – Breaking New Ground.
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (1998)	The prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.
The Housing Consumers Protection Measures Act of 1998	The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

Legislation	Brief Description
The Rental Housing Act of 1999	This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, it lays down general requirements for leases and principles for conflict resolution in the rental housing sector. It also makes provision for the establishment of Rental Housing Tribunals and defines the functions, powers and duties of such Tribunals. Provincial housing departments are establishing Rental Housing Tribunals.
Home Loan and Mortgage Disclosure Act of 2000	The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identifies discriminatory lending patterns. The Act came into operation during 2003.
Act 26 of 2002: Disestablishment of South African Trust Limited Act, 2002	The winding down of the South African Housing Trust and the transfer of the functions relating to financial obligations were completed during the end of 2002 and the beginning of 2003 in terms of the of Act 26 of 2002: Disestablishment of South African Trust Limited Act, 2002.
National Environmental Management Act 1998 (Act no. 107 of 1998)	To provide for a co-operative environmental governance by establishing principles for decision-making on matter affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state.
Western Cape Housing Development Act 6 (1999)	To regulate housing development in accordance with Act 107 of 1997.
Growth Employment and Redistribution Programme (GEAR)	It is a macro-economic strategy published by the Minister of Finance in June 1996, to strengthen economic growth until the year 2000, along with a broadening of employment, and the redistribution of economic opportunities.
Provincial Growth and Development Strategy	Provision of shelter for all by 2014; Economic and social growth and development through housing development; Spatial and racial integration through integrated housing development; To provide clean water and to eliminate sanitation problems to all in the Province by 2009
Social Housing Act, No. 16 of 2008	The Act was promulgated on the 05 November 2008. The aim of the Act is to establish and promote a sustainable social housing environment through: <ul style="list-style-type: none"> defining the functions of national, provincial and local governments in respect of social housing provide for the establishment of the Social Housing Regulatory Authority in order to regulate all social housing institutions obtaining or having obtained public funds

Legislation	Brief Description
	<ul style="list-style-type: none"> allow for the undertaking of approved projects by other delivery agents with the benefit of public money give statutory recognition to social housing institutions to provide for matters connected therewith. <p>The Department's mandate falls squarely within this legislative framework.</p>
National Rental Housing Strategy	<p>The aim of the strategy is to address and clarify the various issues while providing a way forward for affordable rental housing delivery in South Africa through:</p> <ul style="list-style-type: none"> fast-tracking rental housing provision to scale address affordability create access for lower income groups.

6.2 Local Government Legislative Mandates

6.2.1 Constitution of South Africa, 1996 (Act 108 of 1996)

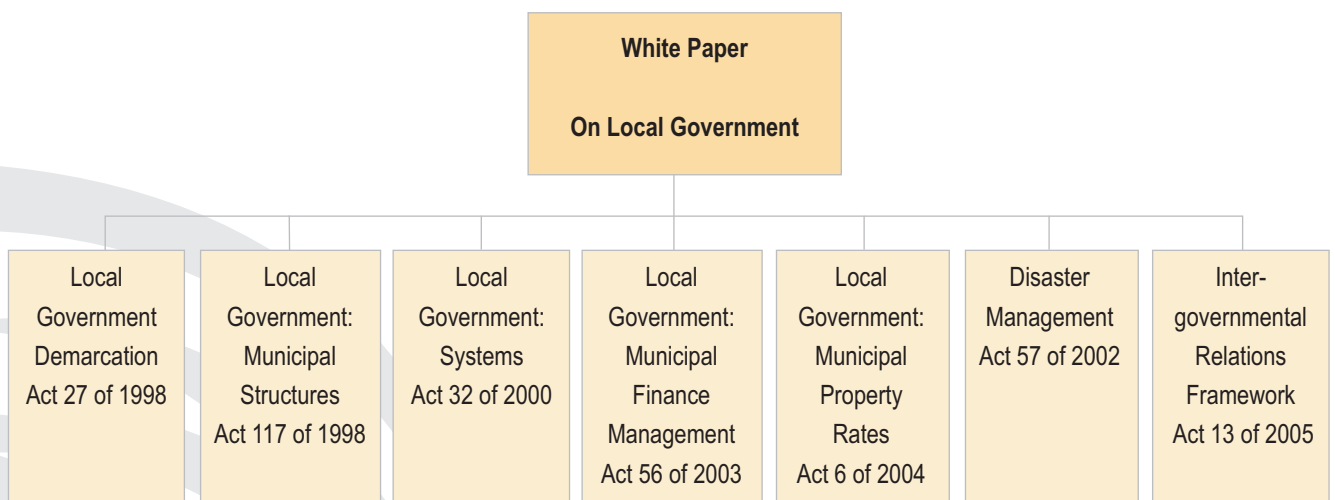
The Constitution provides the national overarching framework for the work of all government departments in South Africa. Chapter 7 outlines the objectives and mandates in respect of local government. The following mandates for Department of Local Government and Housing can be extracted from this:

- To establish municipalities consistent with national legislation
- To support and strengthen the capacity of municipalities

- To regulate the performance of municipalities in terms of their functions listed in schedules 4 and 5 of the Constitution
- To intervene where there is non-fulfilment of legislative, executive or financial obligations
- To promote developmental local government.

6.2.2 Local Government legislation

The White Paper on Local Government (1998) and the subsequent package of related legislation (depicted below), provides the national context for local governance across the country.



Other Important Pieces of Legislation

- Fire Brigade Services Act, 1987 (Act 99 of 1987)
- National Veld and Forest Fire Act, 1998 (Act 101 of 1998)
- Development Facilitation Act, 1995 (Act 65 of 1995)
- Western Cape Determination of Types of Municipalities Act, 2000 (Act 9 of 2000).

Administrative/Transversal mandates

A series of transversal administrative requirements impact on the work of the Department of Local Government and Housing, namely:

- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000
- Public Finance Management Act, 1999 (Act 1 of 1999) and National Treasury Regulations
- Annual Division of Revenue Act
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Levy Act, 1999 (Act 9 of 1999)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act 4 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)
- Provincial Archives and Records Service of the Western Cape Act, 2005 (Act 3 Of 2005)
- Local Government Laws Amendment Act, 2007.

6.2.3 Policy mandates

Batho Pele

The eight principles of Batho Pele are the

driving force in all the activities of the Department especially when it comes to interfacing with community stakeholders. These are:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and transparency
- Redress
- Value for money.

7. Broad priorities and strategic goals

In 2005, the Department identified key priorities for the five year period and formulated its Five Year Strategic Performance Plan. The Plan comprises eight strategic goals, as outlined below.

a. Municipalities with enhanced capacity to deliver services in a developmental and sustainable manner.

Strategy

- Developing a flexible basket of capacity building programmes aimed at enhancing local capacity to deliver on the Five-Year Local Government Strategic Agenda and Isidima
- Putting preventive measures in place in municipalities to counteract corruption and irregularities
- Providing assistance in the promotion of integrated human settlements
- Building the analytical, interpretive capabilities of the Department.

Key focus areas

- Municipal capacity development especially issues regarding policy interpretation
- Proactive disaster management
- Strategies to enhance the financial

- sustainability of municipalities
- Municipal infrastructure support, including the MIG programme
- Strategies to eradicate corruption and irregularities.
- Optimum utilisation of financial resources in ensuring sustainable municipalities
- Alignment of municipal budgetary priorities with the imperatives of Integrated Sustainable Human Settlement Development
- Establishment of a joint intra/inter departmental planning monitoring capacity support and intervention teams.

b. Institutionalised and operational inter-governmental relations.

Strategy

The Department aims to improve coordination, communication and horizontal and vertical integration with the metro, district and local municipalities, organised local government, provincial line departments, national departments, state owned enterprises and other relevant stakeholders to ensure seamless governance.

Key focus areas

- Monitoring and support of IGR structures
- Integrated planning both vertically and horizontally (inter and intra governmental planning)
- Clarification of powers, functions, roles and responsibilities of provincial and local government
- Alignment of national, provincial and local policy priorities, planning and budgets.

c. Accelerated provision of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable.

Strategy

The Isidima strategy provides the basis for the delivery of integrated human settlements

Isidima is aimed at redressing previous fragmented and dysfunctional spatial planning and development.

Key focus areas

- Facilitating mixed use developments that are located close to economic opportunities, accessible to public transport and environmentally sustainable as a priority
- Accelerated delivery of housing to the inadequately housed through various approaches, which includes fair rental options and an incremental approach
- Building the capacity of municipalities to develop integrated and sustainable human settlements
- Sound management of the provincial housing assets and maximisation of the strategic use of existing assets
- The promotion of innovative housing typologies and urban design of project areas, which includes higher density housing
- Facilitation of emergency housing assistance under both pro-active and reactive circumstances
- Formation of partnerships enabling better co-operation with all relevant stakeholders
- Fostering a new mindset that home ownership is not the only viable option for meeting the housing need
- Working across all spheres of government to ensure integrated planning
- Intensifying work in the Presidential nodes of the Central Karoo and Mitchell's Plain/ Khayelitsha with measurable impact
- Identification, acquisition and release of well-located and suitable private and state land/properties
- Facilitating or providing access to the property market for marginalised sectors such as the "gap market"
- Promoting environmentally sustainable approaches to human settlements
- Identifying projects (such as the N2 Gateway) to pilot housing in integrated human settlements

- Promoting skills delivery, job creation and empowerment in the delivery of services and integrated human settlements.

d. To enhance social capital formation and facilitate active community participation

Strategy

The CDW Programme focuses on the institutionalisation of active public participation methodologies at local government level. This includes building sustainable capacity of ward committees, CDWs, councillors, officials and communities to actively engage in this public/state interface.

Key focus areas

- Enhance the capacity of Community Development Workers (CDWs) for effective and efficient performance
- Ongoing review and evaluation of community development and public participation methodologies
- Maintenance, strengthening and monitoring of ward committees to maximize their developmental impact, including community based planning and development of social cohesion indicators.

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

Strategy

Establish an information & knowledge management hub that will support the Department's policy development and business processes.

Key focus areas

- A comprehensive data base and knowledge management system for Department of Local Government and Housing
- Policy analysis and new policy development
- Co-ordination of departmental inputs into

the Provincial policy and strategy formulation processes

- A coordinated and focused research programme in support of Department of Local Government and Housing and the strategies of the iKapa Growth and Development Strategy.

f. To share information, formulate effective messages, and build mutual and sustainable relationships

Strategy

Communication both internally (between the Department and other organs of state) and externally with the general public, communities and stakeholders is clear and accessible.

Key focus areas

- Media engagements
- Community outreach
- Targeted awareness campaigns
- Publications – internal and external communications
- Consumer education
- Customer relations help desk
- Public Relations.

g. A well functioning transformed department capacitated to deliver.

Strategy

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

Key focus areas

- Continuous adjustment to the organisation of Department of Local Government and Housing to meet its mandate
- Developing a team based approach to projects
- Applying recruitment, retention, selection, training and career development processes that are in line with legislative imperatives and departmental objectives
- Becoming a learning organisation with strategic planning and management competence

- Sound understanding of the Sustainable Human Settlement approach
- Assistance to staff by means of a Employment Assistance Programme (EAP) planning and human rights interventions
- Sound labour relations and effective grievance and disciplinary case facilitation
- Logistical support in terms of accommodation and transport assistance
- Sound record management and access to information.

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

Strategy

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

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

Key Focus Areas

- Assessing municipal IDPs to ensure that disaster management is integrated within them
- Assessing strategic development plans of provincial departments to ensure that disaster management is addressed
- Strengthening the capacity of municipalities to perform the disaster management function
- Assisting municipalities to build the fire brigade service in the Province.

8. Information Systems to Facilitate and Monitor Progress

The framework for the Department's information systems is the Master Systems Plan (MSP) each Department is required to develop. The Department has an existing Plan, however it requires significant revision and alignment with government requirements. A brief for the work to improve the Master Systems Plan has been completed and key business processes are being identified to inform the Information Communication Technology (ICT) solutions required. Improvement in the efficiency and effectiveness of the following systems is required:

8.1 Planning and monitoring system

Continuous monitoring will be done through the strategic management framework for government, that is, quarterly and monthly reporting, bi-weekly management meetings and meetings with the Executive Authority. A performance management system has been operationalised. A strategic planning session will be held at least once a year to ascertain progress with implementation.

8.2 Intra-departmental reporting

Departmental reporting is done through the quarterly review sessions. The senior management staff report on their activities and results by programme. The reports are a key tool for managers to update themselves in respect of the work of sister directorates and to ensure a coordinated programme and lateral linkages. This reporting system ensures that a culture of reflection, learning and integration is developed within Department of Local Government and Housing.

8.3 Project team management and monitoring system

The strategic planning process recommended the development of a project-based team approach to programme and project

implementation. This would include the development of inter-directorate teams. A system for managing and monitoring the work of these teams is being developed and integrated in the general performance management system within Department of Local Government and Housing.

8.4 Data-management systems

Correspondence and file tracking system

A file and correspondence tracking tool is used by administrative staff to log and track the movement of documents between the Ministry and the Department, between Directorates in the Department and to track responses to incoming communications with external stakeholders. The system is being continuously refined and improved and may be extended to capture the project or line function interactions with stakeholders.

Contact management

No contact tracking is currently implemented. A disparate set of tools for creating and maintaining contact lists is used at personal, project, directorate and departmental level. A coordinated system that is properly managed and maintained will be developed as part of the MSP.

Housing Subsidy System

The housing subsidy system is a national database and information system that is used to record information pertaining to recipients of the housing subsidy and detailed information relating to the various subsidy instruments and development projects. The system has recently been enhanced to enable the capturing of budgetary information and can be used to provide management information and to monitor the physical progress of projects.

8.5 Human Resource Management System

Staff Performance Management System

The Staff Performance Management System is an important tool to ensure the effectiveness of the Department of Local Government and

Housing. The Department has migrated its paper-based system to an IT environment during the current financial year. However, the system could be more consistently applied and there is a need to link staff performance outputs more directly to the strategic plan.

Performance will be assessed on a quarterly basis by means of the evaluation of individual performance agreements, which are derived from the objectives contained in this Strategic Plan.

Persal

A complete personnel salary and management information system on all personnel matters is in place and is operating optimally. The system is updated regularly by the principal, National Treasury, to provide management information needed for reporting purposes.

8.6 Financial systems

Debtor System

The Debtor System is a national database and information system that is used to administer loans, sales and rental debtors. The system is fully operational but needs to be updated and better managed.

Logis

Logis is the transversal procurement system belonging to National Treasury and the system is fully operational.

Basic Accounting System (BAS)

BAS is an online accounting system that is used to effect all payments and allocate all expenditure and revenue to the respective cost centres. It is also used for financial reporting purposes. This transversal system is owned by National Treasury.

9. Description of strategic planning process

In order to do a thorough review of our current strategic objectives and outline key priorities for 2009/10, the Department embarked on an intensive strategic planning exercise on 17-18 July 2008 when all SMS members and the then MEC for Local Government and Housing met for a Departmental strategic planning session. As a result of this process, the Department consolidated its eight-year strategic objectives and has aligned all of its planning to the revised objectives.

After the Department's planning session, the Chief Directorates of Governance and Institutional Support, Planning and Development, and Housing Delivery and Infrastructure met to translate the broad strategic imperatives of the Department into specific measurable objectives. The session was held on 11-12 August and was attended by Directors, Deputy Directors and Assistant Directors. The meeting considered challenges and measures to overcome them.

The Department's strategic planning process confirmed the Department's five-year objectives, and the main focus will be on consolidating and expanding existing interventions.

Part B: Budget Programme Structure

The following programme structure is prescribed for the provincial **Department of Local Government and Housing**:

Table 8: Programme structure

Programme	Sub-programme	Sub-Sub-programme
1. Administration	1.1 Administration	1.1.1 Office of the MEC
		1.1.2 Corporate Services
2. Housing	2.1 Housing Needs, Research and Planning	2.1.1 Administration
		2.1.2 Policy
		2.1.3 Planning
		2.1.4 Research
	2.2 Housing Development	2.2.1 Administration
		2.2.2 Financial Interventions
		2.2.3 Incremental Interventions
		2.2.4 Social and Rental Intervention
		2.2.5 Rural Intervention
	2.3 Housing Asset Management/ Property Management	2.3.1 Administration
		2.3.2 Housing Properties Maintenance
3. Local Government	3.1 Local Governance	3.1.1 Municipal Administration
		3.1.2 Public Participation
		3.1.3 Capacity Development
	3.2 Development and Planning	3.2.1 Municipal Infrastructure
		3.2.2 Disaster Management

Programme and sub-programme plans

1. Programme 1: Administration

This programme provides both corporate and administrative support to the Department and the Ministry. It deals with issues of human resources development, staffing, financial administration as well as accounting services and communications. There will be more emphasis in this programme on customer relations and complaints management. Special attention will be given to promoting human rights, mainstreaming gender and addressing the needs of marginalised groups.

Table 9: Reconciliation of budget with plan

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change (%)
1. Office of the MEC	4 374	5 133	5 651	13.7	6 010	6 252	6 610	5.3
2. Corporate services	50 291	73 853	91 479	35.3	82 489	86 331	92 113	0.5
Total programme	54 665	78 986	97 130	33.7	88 499	92 583	98 723	0.7

2. Programme 2: Housing

- 2.1 Housing Needs, Research and Planning
- 2.2 Housing Development
- 2.3 Housing Asset/Property Management

2.1 Sub-programme 2.1: Housing Needs, Research and Planning

2.1.1 Situation analysis

This sub-programme is responsible for housing planning and research for sustainable and integrated human settlements.

The Province is currently confronted with a pressing need for thorough, coherent spatial planning that will underpin the various components of the Ikapa Growth Development Strategy and its supporting strategies,

especially the Provincial Spatial Development Framework (PSDF), Isidima – the Western Cape Sustainable Human Settlements Strategy, and the Strategic infrastructure Plan. The PSDF and Isidima seek to reduce commuter time, promote mixed use and integrated developments while promoting economic growth opportunities.

To address these needs in a more focused way, the Built Environment Support programme will be initiated during the year. This programme sets out to transform apartheid planning patterns and restructure urban areas by supporting the revision of Municipal Spatial Development Frameworks and 5-year Human Settlement Plans and capacitating municipalities to carry out their planning and delivery functions. This would be underpinned by a focused policy and research agenda that would inform planning of integrated sustainable human settlements in future.

2.1.2 Quantification of the Housing needs

- City of Cape Town Informal Settlement Master Plan (2006) indicates that within the Cape Town Metropolitan area there are currently 223 informal settlements constituted by approximately 135 700 structures. These settlements differ in size from more than 3000 to only 4 per settlement. Regarding the settlements outside the metropolitan area, 116 informal settlements have been identified through the Housing Demand Survey.

Table 10: Housing Need Indicators

Backlog indicators	Need
a) Level of overcrowding – this would provide an indication of the need for additional dwelling units	Metropolitan Area only 12% (Source: Nkonki Consultancy, 2006)
b) Number of “inadequate” dwellings – this would give an indication as to the number of households currently living in adequate shelter, requiring more adequate shelter.	14,2% (Source: Stats SA Community Survey, 2007)
c) Short-term population growth trends 1996 – 2000 – this would loosely give an indication of possible new household formation trends since the latest census.	2.7% (Source: WC Provincial Socio-economic Profile, April 2005)
d) Longer term population growth trends 1995 – 2025 – taking into account migration, urbanization and HIV/AIDS trends, this would signify longer-term possibilities in terms of household formation.	According to the Population and Household projections for 2001 – 2021 (BMR Report 376), 2007, the Population Growth Rate for the above period is 0.62%. If we look at population growth rates per population group in the Western Cape it is reflected as 1.35 African, 0.55 Asian, 0.59 Coloured and -0.16 for Whites. However, the growth rate in households is projected as 1.56, which is close to 1% higher than the population growth rate. For Africans 3.04, Asians 1.43, Coloureds 1.40 and Whites 0.47. This has significant implications for housing planning as more households will require shelter and population growth rates can not be used as only proxy to indicate future housing needs.
e) Number of processed applications – this would give an indication of the number of eligible households who have actually applied for subsidized housing.	18 500 subsidy applications
f) Supply of subsidised housing – this would indicate the rate at which supply of adequate housing is occurring in the province.	16 000 houses 18 000 serviced sites

Backlog indicators	Need
g) Subsidised housing constitutional eligibility indicator – Number of households earning less than R3500 per month and in the income category R3501 to R7000 per month. Provinces could categorise the R3501 – R7000 group into say 5 categories for budget purposes.	0 – R3500: 90% of applicants R3501 – R7000: 10% of applicants
h) Urban: rural proportion indicator – ratio of the number of people living in defined rural areas to the number of people living in urban areas.	Urban: 90.4% Rural: 9.6% (Source: Western Cape Provincial Socio-economic Profile, April 2005)
i) Spatial and non-spatial trends – provide an analysis of spatial and non-spatial trends and patterns.	71.7% of the population was born in the Western Cape. (Source: Stats SA Community Survey, 2007)
j) National, Provincial and Local priorities and policy directives – indicate what needs to be achieved for each priority and policy directive.	The key new priorities are to accelerate the provision of social housing and to implement the new Community Residential Units programme.
k) Land needs in relation to development planning – indicate where the land needs are and when the land is required.	At this point there is adequate land on the peripheries of towns and cities. The real need in almost all urban areas is for well-located land close to economic centres. There is state land available, and Department of Local Government and Housing actively pursuing the release of that land, especially in the City of Cape Town.

2.1.3 Policies, priorities and strategic objectives

Planning lies at the core of the Province's policy as a result of pressing needs. Thorough, coherent, spatial planning will underpin the various components of:

- The iKapa Growth and Development Strategy and its supporting strategies, especially the Provincial Spatial Development Framework (PSDF)
- Isidima – the Western Cape Sustainable Human Settlements Strategy
- Strategic Infrastructure Plan.

The following summarizes the main priorities:

- Incremental and Settlement upgrades to restore dignity
- Promote integrated planning and cooperation (clusters)
- Structured engagement with municipalities (e.g. Paftech)
- Approved research and policy agenda
- Identify critical data needs and update with new surveys
- Credible Spatial and Housing Plans
- Municipal IDP's
- Municipal Housing Sectoral Plans
- Municipal Abridged Business Plans
- Existing Municipal Commitments
- Provision of rental housing opportunities

2.1.3.1 Strategic Objectives for sub-programme 2.1

2.1.3.2 Table 11: National Housing Specific Strategic Goals and Objectives

<p>Strategic Goals: To facilitate and undertake housing delivery planning</p>
<p>Strategic Objectives:</p> <ul style="list-style-type: none"> To provide regulatory framework and policy for housing delivery To conduct housing needs research To properly plan housing development based on IDP's and National and Provincial Priorities To provide capacity and support to municipalities with regards to housing development planning

Table 12: Provincial Department Strategic Goals and Objectives

<p>Strategic Goals: Accelerated provision of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable</p>
<p>Strategic Objectives</p> <ul style="list-style-type: none"> To undertake research to support the implementation of Isidima To develop policies for sustainable human settlements

In the Western Cape publication, Isidima 2008/9 – 2010/11 a more detailed description of the Province's strategic objectives and key measurable objectives are given.

The following table summarizes these objectives:

Table 13: Summary of housing objectives

National/Provincial Strategic Objectives	Key Measurable Objectives
To conduct housing needs research	To establish central housing demand database To conduct research on demand for housing To conduct research into land and property markets in the Western Cape
To provide regulatory framework and policy for housing delivery	To develop policy guidelines Proclamation of Acts and Amendments
To properly plan housing development based on IDP's and National and Provincial Priorities	To properly plan by October each year To compile vulnerability index for informal settlements To provide planning information and guidance for human settlement development

2.1.4 Analysis of Constraints

The most important constraints are:

- Capacity constraints (Provincial and Municipal)
- Ineffective and limited integrated planning.
- Backlog in relation to funds and capacity available
- Constant policy changes without phase-in period results in crisis management and overload.

Measures to overcome constraints:

- Provincial: implement new structure, up-skill staff, define responsibilities and eliminate gaps
- Municipal: build and nurture co-operative governance through intergovernmental forums, clusters, workshops and meetings
- Supplement capacity and build multi-skilled task teams

- Deliver innovatively
- Research housing demand
- Geographical Information Systems (GIS) (interlinking relevant operational areas)
- Access to additional funding
- Built Environment Support Programme (BESP).

2.1.5 Description of planned quality improvement measures

- Development of supporting planned guidelines and tools
- Marketing of department
- Accessibility of services to client (satellite service units)
- Portal update (website)
- Capacity building
- Customer relationships.

Specification of measurable objectives and performance indicators

Table 14: Sub Programme 2.1 Housing Needs Research and Planning (Performance output indicators) 2009 – 2011

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
2.1.1	To conduct research on demand for housing	Number of research projects conducted.		3	2	4	
	To capacitate and support municipalities on housing delivery	Number of training workshops provided to municipalities			5	5	5
		Number of visits executed to support municipalities.			30	30	30
		Number of municipalities accredited.					

2.1.7 Reconciliation of Budget with Plan

Table 15: Sub-Programme 2.1: Budget (R'000)

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
2.1.1 Administration	16 550	9 009	12 123	(13.37)	9773	10 456	11 086	(3.1)
2.1.2 Needs					1	1	1	
2.1.3 Policy	514	628	892	32.1	753	806	859	(1)
2.1.4 Planning	457	640	1 199	63.6	1083	1161	1238	(1)
2.1.5. Research	257	743	10 059	526.1	9 018	9 406	4 462	(23.9)
Total programme	17 778	11 020	24 273	16.9	20 628	21 830	17 646	(10.1)

2.2 Sub- Programme 2.2: Housing Development

2.2.1 Situation Analysis

The Isidima Strategy highlights a shift from delivery of quantities of houses towards the creation of integrated, quality settlements. The Department of Local Government and Housing is committed to accelerating delivery, while promoting 'social cohesion' through the development of sustainable human settlements. Human Settlement development is a poverty alleviation tool, which enables the creation of employment opportunities while creating assets for citizens through housing, thus ultimately promoting social cohesion and leveraging economic growth. Ultimately, these sustainable human settlements must take physical and social health, opportunities for access to the economy, environmental suitability, legal and security concerns etc., into account. The Department thus emphasises planning on a holistic level, as well as the development of Intergovernmental Relations aimed at ensuring that, when developed, human settlements adhere to more than just technical requirements.

It is important to note that one cannot plan for unpredictable, true emergency situations. The Province has thus far approved the majority of EHP projects as re-active, rehabilitation or reconstruction projects following disaster situations. The main objective of this programme is to provide temporary assistance in the form of secure access to land, basic municipal engineering services and/or shelter in a wide range of emergency situations of exceptional housing need, through the allocation of grants to municipalities. This Province applies various methods of EHP assistance, ranging from the provision of a basic fire / flood kits, high mast lighting, temporary residential units, repair / replacement of houses in dangerous conditions, relocation, etc. These basic initiatives assist many families temporarily with very limited resources.

Pro-active planning measures are intended to become one of the focus areas of the programme, in order to ensure that the risk of disaster and emergency situations are minimised through emergency housing mitigation measures. This lead to the commissioning of a consultant by the Western Cape Provincial Disaster Management Centre (PDMC), aimed at conducting a study, which

would prioritise vulnerable communities exposed to fire, floods or health risk in the Western Cape. Results of this study will be available in December 2008 and will henceforth guide planning for proactive risk reduction measures through the utilization of the EHP.

2.2.2 Policies, priorities and strategic objectives

The Isidima Strategy lists the following objectives, aimed at ensuring that all citizens and residents live in a vibrant, safe, efficient and sustainable human settlements that are able to grow and absorb everyone who chooses to live in the Western Cape, in particular poor households who do not have access to housing opportunities:

- Objective 1: Citizens of the Western Cape who live in a variety of different situations are aware of – and can easily access – a wide range of housing services and instruments that can assist them to participate in the development of a sustainable human settlement of their choice.
- Objective 2: Through the Integrated Government Relations (IGR) framework, all intergovernmental policies, plans and budgets that are related are aligned horizontally and vertically.
- Objective 3: Sustained municipal capacity for delivery, including accreditation over time of those Municipalities that have developed the capacity to carry out their housing mandate effectively and efficiently in accordance with the Breaking New Ground Policy and the Western Cape Provincial Government's various Policy Frameworks.
- Objective 4: A functioning property market across both economies and an enabling environment for agents and institutions who want to design and implement sustainable human settlements in accordance with the Isidima approach.
- Objective 5: The institutional arrangements and capabilities of the Department of Local

Government and Housing and (where necessary) those of other Provincial Departments involved in the implementation are built into effectively design and implement the new Isidima.

- Objective 6: State land and other resources are used for spatial restructuring, with direct and indirect benefits for the poor.
- Objective 7: A new pact consolidated between Government and organised Civil Society to build up over time the trust, reciprocity and development practices required to imagine, design and implement vibrant sustainable neighbourhoods.
- Objective 8: The Western Cape's towns and cities become global leaders in sustainable resource use by making sure that all new buildings, infrastructure and open spaces are planned in accordance with ecological design principles, and that owners of existing buildings (in particular public sector owners) respond to incentives to retrofit their buildings in accordance with these principles.

The priorities for the Department of Local Government and Housing are as follows:

- Citizens will be able to access a wide range of housing services and instruments that will assist them to participate in the development of a sustainable human settlement of their own
- The Integrated Government Relations (IGR) framework will allow all intergovernmental policies, plans and budgets to be aligned horizontally and vertically
- The Breaking New Ground Policy and the Western Cape Provincial Government's various Policy Frameworks will allow for sustained municipal capacity for delivery, including accreditation over time of those Municipalities that have developed sufficiently to carry out their housing mandate effectively and efficiently
- A further priority will be a functioning property market across both economies and an enabling environment for agents and

institutions who wish to design and implement sustainable human settlements in accordance with the Isidima approach

- The institutional arrangements and capabilities of the Department of Local Government and Housing and those of other Provincial Departments will be developed in order to effectively design and implement the new Isidima
- State and other resources will be used for spatial restructuring with direct and indirect benefits for the poor
- The Department of Local Government and

Housing also aims to consolidate a new pact between Government and organized Civil Society to build trust, reciprocity and development practices over time in order to allow for the design and implementation of vibrant sustainable neighbourhoods

- The Department of Local Government and Housing will place emphasis on the Western Cape Province's town and cities becoming global leaders in sustainable resource use.

2.2.3 Table 16: Analysis of constraints and risks and measures planned to overcome them

Constraints and Risks	Measures to overcome them
Lack of capacity of Municipalities and other parties responsible for settlement development.	<ul style="list-style-type: none"> • Department is initiating a Built Environment Support Programme to provide capacity and support. • A capacity building programme for consumer education is being provided by Department of Local Government and Housing.
There is a lack of funding for bulk services and a current huge backlog in bulk services at municipalities.	<ul style="list-style-type: none"> • Department has embarked upon a programme to assist municipalities in the preparation of infrastructure master plans for engineering services that are provided by municipalities.
Poverty among beneficiaries.	<ul style="list-style-type: none"> • In order to improve skills and empower communities, the principles of the EPWP are to apply to all projects funded by Department of Local Government and Housing.
Inadequate housing funding allocated to Department of Local Government and Housing.	<ul style="list-style-type: none"> • Department is leveraging additional resources through its partnerships with financial institutions and developers.
Shortage of suitable well-located land for the development of settlements within reasonable distance from employment opportunities.	<ul style="list-style-type: none"> • Current housing policy now makes it possible to allocate housing grant funding to municipalities for the acquisition of land.

2.2.4 Description of planned quality improvement measures

Priorities for projects (housing versus other social needs) are often not aligned between the municipal and provincial authorities, which, in turn leads to delays in project implementation. To address the blockages in projects, Department of Local Government and Housing will implement a project management approach within the Department.

2.2.5 Specification of measurable objectives and performance indicators

Please note that all subsidies are provided for qualifying beneficiaries in accordance with the National Housing Programme (NHP) unless otherwise stated.

Table 17: Sub-Programme 2.2: Programme Performance (Performance output indicators) 2009 – 2011

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
2.2.1 Financial Interventions:	Programmes facilitating immediate access to Housing Goods and Services creating enabling environments and providing implementation support.						
2.2.1.1 Individual Housing Subsidies R0 – R3 500	To provide for x number of Individual subsidies	Number of Properties transferred or mortgage bond registered	287	250	450	450	450
2.2.1.2 Housing Finance-linked Individual Subsidy Programme R3 501 – R7 000	To provide for x number of Housing financed linked Individual subsidies	Number of Properties transferred or mortgage bond registered	-	250	50	50	50
2.2.1.3 Relocation Assistance	To provide for x number of Relocation subsidies	Number of relocation subsidies approved and paid including in situ rightsizing	100	-	-	-	-
2.2.1.4 Enhanced Extended Discount Benefit Scheme	To provide for x number of transfers to Enhanced Extended Discount Benefit Scheme	Number of transfers of ownership registered	1 001	1 800	1 000	1 000	1 000
2.2.1.5 State Asset Maintenance Programme	To provide for x number of Maintenance contracts	Number of Maintenance contract concluded and finalized	2 067	-	-	-	-
2.2.1.6 Rectification of RDP Stock 1994-2002	To provide for x number of Rectified RDP houses	Number of Houses rectified	-	1 680	1 000	1 500	1 500

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
2.2.1.7 Rectification of housing stock pre 1994	To provide for x number of Rectified houses	Number of Houses rectified	-	-	-	-	-
2.2.1.8 Social and Economic Facilities	To provide for x number of facilities	Greenfields: Number of completed social and economic amenities for each project Existing Towns: Number of completed social and economic amenities for each project	-	6	8	8	8
2.2.1.9 Accreditation of Municipalities (Operational Support)	To provide Operational Support to x number Accredited Municipalities	Number of Accredited Municipalities supported	-	1	1	1	1
2.2.1.10 Accreditation of Municipalities	To provide for x number of programmes approved and funded under the accreditation of Municipalities	Number of programmes approved and funded	-	1	1	1	1
2.2.1.11 Operational Capital Budget	To provide for x number of National Housing Programmes that will benefit from the Operational Capital Budget	Number of National Housing Programmes benefitted	All	All	All	All	All
2.2.1.12 Unblocking of Blocked Projects	To provide for x number of blocked projects under each National Housing Programme	Number of projects unblocked	-	-	-	-	-
2.2.1.13 Housing Chapters of IDP's	To provide for x number of quality Housing Chapters of IDP's formulated in accordance with Housing Policies	Process indicators: Number of municipalities where provincial officials actively participated in and supported housing planning as part of the IDP.	-	6	30	30	30
		Number of housing projects in the Housing Chapter of the IDP that forms part of integrated programmes that also draws investment support from other Departments (build environment support programme)	-	2	1	1	1

Part B: Budget Programme Structure

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
		Number of Housing Voices identified and resourced.	-	30	30	30	30
		Number of housing projects in the Housing Chapter of the IDP that provides for social and economic support facilities funded from the National Housing Programme.	-	6	8	8	8
2.2.2 Incremental Housing Programmes	Programmes facilitating access to housing opportunities through a phased process.						
2.2.2.1 Project-Linked Subsidies (current commitment)	To provide for x number of Project linked Subsidies	Number of serviced sites provided.	2 667	8 500	1 000	500	-
		Number of Houses build and delivered to beneficiaries	10 800	8 500	10 000	10 000	10 000
2.2.2.2 Integrated Residential Development Programme: Phase 1 Planning and Services	To provide for x number of serviced sites	Number of stands serviced and delivered in a proclaimed township	8 000	3 500	6 000	6 000	6 000
		Number of sites for other use	-	-	100	100	100
2.2.2.3 Integrated Residential Development Programme: Phase 2 Housing Consolidation	To provide for x number of houses constructed	Number of houses transferred to beneficiaries	-	-	-	-	-
2.2.2.4 Peoples Housing Process	To provide for x number of PHP Subsidies	Number of approved beneficiaries participating in the project	2 052	2 000	6 000	5 000	4 000
		Number of Establishment grants allocated	-	50	37	24	50
		Number of Facilitation Grants paid	-	50	37	24	50
		Number of stands serviced and transferred	2 052	-	-	-	-
		Number of houses completed	2 052	3 022	6 000	5 000	4 000

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
2.2.2.5 Informal Settlement Upgrading	To provide for x number of Informal Settlement Upgrading grants to Municipalities or projects approved if province is the developer.	Number of households assisted by Municipality	-	13 874	10 000	10 000	8 500
		Number of households assisted by Provinces	-	-	-	-	-
2.2.2.6 Consolidation Subsidies (current commitments)	To provide for x number of Consolidation Subsidies	Number of completed houses.	2 473	40	-	-	-
2.2.2.7 Emergency Housing Assistance (Current commitments)	To provide for x number of Emergency Housing Assistance grants to beneficiaries	Number of households assisted by the specific project	-	4 572	4 000	3 000	3 000
2.2.2.8 Emergency Housing Assistance (planned projects)	To provide for x number of possible Emergency Housing Assistance grants to beneficiaries Programme	Number of households assisted	2 346	-	1 500	1 000	1 000
2.2.3 Social and Rental Housing Programmes	Programmes facilitating access to Rental Housing opportunities, supporting Urban Restructuring and Integration.						
2.2.3.1 Institutional Subsidies	To provide for x number of Institutional Subsidies to qualifying beneficiaries	Number of households assisted in each project	-	3	3	100	100
2.2.3.2 Social Housing: Operational Support	To provide for x number of Operational Support grants to Social Housing Institutions	Number of Housing Institutions supported	-	-	-	-	-
2.2.3.3 Social Housing: Capital grants for rental housing	To provide for x number of units to be constructed by Social Housing Institutions	Number of beneficiary households assisted	552	-	360	850	850
2.2.3.4 Higher density individual Ownership	To provide for x number of Higher Density Individual Ownership units constructed	Number of units transferred	-	-	-	-	-

2.2.6 Reconciliation of Budget with Plan

Table 18: Sub-Programme 2.2: Budget (R'000)

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
2.2.1 Administration	32 330	35 996	77 028	54.4	62 849	32 097	50 515	(11.5)
2.2.2 Financial interventions	123 345	74 057	145 820	8.7	260 280	267 292	253 757	24.7
2.2.3 Incremental interventions	601 777	101 8 946	1 035 058	31.1	1 173 645	1 358 521	1 585 148	15.2
2.2.4 Social and rental interventions	50 161	38 911	111 984	49.48	146 000	241 000	301 000	39
2.2.5 Rural interventions	286	1 899	1 000	87.8	1 500	2 000	2 000	26
Total sub programme	807 899	1 169 809	1 370 890	30.3	1 644 274	1 900 910	2 192 420	16.9

2.3 Sub-Programme 2.3: Housing Asset/Property Management

This sub-programme deals with the planning of achievements regarding Department of Local Government and Housing's housing assets. All expenditure, such as the maintenance, disposal and management of stock are reflected in this sub programme.

2.3.1 Situation analysis

The Department of Local Government and Housing's asset portfolio consists of immovable properties and debtors. Included in the immovable property portfolio are a number of undeveloped/vacant sites that poses opportunities for the Department to explore more options with regard to integrated human settlement development. The risks associated with affordability in respect of beneficiaries and sustainability need to be managed. The Department is using these properties to

conclude synergistic partnerships with other land owners, NGO's, developers etc. that will augment the development that is done through the housing conditional grant.

The Department of Local Government and Housing's approach, in line with Isidima, with regard to it's rental stock is that it will sell off the single residential units that are situated in the previous settlement areas like Belhar and Ravensmead to qualifying beneficiaries, but will retain well-located units like the De Waal Drive Flats, to provide accommodation for the poorer people to live closer to economic opportunities.

2.3.2 Policies, priorities and strategic objectives

- To ensure the sound management of provincial housing assets
- To identify, secure and release well-located suitable land for human settlement development.

Table 19: Strategic objectives for Sub Programme 2.3: Housing Asset / Property Management

<p>Strategic Goal 1: To provide for the effective management of housing assets</p>
<p>Strategic Objectives:</p> <ul style="list-style-type: none"> • Number of units to be transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme • Number of rental units to be sold to beneficiaries • Number of units to be retained as State rental units • Number or rental units to be devolved to municipalities in terms of section 15 of the Housing Act 1997 • Verification of occupancy and rental agreements for 2005/6, 2006/7, 2007/8 and one year beyond. • Create more housing options through the release of land by Department of Local Government and Housing
<p>Strategic Goal 2: Reduce departmental liability and promote individual ownership through effective management of debt</p>
<p>Strategic Objectives:</p> <ul style="list-style-type: none"> • To reduce the total outstanding debt for 2005/6, 2006/7, 2007/8 and one year beyond to promote ownership • To reduce the number of debtors for 2005/6, 2006/7, 2007/8 and one year beyond to promote ownership • To write off irrecoverable debt to promote ownership and relieving the debt burden of individuals

2.3.3 Analysis of constraints and measures planned to overcome them

- The cost of land to provide housing in well-located areas is very high and cannot be funded from the subsidies
- Land must be made available to beneficiaries on a discount basis to ensure affordability
- Suitable Provincial/State land/buildings must be prioritized for integrated human settlements.

2.3.4 Description of planned quality improvement measures

- Planned maintenance and upgrading of rental stock
- Improve communication and client relations management with debtors and clients
- Provincial framework for decision making around utilization of provincial land for integrated development.

2.3.5 Specification of measurable objectives and performance indicators

The following table provides the format for the specification of objectives and the measurement of performance for the management of State-owned housing stock.

Table 20: Sub-programme 2.3. Housing Asset Management Strategic Objectives: 2009 – 2012

National Housing Programme	Key Measurable Objective	Performance Measure	Year -1 (actual)	Year 0 (estimate) 2008/9	Year 1 (2009/10)	Year 2 2010/11	Year 3 2011/12
2.3.1	To provide for the transfer of Stock	No. of units transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme	-	-	1 000	1 000	1 000
2.3.2	To provide for the Sale and transfer of Rental Stock	No. of units to be sold and transferred to beneficiaries	-	-	600	600	454
2.3.3	Retention of State Rental stock	Number of units to be retained as state rental units	-	-	552	552	552
2.3.4	Devolution of housing assets	No. of rental units and properties devolved to municipalities	-	-	2	2	2
2.3.5	To reduce total outstanding debt	Amount of debt reduce per financial year (R'000)	-	-	27 200	30 200	37 208
2.3.6	To reduce the number of debtors	No of debtors reduced per financial year	-	-	1 000	1 000	1 000
2.3.7	Verification of occupancy and rental agreements for financial years 2006-2009 and One year beyond	Number of occupants and rental agreements	-	-	1 600	1 000	652
	Enhance the life span and value of assets through maintenance and upgrading	Amount spent on maintenance and upgrading. (R'000)	-	-	15 000	15 000	10 000
2.3.8	To increase housing options by releasing suitable land for human settlement development.	Number of units created through land release.	-	-	300	1 000	1 500

2.3.6 Reconciliation of Budget with Plan:

Table 21: Sub-Programme 2.3 Housing asset/property management (R'000)

Sub-sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
2.3.1 Administration	66 638	30 121	31 652	(31.1)	29 056	20 671	20 614	(13.3)
2.3.5 Housing Properties maintenance.			12 000		20 000	25 000	10 000	(5.9)
Total programme	66 638	30 121	43 652	(19.1)	49 056	45 671	30 614	(11.1)

Table 22: Programme 2: Housing budget by sub-programme (R'000)

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
1. Housing Needs, Research and Planning	17 778	11 020	24 273	16.9	20 628	21 830	17 646	(10.1)
2. Housing development	807 899	1 169 809	1 370 890	30.3	1 644 274	1 900 910	2 192 420	16.9
3. Housing asset/ property management	66 638	30 121	43 652	(19.1)	49 056	45 671	30 614	(11.1)
Total programme	892 315	1 210 950	1 438 815	27	1 713 958	1 968 411	2 240 680	15.9

3. Programme 3: Local Government

Purpose: To promote and facilitate viable and sustainable developmental local governance.

The programme comprises two sub-programmes:

3.1 Governance, which comprises three sub-sub-programmes namely:

- 3.1.1 Municipal administration
- 3.1.2 Public Participation
- 3.1.3 Capacity Development

3.2 Development and planning comprises two sub-sub-programmes namely:

- 3.2.1 Municipal Infrastructure
- 3.2.2 Disaster Management

3.1 Local Governance

3.1.1 Municipal Administration

3.1.1.1 Municipal Legislation

3.1.1.1.1 Situation analysis

Municipal councils have completed three years of their five year term and have now moved beyond the half way mark towards the next municipal elections. With the exception of the four municipalities where political parties obtained an outright majority in the 2006 elections and a further two municipalities which have since joined this category, the remainder of the 30 municipalities function in a politically

and administratively challenging environment. There are frequent changes of power and in some instances this is accompanied by changes on senior administrative level. This situation has been exacerbated by the holding of 27 by-elections in eight municipalities in December 2008.

Against this background there rests an even greater responsibility on the Province and Department of Local Government and Housing in particular to provide legal technical support to ensure that municipalities function in accordance with the prescribed legislation and in the spirit of the Constitution.

There are currently two major external changes being effected, namely the Public Administration Management Bill (commonly known as the Single Public Service Bill) and the policy review process of provincial and local government. Both of these will impact on local government and the future development thereof. As this is work in progress, the impact thereof is not measurable.

3.1.1.1.2 Policies, Priorities and Strategies

This sub-programme is prioritising the enhancement of legislative support currently rendered to municipalities to enable them to comply with the requirements of the new local government dispensation.

Table 23: Strategic Goals and Objectives– Municipal Administration: Sub-sub programme: Legislation

Strategic Goal 1:

To provide legislative support and advice to municipalities

Strategic Objectives

- To provide legislative support and advice to municipalities
- To develop and amend provincial local government legislation
- To co-ordinate and ensure legal compliance of provincial interventions at municipalities
- To combat corruption

3.1.1.1.2 *Analysis of constraints and measures planned to overcome them*

There are a number of municipalities where decision-making by councils is focused on the bare essentials rather than being developmental due to the volatile political environment in which they function. This hampers the promotion of good governance and requires careful monitoring and appropriate intervention.

3.1.1.1.3 *Description of planned quality improvement measures*

Monitoring mechanisms within other programmes and sub programmes are to be

utilised to the full to give effect to the provincial oversight role of local government as it pertains to good governance. Formal interventions in terms of section 106 of the Municipal Systems Act and section 139 of the Constitution may be instituted where required.

3.1.1.1.4 *Specification of measurable objectives and performance indicators*

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 24: Measurable objectives and performance measures

Sub-programme 3.1. Municipal Administration (Municipal legislation)										
Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To provide legislative support and advice to municipalities	To provide management and support services to local government within a regulatory framework, to ensure legislative compliance	Number of Municipalities assessed for compliance with relevant legislation	-	30	-	30	-	30	30	30
	Promulgate essential provincial local government standard by-laws to promote good governance	Number of Standard by-laws promulgated.	-	1	-	-	-	1	1	-
To co-ordinate and ensure legal compliance through provincial interventions at municipalities	Assessment corrective action as required to promote good governance including Section 106 and 139	Number of assessments and diagnostic investigations undertaken	-	2	-	1	-	1	2	-
To combat corruption.	Support municipalities and dplg with implementation of anti-corruption strategy to combat corruption (as and when required).	Number of Municipalities supported.	12	10	-	5	-	5	8	-

**3.1.1.2. Sub-Sub-Programme:
Intergovernmental Relations**

3.1.1.2.1 Situational Analysis

Intergovernmental Relations (IGR) is an important mechanism that will assist in achieving greater commitment and full participation of the different spheres of government. IGR will also improve planning and budget alignment and coordination between the spheres of government. This is in line with the IGR Framework Act, No.13 of 2005, which provides a framework for the three spheres of government and all organs of state to implement policy and legislation.

The Department has made considerable progress regarding the implementation of the Intergovernmental Relations Framework Act. All the IGR structures, namely the District Co-ordinating Forums (DCFs) and DCFTECH, Provincial Advisory Forum (PAF), Provincial Advisory Forum Technical Committee (PAFTECH) and Western Cape Municipal Managers Forum have been established and

are contributing a great deal in ensuring better co-ordination, integration and co-operation between the three spheres of government. The effective functioning of the Overberg DCF however remains a challenge, despite the fact that there is good cooperation at an administrative level between municipalities within the region.

In order to align and synchronise the work of the Department, Provincial Treasury, SALGA Western Cape, Metro and District Municipalities, an Intergovernmental Task Team has also been established. This provides a platform for assessing progress made, evaluating successes and achievements, and focusing on areas where improvements are required.

3.1.1.2.2 Policies, Priorities and Strategies

- The Constitution of the Republic of South Africa, Act (108 of 1996)
- Intergovernmental Relations Framework Act (13 of 2005)

3.1.1.2.2 Strategic Goals and Objectives– Municipal Administration: Sub-sub programme: Inter-governmental Relations.

Table 25: Strategic Goals and Objectives– Municipal Administration: Sub-sub programme: Inter-governmental Relations.

STRATEGIC GOAL 2:

Institutionalised and operational inter-governmental relations

- To promote the Department as the principal liaison point for local government within the three spheres of government in order to facilitate developmental co-operative governance.
- To facilitate effective IGR to enhance good governance.
- To ensure horizontal and vertical integration through information sharing and strategic dialogue.

3.1.1.2.4 Analysis of constraints and measures planned to overcome them

Fluidity of the political make up of municipal councils has a negative impact on cooperation between the different districts. Current challenges relating to communication between directorates, provincial departments, and national government as well as provincial and local government poses serious constraints to

developmental local government. This requires a deliberate focus on the relations amongst the provincial and municipal officials to ensure effective and efficient functioning of intergovernmental relations.

In light of the above, the Department of Local Government and Housing has committed to deploy IGR officials in all five Districts in the

Western Cape for the purpose of improving co-operative governance, communication and integration between the respective districts and their local municipalities as well as between sector departments and municipalities.

3.1.1.2.5 *Description of planned quality improvement measures*

The IGR Task Team consisting of representatives from Department of Local Government and Housing, Provincial Treasury, SALGA Western Cape, Metro and District Municipalities will meet bi - annually to discuss and integrate respective strategic plans and priorities so as to ensure alignment and avoid overlapping activities. A regular IGR Calendar to improve co-ordinated engagements remains

one of the Task Team's key activities.

The Department of Local Government and Housing also envisages to roll out IGR Toolkit Workshops in all five districts in collaboration with DPLG with a view to strengthening the functional IGR structures within the respective districts.

3.1.1.2.6 *Specification of measurable objectives and performance indicators*

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 26: Measurable objectives and performance measures

Sub-programme 3.1: Municipal administration (Intergovernmental relations)										
Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To effect good governance and accountability between the three spheres of government.	To provide management and support services to local government within a regulatory framework	Number of municipalities with functional IGR structures*		5	5	5	5	5	5	5
	Effective functioning of IGR structures (Provincial Advisory Forum and Provincial Advisory Forum Technical Committee)	Number of meetings per forum	8	8	2	2	2	2	8	8
		Number of best practice initiative presented at an IGR engagement	4	4	1	1	1	1	4	4
		Number of progress reports on implementation of PAF & PAFTECH resolutions		8	2	2	2	2	8	8
Improve co-ordination and integration between the three spheres	Number of government departments/agencies participating on IGR structures	12	12	3	3	3	3	12	12	

*There are 30 municipalities in the Province; however these are organised into five districts and the metro. Responsibility for co-ordination of the metro IGR structure lies with the Department of the Premier.

3.1.1.3. Sub-sub-programme: Integrated Development Planning

3.1.1.3.1. Situation analysis

The Integrated Development Plan (IDP) is a municipal five-year plan to integrate service delivery with other sector departments in order to ensure holistic and integrated development planning. IDPs can be used as an effective tool for the promotion of sustainable development in the local sphere. The Department has made significant progress in providing IDP hands-on support to municipalities. A credibility framework has been developed in which IDPs are assessed. Out of thirty municipalities, twenty-eight have credible IDPs. Through intensive support the Department is currently assisting the other two municipalities in developing credible IDPs. The 2008 assessment lays a firm

foundation for informing the Department's support programme, and the focus is on assisting municipalities to move from credible IDPs to excellent IDPs.

3.1.1.3.2 Policies

The development of IDPs is underpinned by the following policies:

- The Constitution of the Republic of South Africa (Act 108 of 1996)
- Local Government, Municipal Systems Act, 2000
- Local Government: Municipal Planning & Performance Management Systems Regulations, 2001
- Local Government: Municipal Structures Act, 1998.

Table: 27 Strategic objectives

Strategic Goal
<p>Strategic Objectives</p> <ul style="list-style-type: none"> • To provide strategic management and hands on support services to the local government sphere within the legislative and policy framework. • To guide implementation oriented planning which is strategic, consultative, integrated and requiring holistic thinking across sectoral boundaries

3.1.1.3.3 Constraints in implementing the above policies objectives and measures planned to overcome them.

Not all municipalities have dedicated IDP personnel. This has an impact on the development of IDPs in those municipalities. The Department will implement an IDP learnership programme over the next financial year to address the shortage of IDP practitioners in the Province.

3.1.1.3.4 Specification of measurable objectives and performance indicators

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 28: Measurable objectives and performance measures

Sub-programme : 3.1.1.3 Integrated Development Planning										
Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To promote effective and efficient sustainable planning	Ensure that municipalities develop credible IDPs	Number of Municipalities with credible IDPs	-	30	-	30	-	-	30	30
		Number of municipalities supported on the development of the IDPs	-	8	2	2	2	2	10	10
To coordinate delivery of government programmes in the Presidential Nodes	Inter and intra departmental synergy within the presidential nodes	Number of projects coordinated	8	4	1	1	1	1	4	-

Urban and Rural Development

The Urban Renewal Programme (URP) and Integrated Sustainable Rural Development Programme (ISRDP) are Presidential Programmes intended to direct resources in an integrated manner. The intention of the programme is to address poverty and underdevelopment. There are two presidential nodes in the Western Cape, namely the Central Karoo (ISRDP) and Khayelitsha & Mitchell's Plain (URP).

During 2009/10, the Department intends to work very closely with Department of the Premier to mainstream the Social Transformation Programme within the Presidential nodes. It is important to note that

the focus in this year would be on the coordination of projects rather than on their identification as it was the case in the past year. This means that the target in the APP is reduced to 4 projects annually, and 1 per quarter.

Policies, priorities and strategic objectives *Guiding Policies*

The URP and ISRDP programmes are underpinned by the following policies:

- The Constitution of the Republic of South Africa (Act 108 of 1996)
- Intergovernmental Relations Framework Act 13 of 2005
- Western Cape Growth Development Strategy (Ikapa Elihlumayo).

Table 29: Strategic objectives – Sub-sub-programme 3.1 Integrated Development Plan

Strategic Goal 3:

- To expedite service delivery, economic development and poverty alleviation in the presidential nodes.
- To co-ordinate and integrate of departmental programmes in the presidential nodes to ensure inter- and intra-departmental synergy.

Constraints in implementing the above policies objectives and measures planned to overcome them

The challenges and constraints as follows:

- Financial Commitments of sector departments to the nodes
- The programme will end in 2011, which could make it difficult to attract investors for the nodes at the final stage.

These are the measures to overcome challenges and constraints:

- Intervention by Technical Champions
- Clarity on what would happen after “de-noding”
- The participation/contribution of external stakeholders and communities is crucial to the success of the programme

3.1.2 Sub sub-Programme: Public Participation

3.1.2.1 Situation analysis

The introduction of Community Development Workers (CDWs) was designed to address the institutional gaps in the service delivery and investment programmes of government with a specific focus on poor and vulnerable communities. CDW's are located within various wards in the five municipal district regions and in the metro. Currently the Department employs 200 CDWs who assist communities in practical and tangible ways.

The Department has formal agreements with regard to the implementation of the CDWP with all the municipalities in the Western Cape with the exception of the City of Cape Town and

Mossel Bay Municipality. To further enhance coordination of the work of CDWs, the Department has entered into Service Level Agreements (SLAs) with various government departments and other stakeholders.

Communication around the role and function of CDW's is a big challenge. The Department is involved in the systematic process to share information around CDWs as well as showcasing the work of CDW's. A comprehensive contact list of the entire Directorate, including contact details for all 200 CDW's, have been circulated to all stakeholders.

3.1.2.2 Policies, Priorities and Strategies

The framework for public participation is prescribed in Chapter 7 (section 152) of the Constitution, 1996 which sets out objectives for local government. This specifies that local government should:

- Provide democratic and accountable government for local communities
- Encourage community involvement in matters of local government.

The Municipal Structures Act of 1998 requires municipalities to develop mechanisms to engage communities and community organisations in the performance of municipal functions, annually review the needs of the community, and establish ward committees.

The Municipal Systems Act of 2000 calls for municipalities to develop a culture of municipal governance that works hand in hand with formal

representatives and communities. It encourages community participation and accountability and states that a municipality must involve the local community in the performance management system of municipality.

The CDW Master Plan specifies the following:

- CDWs should work with and enhance existing community structures
- CDWs should communicate service delivery blockages to provincial and national departments
- The key focus areas of CDWs are to:
 - o Strengthen civic services
 - o Strengthen social well being.

Table 30: Strategic Goals and Objectives –: Sub-programme 2.2: Public Participation

<p>Strategic Goal 1: To facilitate active community participation</p>
<p>Strategic Objectives</p> <ul style="list-style-type: none"> • To create community awareness about and facilitate access to government services. • To facilitate community access to socio-economic opportunities. • To facilitate community access to socio - economic opportunities. • To deepen governance through Public Participation.

3.1.2.3 *Analysis of constraints and measures planned to overcome them*

One of the central challenges to the roll out an effective Public Participation Programme is that the Department does not have the institutional capacity at present to give effect to a comprehensive Public Participation Programme. At Municipal level the capacity in the offices of Municipal Speakers is also extremely limited and varies from municipality to municipality.

Resource constraints impact negatively on the ability of CDWs to reach communities in need. This is particularly exacerbated in rural areas where vast distances separate communities in need. Although the operational support grants to municipalities have assisted immensely, low capacity or struggling municipalities continue to experience resource constraints.

3.1.2.4 *Description of planned quality improvement measures*

A series of capacity building initiatives for ward committee members, ward councillors and officials has been rolled out in priority municipalities by the Department. The Department is also in a process to conclude the Provincial Ward Committee Functionality Survey, which assesses the functionality of Ward Committees throughout the Province. The Community Based Planning methodology has been rolled out to various municipalities in the Province.

The Department has also established a Provincial Municipal Speakers Forum, in collaboration with SALGA in the Western Cape, as a practical platform to enhance the work of the Office of the Speaker at Municipal level. The Department facilitated the establishment of Districts and Provincial Public Participation Task Teams to achieve integration and coordination of public participation activities.

3.1.2.5 *Specification of measurable objectives and performance indicators*

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 31: Measurable objectives and performance measures

Sub-sub Programme 3.1.2 : Public Participation										
Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To facilitate community access to socio-economic opportunities	Deepening of governance through Public Participation	Number of functional Ward Committees	-	150	75	100	125	150	250	348
		Number of CDWs deployed in municipalities	-	200	200	200	200	200	200	200
		Number of municipalities where full CDW programmes are implemented*	-	23	23	23	23	23	23	23
		Number of Izimbizo held by MECs, and Mayors & Councillors.	-	1	-	-	-	1	1	1
		Number of Izimbizo supported	-	1	-	-	-	1	1	1
		Number of citizens' satisfaction surveys conducted	-	6	-	2	2	2	6	
Facilitate access to Government Services for Communities	Conduct & facilitate information sessions for Communities to create awareness of government services	Number of workshops facilitated	200	200	50	50	50	50	200	200
	Facilitate intersectoral partnerships	Number of Partnerships with relevant stakeholders	12	14	3	3	4	4	14	14

* Memoranda of Understanding (MoUs) have been signed with municipalities with the exception of Mossel Bay, the City of Cape Town, and the five districts (MoUs do not apply to the districts).

Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To facilitate community access to socio-economic opportunities	Support socio economic projects in partnership with relevant stakeholders	Number of successful projects supported	28	32	8	8	8	8	32	32
Deepening of governance through public participation	Providing support to ward committees to ensure effective functioning	Number of training and capacity building programmes provided for ward committee members (per district/ metro)	6	6	-	2	2	2	6	6
	Monitor ward committee functionality	Annual assessment on ward committee functionality		1	-	-	-	1	1	1

3.1.3 Sub-sub Programme: Capacity Development

3.1.3.1 Situation analysis

Municipalities consistently struggle with the issue of capacity, particularly that relating to human resources. Apart from the general shortage of scarce skills in the country as a whole, many municipalities are unable to attract the necessary technical skills because of their fiscal capacity (which constrains their ability to offer competitive salaries) or their remoteness. A further challenge is the existing level of skills, which in many cases requires upgrading.

The Department's capacity support programme has taken note of these challenges and is addressing it through a number of strategies. Municipal support plans have been developed for each municipality, and these are tailor-made plans that take account of the unique circumstances of municipalities and prioritise provincial support measures. The plans have been developed together with municipalities.

The Department is also consistently monitoring capacity constraints. For example, a recent national audit of the skill levels of executive managers in municipalities is being translated into a support programme. Specific support has been provided to municipal manager through a training programme on improving government performance.

3.1.3.2 Policies, Priorities and Strategies

The key policies/legislation is as follows:

- The Constitution of the Republic of South Africa (Act 108 of 1996)
- Local Government: Municipal Property Rates Act 6 of 2004
- Local Government: Municipal Systems Act 32 of 2000
- Local Government: Municipal Structures Act 117 of 1998
- Hands-on Support as an Approach to Municipal Capacity Building: A Compilation of Lessons Learnt and a Framework for the Next Five Years", report prepared for the dplg
- National Capacity Building Framework (NCBF)

3.1.3.3 *Analysis of constraints and measures planned to overcome them*

The municipalities of the Western Cape are facing serious challenges concerning the implementation of Municipal Property Rates Act and establishment of Valuation Appeal Boards. There are few African, Coloured and Indian municipal valuers. The gender and race representation is still a challenge. One strategy to address this is the promotion of shared services in the provision of valuation services. Shared services is seen as solution that will enable a district family of municipalities to combine resources to buy the necessary skills

required to fulfil its mandate. Shared services is being applied in other areas in order to address the capacity challenges identified above.

A Technical Assistance Programme has been established in the Department to tackle the range of capacity constraints in municipalities. The Programme identifies key stakeholders that can assist with municipal capacity, such as the Ilima Trust, the Development Bank of Southern Africa, and SALGA, and channels their resources to municipalities according to their specific support plans.

Table 32: Strategic objectives for Sub-sub-programme 3.1.3 - Capacity Development.

<p>Strategic Goal: Municipalities with enhanced capacity to deliver services, especially to the poor, in a developmental and sustainable manner</p>
<p>Strategic Objectives</p> <ul style="list-style-type: none"> • To build the capacity of municipalities to accelerate service delivery • To provide support to municipalities to ensure financial viability as well as social and economical sustainability • To support municipalities with the implementation of the Property Rates Act • To facilitate implementation of the 5 Year Local Government Strategic Agenda

3.1.3.4 *Description of planned quality improvement measures*

Partnerships with Provincial Treasury, Department of Economic Development and SALGA strengthen the support that is provided to municipalities, and the Department of Local Government and Housing established a database of accredited service providers as a proactive and responsive measure towards addressing the needs of municipalities.

3.1.3.5 *Specification of measurable objectives and performance indicators*

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 33: Measurable objectives and performance measures

Sub-sub Programme 3.1.3: Capacity Development										
Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To facilitate implementation of the 5 Year Strategic Agenda	Assist municipalities with organizational development and institutional transformation	Number of Municipalities with skills plan adopted for targeted training of municipal officials	-	30	-	30	-	-	30	30
	Facilitate implementation of municipal support plan in line with the 5 KPAs	Number of municipalities supported with enhanced PMS to increase performance	-	19	19	19	19	19	23	30
		Number of councillor leadership training programmes implemented for improved governance per district.	-	6	1	1	2	2	6	6
		Number of municipal support plans developed for municipalities for targeted support. (District support plans)	-	5	5	-	-	-	5	5
		Number of municipalities where shared services are implemented to enhance service delivery (per district)	-	3	-	-	-	3	5	5

Part B: Budget Programme Structure

Strategic Objective	Measurable Objective	Performance Measure Indicator	2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
To provide support to municipalities with implementation of property rates	To support and monitor municipalities with the implementation of the MPRA into their General Valuation Rolls	Number of municipalities supported with in the implementation of the MPRA to enhance revenue collection	-	15	-	15	15	15	30	30

Municipal Performance Monitoring Reporting and Evaluation

Although this is not a provincial sub programme under local government, the following measurable objectives and indicators were developed nationally and the Department is reporting on them.

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 34: Measurable objectives and performance measures

Municipal Performance Monitoring Reporting and Evaluation											
Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)	
To enhance organisational performance of municipalities to fulfil their constitutional mandate	Development and implementation of performance management systems	Number of Institutional Performance Management Systems in place	30	30	30	30	30	30	30	30	
		Number of section 57 managers with signed employment contracts	-	150	150	150	150	150	150	150	
	Promoting accountability and good governance	Number of municipal quarterly performance reports	-	4	1	1	1	1	1	4	4
		Number of municipal annual performance reports	-	1	-	1	-	-	-	1	1
		Number of oversight reports submitted.	-	1	1	-	-	-	-	1	1

Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
		Number of municipalities with functional performance audit committees	-	30	30	30	30	30	30	30
		Number of municipalities with Internal Audit Units	-	30	30	30	30	30	30	30

*There are 165 section 57 managers. The target assumes a vacancy rate of 10%.

Table 35: Reconciliation of budget with plan (R'000)

Sub-programme:	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
1. Municipal administration	14 281	10 919	16 793	8.4	15 523	15 873	16 857	0.1
2. Public Participation	27 346	28 755	33 660	11	39 575	42 215	44 862	10
3. Capacity development	12 557	10 632	13 184	2.50	18 898	18 695	19 113	13.2
Total sub-programme	54 184	50 306	63 637	8.72	73 996	76 783	80 832	8.3

3.2 Development and Planning

- 3.2.1 Municipal Infrastructure
- 3.2.2 Disaster Management.

3.2.1 Sub-programme: Municipal infrastructure

The budget for this sub programme and personnel dealing with the MIG are taken up under programme 2: Housing.

3.2.1.1. Situational Analysis

The Municipal Infrastructure Grant (MIG) is a 10-year infrastructure programme aimed at eradicating backlogs in infrastructure by 2014. The programme started in the 2004/05 financial year.

The MIG had a traditionally slow start at the beginning of the financial year, but this picked up after July when the municipal year started. The plan for 2009/10 is to change this expenditure trend in order to achieve higher expenditure levels at the beginning of the new financial year. This will be achieved by the municipalities registering sufficient MIG projects for the full MTEF period (up to 2011/12). A number of municipalities have large multi-year projects, which will ensure continuous expenditure from this year to the next. A substantial amount of time has been ploughed into training/capacity building of municipal officials involved with the MIG. This will also ensure better MIG performance in the future.

3.2.1.2. Policies, Priorities and Strategies

The other programmes/initiatives that impact on the MIG are the Comprehensive Infrastructure Plans, Free Basic Services policy, and Bulk Infrastructure Grant from the Department of Water Affairs.

3.2.1.3. Analysis of constraints and measures to overcome them

Constraints that are a challenge to the MIG are:

1. Lack of sufficient funds to fund all bulk infrastructure needs of municipalities
2. Clarity on whether internal infrastructure services can be funded from MIG

3. Lack of capacity at municipalities to implement MIG
4. Agency fee for Provinces to manage MIG
5. The implementation of the BIG and its links to MIG
6. Alignment of Housing and MIG
7. Funding from MIG for CIPs
8. Sectoral approval of MIG projects.

There is national policy review process that will be addressing these constraints.

Table 36: Strategic objectives for Sub-sub-programme 3.2.1 – Municipal infrastructure

Strategic Objectives	
•	To support the municipalities in the provision of infrastructure for access to sustainable basic services

3.2.1.4 Description of planned quality improvement measures

The development of municipal support plans for each municipality will ensure that the municipal infrastructure capacity-building initiatives are co-ordinated with other initiatives.

Table 37: Strategic objectives for Sub-sub-programme 3.2.1 – Municipal infrastructure

Sub-sub-programme 3.2.1 – Municipal infrastructure										
Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
	Support municipal comprehensive infrastructure planning at local level	Number of Municipalities that have registered projects on MIS	30	30	30	30	30	30	30	30
	Monitoring the implementation of the MIG	Number of Municipalities submitting monthly reports on MIG performance	30	30	30	30	30	30	30	30

Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
		Number of Municipalities that have been supported on MIG spending	30	30	30	30	30	30	30	30
	Provision of free basic services to all households	Number of Households with access to basic services (water, electricity, and sanitation)*	-	-	-	-	-	-	-	-
		Number of Households with access to free basic services*	-	-	-	-	-	-	-	-
		Number of Municipalities that have indigent register for the provision of free basic needs	30	30	30	30	30	30	30	30

* Target to be included in municipal comprehensive infrastructure plans, which are yet to be finalised.

3.2.2 Sub-programme 3.2.2: Disaster Management

3.2.2.1 Situational Analysis

Disasters continue to severely disrupt the lives and livelihoods of the most vulnerable communities. Currently the disaster risk profile indicated that approximately 38 hazards (human induced and/or natural) could cause disasters in the Western Cape Province. Already we have seen (often preventable) fires unnecessarily claiming many lives in our Province, especially in informal settlements. In rural areas the drought is crippling farms, while floods are experienced elsewhere in the Province. Besides understanding the impact and finding measures to mitigate climate

change, and ensuring that people are properly housed, the key challenges in managing disasters are:

- The co-ordination of disaster risk reduction, preparedness, response and recovery, which is applied both vertically and horizontally within government
- The mobilisation of resources for short-, medium and long-term sustainable solutions to complement emergency and disaster relief interventions.

Disaster management, should within this period, be focussed on dealing with reducing the risk of the identified hazards and not only on disaster response and recovery.

3.2.2.2. *Policies, Priorities and Strategies*

Disaster management is guided by the Disaster Management Act, 2002 (Act 57 of 2002) and the National Framework of 2005.. This focuses on the need to prevent and/or reduce risks and on coordinated management for rapid and effective response to disasters. It also provides for the establishment of provincial and municipal

disaster management centres. The Act provides a framework under which the Provincial Disaster Management Centre coordinates, monitors and supports all three spheres of government with regards to the effective implementation of disaster management legislation in the Province.

3.2.2.3 **Table 38: Challenges, Constraints and Measures to overcome them**

Challenges	Constraints	Measures to overcome the constraints
Poor disaster management chapters in IDPs	Lack of municipal capacity to develop chapter	Provincial support programme to targeted municipalities
Planning for the 2010 FIFA Soccer World Cup.	Lack of dedicated capacity (human resources, equipment and material mechanisms and systems / planning	Deployment of full-time staff member to support 2010
The fire prevention of veld and forest fires are the responsibility of land owners and the land owner must ensure fire prevention actions are carried out	Land owners do not want to become members of fire protection associations and comply with the National Veld and Forest Fire Act	Information sessions to land owners making them aware of the need for FPAs and the advantages of being a member in assisting the municipal fire service
Communications and fire awareness campaigns must be a continuing process	Awareness flyers and pamphlets are not always available to be distributed	The printing and distribution of pamphlets and flyers must be provided by the province to municipalities long before the fire season starts in the province and funds must be made available
Lack of funding for municipalities to execute the fire brigade service function.	Acquisition of approximately R550 million for the fire brigade services to be taken up with the National Fire Brigade Board	Ascertain intergovernmental solutions to solve the huge backlog in fire brigade vehicles and related equipment

3.2.2.4 *Description of planned quality improvement measures*

The Development of a generic disaster preparedness, response and relief plan for the Western Cape: The Disaster Management Act and the National Disaster Management Framework require each sphere of Government to develop and maintain a Disaster Management Contingency plan (i.e. a standardised list of 80 disaster consequence management steps that will form part of an integrated disaster management information

management system). Phase 1 is the development of the plan to be finalised in the 2008/09 financial year. Phase 2 is the development of a software system for the generic plan to be conducted in the 2009/10 financial year. Phase 3 will be the complete disaster management plan and software format for all disaster management role-players to be implemented in the Western Cape. The roll-out of this phase will be during the 2011/12 financial year.

Disaster management chapter in the Municipal Integrated Development Plans (IDPs):

According to the Disaster Management Act (No 57 of 2002) and the Municipal Systems Act (No 32 of 2000) all three spheres of government must prepare disaster management plans and the PDMC is responsible to capacitate municipalities with the compilation of the disaster management chapter in the IDP. This chapter should also serve as a tool to ensure a multi-sectoral approach to disaster management, specifically risk reduction initiatives.

Table 39: Strategic objectives for Sub-sub-programme 3.2.2 – Disaster Management and Fire Brigade Services

Strategic Goal:

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

Strategic Objectives:

- Maintain and manage IGR structures
- Disaster prevention and mitigation
- Disaster preparedness and timeous response
- Disaster recovery
- Effective fire brigade services.

3.2.2.5 Specification of measurable objectives and performance indicators

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table.

Table 40: Measurable objectives and performance measures

Sub-sub-programme: 3.2.2 Disaster Management and Fire Brigade Services										
Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
Establishment of effective and efficient disaster management at provincial and local level	Ensure all Municipalities have applicable disaster management plans and frameworks	Number of Municipalities supported in the development of disaster management plans		6	-	-	-	6	30	30
Maintain and manage IGR disaster management structures	To establish integrated institutional capacity within the Province to enable effective implementation of disaster risk management policy and legislation	Number of meetings of the Inter-governmental Disaster Management Structures (IGDMC, (PDMAF, and DMDTC)	6	6	-	3	-	3	6	6

Part B: Budget Programme Structure

Strategic Objective	Measurable Objective	Performance Measure Indicator	Year 2008/09 Current	Year 1 2009/10 (target)	Quarter 1	Quarter 2	Quarter 4	Year 2 2010/11 (target)	Year 3 2011/12 (target)
Disaster preparedness and response		Number of generic disaster contingency plans (Phase 2)	1	1	-	-	1	1	1
Disaster recovery	Coordination, monitoring and support of the post disaster management recovery function.	Number of disaster incident support initiatives	4	4	1	1	1	4	4
Effective fire brigade service	Monitoring compliance of the Fire Brigade Act to reduce the risk and to ensure effective response to fires	Number of Provincial fire preparedness reports compiled	-	1	-	-	1	1	1
		Number of people accredited (investigate) in terms of the Act	-	-	-	-	-	-	-

Table 41: Reconciliation of budget with plan (R'000)

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
1. Municipal infrastructure					1	1	1	-
2. Disaster management and fire brigade services	34 547	13 591	14 446	(35.3)	14 635	15 483	16 298	3.79
Total sub-programme	34 547	13 591	14 446	(35.3)	14 636	15 484	16 299	4.1

Table 42: Local Government (R'000)

Sub-programme	Year – 2 2006/07 (Actual)	Year – 1 2007/08 (Actual)	Base year 2008/09 (Estimate)	Average annual change (%)	Year 1 2009/10 (Budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change %
1. Local Governance	54 184	50 306	63 637	8.72	73 996	76 783	80 832	8.3
2. Development and Planning	34 547	13 591	14 446	(35.3)	14 636	15 484	16 299	4.1
Total vote	88 731	63 897	78 083	(6.00)	88 632	92 267	97 131	7.5

Capital investment, maintenance and asset management plan

Not applicable.

Revenue: Departmental revenue

Summary of receipts:

Total receipts increase by R275m million or 17.04 per cent from R1.616 billion in 2008/09 to R1.891 billion in 2009/10 and continue to increase to R2.437 billion in 2011/12.

Treasury funding:

Equitable share transfers increase by R23.095 million or 12.48 per cent from R185.069 million in 2008/09 to R208.164 million in 2009/10, and continue to increase to R244.388 million in 2011/12. The R1.581 billion transfer in 2009/10 is in respect of the Integrated Housing and Human Settlement Development Grant. Grant transfers increase by 21.1 per cent from the R1.306 billion received in 2008/09 and continue to increase to R2.142 billion in 2011/12. Included in the equitable share are earmarked allocations of R56.500 million as a provincial contribution towards housing delivery.

Departmental own receipts:

Departmental own receipts decrease by R3.500 million to R70 million in 2009/10 and decrease to R60 million in 2010/11 and R50 million in 2011/12.

Departmental receipts are comprised of:

R30 000 in respect of commission on insurance premiums administered by the Department recorded under sales of goods and services other than capital assets. This source remains unchanged over the 2009 MTEF.

R700 000 recorded under interest dividends and rent on land in respect of interest on trust accounts administered by accounts

administrators, remaining unchanged over the 2009 MTEF, and R800 000 in respect of royalty fees for mining sand on housing land in 2009/10, remaining unchanged over the 2009 MTEF.

R55.000 million recorded under financial transactions in assets and liabilities in 2009/10 in respect of repayment of housing loans/rental accounts. This is an increase of R10 million from 2008/09. In 2010/11 and 2011/12 receipts from this source decrease to R45 million and R35 million respectively as the scheme is phased out.

A further R13.470 million is recorded under financial transactions in assets and liabilities in 2008/09 in respect of the recovery of previous year's expenditure.

Co-ordination, co-operation and outsourcing plans

Interdepartmental linkages

- The Department of Local Government and Housing has linkages with the National Departments of Provincial and Local Government, Housing, Public Service and Administration, Home Affairs, National Treasury, Land Affairs, and Social Development. It also facilitates the implementation of national programmes such as the EPWP and MIG.
- The Department of Local Government and Housing is delivering programmes on behalf of the national Department of Provincial and Local Government, some in relation to schedule 5 grants (in terms of the Division of Revenue Act); including the local government systems improvement grant, MIG and LED funds, as well as other programmes such as URP and ISRDP.

- The Department of Local Government and Housing works within the iKapa Growth and Development Strategy and its lead strategies such as the PSDF and SIP.
- The Department of Local Government and Housing has links with every provincial department in relation to their municipal interface.
- The Department of Local Government and Housing also coordinates the IDP interface between provincial departments and municipalities and leads a multi-departmental team in IDP reviews.
- The Department of Local Government and Housing formulates legislation within the national legislation.
- The Department of Local Government and Housing performs its disaster management responsibilities in close co-operation with the National Disaster Management Centre situated in the national Department of Provincial and Local Government. A similar relationship exists with district Municipalities through the phased implementation of the Disaster Management Act.

Local government linkages

- The Department of Local Government and Housing works very closely with municipalities in providing capacity and other forms of support and funding for housing.
- In terms of the IGR Framework Act, the Department of Local Government and Housing is responsible for establishing, maintaining and supporting IGR structures and relationships.
- The Provincial Treasury and Department of Local Government and Housing co-operate in relation to the monitoring of Municipal Finances.
- The Department of Local Government and Housing executes its disaster management responsibilities in close co-operation with the municipalities in the Province, which are the primary implementation agent of disaster management.

Public entities

Not applicable

Financial Management:

Strategies to address audit queries

Table 43: Auditor-General report on the 2007/08 annual financial statements

Number	Other matters	Medium term strategy to address
2	Invoices not paid within 30 days	<ul style="list-style-type: none"> Department of Local Government and Housing will improve the working methods and procedures to comply in terms of the PFMA and NTR 8.2.3, that unless determined in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice. Contracts or agreements will be amended as follows to comply with the regulations in future. Claims will only be settled within 30 days upon certification of completion on the percentage of work performed by contractors. The oversight function will be performed by internal control and will report on the non-compliance in this regard on a monthly basis to the CFO and HOD. The delay of above 4 - 9 working days between the authorisation date of payments and the actual payment date/disbursement date will be taken up with Provincial Treasury to speed up the process and to be in compliance with the terms of NTR 8.2.3 NAPS payments will be arranged to avoid non-compliance to NTR 8.2.3

Implementation/compliance of/to the PFMA

The internal audit consortium, appointed by the Provincial Treasury, performs the internal audit function in the Province.

A strategy risk assessment was done as a platform and foundation to be used by the Department of Local Government and Housing in identifying and controlling the business risks of the Department.

The Department of Local Government and Housing has recently developed and formally adopted an Anti-fraud and Corruption Strategy comprising the following:

- The Fraud and Corruption Policy
- The Fraud and Corruption Prevention Plan
- The Fraud Response Plan

- The Fraud Risk Register
- Code of Conduct


The shared audit committee and the internal audit unit have been functional since the 2004/05 financial year. The Report of the Audit Committee is incorporated as Part 3 in the Annual Report of the Department.

The Department of Local Government and Housing has implemented a system to manage the conflicts of interest of employees by ensuring that all SMS members and all members of Bid committees are compelled to declare their conflict of interest annually.

Table of Acronyms

BNG	BREAKING NEW GROUND	MYHDP	MULTI YEAR HOUSING DEVELOPMENT PLAN
CFO	CHIEF FINANCIAL OFFICER	NDOH	NATIONAL DEPARTMENT OF HOUSING
CDW	COMMUNITY DEVELOPMENT WORKER	NHBRC	NATIONAL HOME BUILDERS REGISTRATION COUNCIL
DBSA	DEVELOPMENT BANK OF SOUTHERN AFRICA	NSDP	NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE
DPLG	DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT	NSRI	NATIONAL SEA RESCUE INSTITUTE
DPSA	DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION	NTR	NATIONAL TREASURY REGULATIONS
DTT	DEPARTMENTAL TASK TEAM	PC	PROJECT CONSOLIDATE
DORA	DIVISION OF REVENUE ACT	PFMA	PUBLIC FINANCE MANAGEMENT ACT, 1999
DWAF	DEPARTMENT OF WATER AFFAIRS AND FORESTRY	PCF	PREMIER'S CONSULTATIVE FORUM
EHP	EMERGENCY HOUSING PROGRAMME	PHP	PEOPLE'S HOUSING PROCESS
EPWP	EXPANDED PUBLIC WORKS PROGRAMME	PSDP	PROVINCIAL SPATIAL DEVELOPMENT PLAN
GPSSBC	GENERAL PUBLIC SERVICE SECTORAL BARGAINING COUNCIL	PMITT	PROVINCIAL MUNICIPAL INFRASTRUCTURE TASK TEAM
HRM	HUMAN RESOURCE MANAGEMENT	PMT	PROJECT MANAGEMENT TEAM
HSRP	HUMAN SETTLEMENT REDEVELOPMENT PROGRAMME	PSCBC	PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL
IDP	INTEGRATED DEVELOPMENT PLAN	RLCC	REGIONAL LAND CLAIMS COMMISSION
IGR	INTERGOVERNMENTAL RELATIONS	SALGA	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
ISLP	INTEGRATED SERVICED LAND PROJECT	SCCPA	SOUTHERN COASTAL CONDENSATION PROBLEM AREA
ISRDP	INTEGRATED SUSTAINABLE RURAL DEVELOPMENT PROGRAMME	SDP	SPATIAL DEVELOPMENT PLAN
KDF	KHAYELITSHA DEVELOPMENT FORUM	SDF	SPATIAL DEVELOPMENT FRAMEWORK
LED	LOCAL ECONOMIC DEVELOPMENT	SIU	SPECIAL INVESTIGATION UNIT
LEFTEA	LESS FORMAL TOWNSHIP ESTABLISHMENT ACT	STP	SOCIAL TRANSFORMATION PROGRAMME
MAP	MUNICIPAL ACTION PLAN	TEAM	TRAINING, EDUCATION, AWARENESS AND MARKETING PROGRAMME
M&E	MONITORING AND EVALUATION	TRA	TEMPORARY RELOCATION AREA
MDB	MUNICIPAL DEMARCATION BOARD	UISP	UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME
MEC	MEMBER OF EXECUTIVE COUNCIL (PROVINCIAL MINISTER)	URP	URBAN RENEWAL PROGRAMME
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT	WCHDB	WESTERN CAPE HOUSING DEVELOPMENT BOARD
MIG	MUNICIPAL INFRASTRUCTURE GRANT	WCHDF	WESTERN CAPE HOUSING DEVELOPMENT FUND
MIS	MANAGEMENT INFORMATION SYSTEM		
MPPF	MITCHELLS PLAIN PEOPLE'S FORUM		





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