

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

STRATEGIC PLAN

Fiscal Years **2014 - 2019**

FREE STATE PROVINCE

27 FEBRUARY 2014

FOREWORD

Local government is a key role-player in the reconstruction and development effort in our country. The aims of democratizing our society and growing our economy inclusively can only be realized through a responsive, accountable, effective and efficient local government system that is part of a Developmental State. Whilst recognizing some of our successes in local government, we also acknowledge that there are problems in various municipalities that must be attended to as a matter of urgency. Some of the challenges identified include the following:

- (i) Systemic factors, e.g. linked to model of local government
- (ii) Policy and legislative factors
- (iii) Political factors
- (iv) Weaknesses in the accountability systems
- (v) Capacity and skills constraints
- (vi) Weak intergovernmental support and oversight, and
- (vii) Issues associated with the inter-governmental fiscal system.



MEC: SM Mlamleli

Despite all these challenges, South Africa remains a better place to be since 1994.

On 13 March 2013, Cabinet approved, among others:

- (i) That the 2014-2019 Medium Term Strategic Framework (MTSF) will be the first 5-year building block of the National Development Plan (NDP);
- (ii) That the NDP and MTSF will be integrated in to the government planning cycle
- (iii) That government must maintain continuity in planning and monitoring and the continuation of the outcome-based system over the 2014-2019 planning cycle.

Subsequent to the above, Cabinet adopted the following 14 Outcomes corresponding to chapters in the National Development Plan for the 2014-2019 MTSF period:

- (i) Outcome 1: Quality Basic Education
- (ii) Outcome 2: A Long and Healthy Life for all
- (iii) Outcome 3: All people in South Africa are and feel safe
- (iv) Outcome 4: Decent employment through inclusive economic growth
- (v) Outcome 5: Skilled and capable workforce to support an inclusive growth patch
- (vi) Outcome 6: An efficient, competitive and responsive economic infrastructure network
- (vii) Outcome 7: Vibrant, equitable, sustainable rural communities contributing to food security for all
- (viii) Outcome 8: Sustainable human settlements and improved quality of household life
- (ix) Outcome 9: A responsive, accountable, effective and efficient local government system
- (x) Outcome 10: An efficient, effective and development-oriented public service
- (xi) Outcome 11: Social protection

(xii) Outcome 12: Nation building and social cohesion

In contributing to the achievement of the priorities set out in the 2014-2019 MTSF, thereby improving the lives of our people in the Free State Province, the department has set the following goals over the next 5 years:

- (i) To facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders.
- (ii) To promote and facilitate integrated development and planning on local government level.
- (iii) To promote and facilitate viable and sustainable Traditional Institutions
- (iv) To promote and enhance the effective and efficient functioning of the Free State House of Traditional Leaders

In realizing the above goals, the department will also strengthen its internal capacity towards creating a department geared to render high-quality advice, support and assistance to municipalities. Considering the Country's economic state of affairs and in enhancing value for money, we will make sure that we appoint competent people in the department when filling our critical vacancies.

Over the next 5 years, we will also intensify support programmes aimed to improve the institutional capacity of municipalities, especially vulnerable municipalities. We will also assist our sister Department of Human Settlements towards realizing their goals, especially those relating to water connectivity and the provision of other infrastructure services in housing construction.

The 2014-2019 Strategic Plan of the department seeks to address the challenges we experience in local governance in the Free State Province, taking into account the priorities set out in the 2014-2019 Medium Term Expenditure Framework. The emphasis over the next few years will be on working together with municipalities,

Sector departments, communities and other spheres of government to ensure that **“together we move South Africa forward.”**



S.M. MLAMLELI
EXECUTIVE AUTHORITY:
COOPERATIVE GOVERNANCE, TRADITIONAL
AFFAIRS AND HUMAN SETTLEMENTS

It is hereby certified that this Strategic Plan:

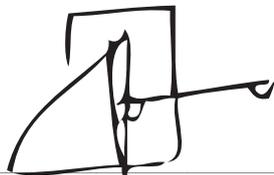
- Was developed by the Management of the Department of Cooperative Governance and Traditional Affairs under the guidance of Ms. S.M Mlamleli, Executive Authority for Cooperative Governance, Traditional Affairs and Human Settlements*
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Cooperative Governance and Traditional Affairs is responsible*
- Accurately reflects the strategic goals and objectives which the Department of Cooperative Governance and Traditional Affairs will endeavour to achieve over the period 2010/2014.*



M. Tlali
Chief Financial Officer



I. Howard
**Director Departmental Planning
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M.V. Duma
Accounting Officer



Approved by:
S.M. Mlamleli
Executive Authority

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PART A: STRATEGIC OVERVIEW

1. Vision, Mission and Values

Vision: Integrated, responsive and developmental local governance in the Free State Province

Mission: The department strives to strengthen inter-sectoral cooperation and support municipalities and Traditional Leaders towards effective service delivery through:

- Integrated and sustainable planning and development
- Partnerships
- Research
- Monitoring and evaluation
- Accountability

Values: The department's inherent values, as informed by Batho Pele principles, are:

- Results-driven
- Professionalism and Integrity
- Responsiveness
- Accountable and Transparent
- Value for money
- Collaborative Leadership

2. Legislative and other Mandates

2.1 Constitutional Mandate

The Constitution of the Republic of South Africa, 1996, redefined local government as a sphere of government that is distinctive from, yet interdependent and inter-related with provincial and national government. Importantly, the Constitution conferred developmental duties to local government

2.2 Legislative Mandate

The following legislation applies to the department:

- a) Public Finance Management Act No. 1 of 1999 (as amended by the Public Finance Management Amendment Act No. 29 of 1999). This Act regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith
- b) Division of Revenue Act of 2013. This Act provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2013/2014 financial year; to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.
- c) The Housing Act No. 107 of 1997: Through this legislation, existing and future, and the Housing Code, the Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) 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:
 - (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
 - (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1)(c)).

- d) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 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.
- e) Subdivision of Agricultural Land Act No. 70 of 1970: This Act is used for Town Planning advice to the Department of Land Affairs on the subdivision of agricultural land.
- f) The Development Facilitation Act No. 67 of 1995: This Act provides directive principles to guide the drafting, adoption and implementation of all policies and legislation for all spheres of government regulating spatial planning, land use management and land development.
- g) The Physical Planning Act No. 125 of 1991: This Act governs secondary land uses on farmland that is not agriculture related by way of permits and it also enables the amendment of guide plans and the evaluation of consistency regarding land development
- h) Municipal Systems Act of 2000: The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities. This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan and a spatial development framework within which all sector plans should be addressed
- i) Municipal Demarcation Act of 1998: The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.
- j) Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000: The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.
- k) White Paper on Local Government of 1998: The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centred, efficient, transparent, accountable and responsive entities.
- l) The Fund Raising Act No. 107 of 1978: The Act provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.
- m) Disaster Management Act 57 of 2002: The Act streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.
- n) National Veld and Forestry Act No. 101 of 1998: The Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires
- o) The National Environmental and Waste Management Act of 1999: The Act provides for environmental management strategies so as to prevent and mitigate environmental disasters
- p) Traditional Leadership and Governance Framework Act No. 41 of 2003: The Act provides for the recognition of traditional leaders, their roles and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.
- q) Public Audit Act, 2004 (Act 25 of 2004): This Act gives effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to provide

for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.

- r) Municipal Finance Management Act, 2003 (Act No. 56 of 2003): This Act aims to modernise budget and financial management practices in municipalities so that financially sustainable municipalities are able to meet their service delivery obligations. The Act also provides a financial governance framework that clarifies the roles and responsibilities of officials, councillors, the Provincial Treasury and this department. The department is responsible for monitoring and supporting municipalities in its implementation, to share its monitoring results and provide warning of impending financial distress. Although the department is endowed with powers of intervention, the primary responsibility to manage finances, identify and avert financial distress rests with municipalities
- s) Municipal Property Rates Act, 2004 (Act No. 6 of 2004): This Act regulates the powers entrusted to municipalities to impose rates on property, to exclude certain property categories from rating and to provide a transparent and fair system for rating of properties and granting rates rebates. The Act further provides for ratepayers to have access and recourse to a process of objection and appeal against rates imposed by municipalities. The mandate of the department is to monitor and support municipalities with MPRA implementation, and to ensure that objections and appeals against property values are resolved through a fair and transparent process of appeal/review.
- t) Spatial Planning and Land Use Management Act 16 of 2013): This Act provides a framework for the monitoring, coordination and review of the spatial planning and land use management system. It also provides for the establishment, functions and operation of Municipal Planning Tribunals.
- u) National Building Regulations and Building Standards Act (Act 103 of 1977): This Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities for the prescribing of building standards; and for matters connected therewith.
- v) Transportation of Dangerous Goods Act of 1992: This Act provides for public safety in the transportation of dangerous goods.
- w) Safety and Sports and Recreational Events Act (Act 2 of 2010): To provide for measures to safeguard the physical wellbeing and safety of persons and property at sports, recreational, religious, cultural, exhibition, organisational or similar events held at stadiums, venues or along a route; to provide for the accountability of event role players to provide for certain prohibition to provide risk categorisation of events: to provide for the establishment of measures to deal with safety and security at events; to provide for accreditation of role-players at events; to provide for events ticketing; to provide for the control access of spectators and vehicles at events; to provide for the issuing of safety certificates for planned or existing stadiums or venues; to provide for the contents of safety certificates and amendments to safety certificates; to provide for appointment of inspectors and their powers of entry and inspection; to provide for the development of security services; to provide for spectator exclusion notices; to provide for prohibition notices; to provide for the establishment of an Appeal Board and for appeals; to provide for public liability insurance for events; to provide for payment of fees; to provide for offences and penalties; and to provide for matters connected therewith.
- x) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005): To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations, and provide for mechanisms and procedures to facilitate the settlements of intergovernmental disputes.
- y) Local Government Laws amendment Act, to mend different acts applicable to local governments, e.g. Structures Act, in relation to the payment of out of pocket expenses for ward committees
- z) Remuneration of Public Office Bearers Act, 1998

2.3 Policy Mandates

- a) National Development Plan
- b) 2014-2019 Medium Term Strategic Framework
- c) Free State Growth and Development Strategy
- d) State of the Nation Address
- e) State of the Province Address
- f) Budget Speech of the National Minister for Cooperative Governance and Traditional Affairs
- g) MEC's Budget Vote Speech

- h) President's Coordinating Council
- i) Premier's Coordinating Forum
- j) Local Government Turnaround Strategy
- k) Government's Delivery Agreement on Outcome 9
- l) Operation Clean Audit 2014
- m) Operation Hlasela
- n) Municipal Infrastructure Grant Policy
- o) Municipal Service Partnerships White Paper of 2005
- p) National Disaster Management Framework
- q) Regional Industrial Development Strategy (RIDS)
- r) National Local Economic Development Framework
- s) Free Basic Sanitation Implementation Strategy
- t) Municipal International Relations Policy Framework
- u) White Paper on Local Government
- v) National Spatial Development Perspective (NSDP)
- w) White Paper on Traditional leadership and Governance (July 2003)
- x) Integrated Sustainable Rural Development Program
- y) Private Public Partnerships Regulations of 2005
- z) Free Basic Services Policy of 2000
- aa) National guidelines on Indigent Policy and Registers Framework 2005
- ab) White Paper on Fire Services

2.4. 2014-2019 Medium Term Strategic Framework

The National Development Plan envisions that by 2030 South Africa will have a state that is capable of playing a developmental and transformative role. In broad terms such a state intervenes to support and guide development in such a way that benefits across society (especially the poor).

Drawing from the NDP chapter on a Capable and Developmental State, by 2030, we will have a developmental local state that is accountable, focused on citizen's priorities and capable of delivering high-quality services consistently and sustainably through cooperative governance and participatory democracy. In this scenario, local government is at the forefront of participatory democracy involving citizens in meaningful deliberations regarding governance and development; is responsive to citizens' priorities and enjoys high levels of trust and credibility amongst the public; whose employees are skilled, competent and committed to delivering quality services; is able to cost-effectively increase the quantity and quality of services and operates within a supportive and empowering intergovernmental system.

The NDP however also cautions that such a developmental state cannot materialize by decree, nor can it be legislated or willed into existence by declarations. It has to be consciously built and sustained. Local government is at the centre of development and to achieve the aspiration of a transformed and effective local government system will require strong leadership through a clear and consistent, long-term strategy.

In order to achieve the above vision there are a number of immediate barriers, constraints and challenges to be addressed. This requires a proactive approach to managing the intergovernmental system, in order to address specific weaknesses in coordination and capacity. There is a need to mediate agreements between district and local municipalities where there is duplication or conflict over the allocation of responsibilities and resources. There is also a need to develop different modalities for the delivery of services in less well-resourced municipalities, to name just two specific issues.

The 2014-2019 Draft Medium Term Strategic Framework emphasizes that national and provincial departments and entities influencing local government will have to cooperate better and act with greater synergy in providing oversight and support to the local sphere. Moreover, provincial departments of local government will need to improve the way they monitor and support local government. Key is decisive leadership, a cohesive plan and a coherent approach to the following constraints:

- (i) Since 2004, the level of public trust in local government has steadily declined. Municipalities for their part have not always endeavoured to be more efficient and effective, to prioritise, maintain and sustain services (including basic services) to all in support of social and economic development, to curtail the wasting of funds on non-priority expenditure and to collect all revenue due.
- (ii) Poor governance and accountability are also of major concern with communities often feeling alienated and disconnected from decision-making processes. Much of this stems from undue political interference in operations, weak political leadership, poor communication with communities, lack of transparency and weak and ineffective platforms for public participation. Governments' approach to citizen participation has too often become formulaic and symbolic. Unsurprisingly, this does little to improve citizens' confidence. Public confidence and trust in local government will have to be consciously rebuilt. As such, municipalities will need to pay greater attention to engaging citizens in their own spaces as well as ensuring that engagement in IDP processes is deliberative with citizens actively involved in identifying and resolving trade-offs.
- (iii) The low confidence is also partly because community expectations often exceed the administrative and financial capabilities of many municipalities. Amongst the categories and types of municipalities (from metropolitan municipalities through to small mainly rural municipalities), there is significant variation in capacities and socio-economic context which has a direct impact on municipalities' ability to carry out their full mandate. The NDP confirms that we need to make better use of the scope for differentiation.
- (iv) While a coherent yet flexible approach to differentiation should help to mitigate the worst effects of uneven capacity, a range of other factors will have to be simultaneously attended to for our local government system to become more effective and efficient. These include shortage of skills, undue political influence in the recruitment of senior managers, absence of a positive and focused role for provinces in building municipal capacity, intergovernmental coordination problems and lack of capacity to sustain service delivery through own revenue in the context of high levels of poverty and unemployment.
- (v) The sub-outcomes spread across the different chapters of the NDP that are particularly important to addressing the constraints above and improving local government performance and ensuring quality service delivery are as follows over the 2014-2019 MTSF period:
 - a. Households progressively gain access to sustainable and reliable basic (water, sanitation, electricity and refuse removal) services.
 - b. Public trust in local government is improved through active and deliberative citizen engagement.
 - c. Municipalities demonstrate good financial governance.
 - d. Quality of management and administrative practices within municipalities improved.
 - e. Municipalities attract and retain skilled and competent personnel responsive to citizens' priorities and capable of delivering quality services.
 - f. Work opportunities created and expanded through programmes such as the CWP
 - g. Quality of governance arrangements and political leadership enhanced.
 - h. Corruption within local government is tackled more effectively and consistently.
 - i. Concrete actions that ensure a better fit between responsibility and the variation in capacities within municipalities supported.
- (vi) The extent to which municipalities improve service delivery over the 2014-2019 MTSF period will be monitored throughout the country through the following (outcome-based) performance indicators as specified in the Draft 2014-2019 MTSF:

Sub-Outcome	Indicator(s)	National Baseline(s) as per Census 2011:
1. Members of society progressively have access to sustainable and reliable services- (water, sanitation, electricity and refuse removal).	<ul style="list-style-type: none"> Increased number of households with access to functional water services infrastructure Reduced number of households with no access to water services infrastructure 	<ul style="list-style-type: none"> Piped (tap) water inside dwelling: 46.3% Piped (tap) water inside yard: 27.1% Piped (tap water on community stand =>200m: 11.7% Piped (tap) water on community stand <200m: 6.2% No access to piped (tap) water: 8.8%
	<ul style="list-style-type: none"> Increased number of households with access to a functional sanitation system Reduced number of households with no access to at least a basic level of sanitation 	<ul style="list-style-type: none"> Flush toilet: 60.1% Chemical toilet: 2.5% Pit latrine with ventilation (VIP): 8.8% Pit latrine without ventilation: 19.3% Bucket latrine: 2.1% None: 5.2%
	<ul style="list-style-type: none"> Increased number of households with access to electricity Reduced number of households with no access to electricity 	<ul style="list-style-type: none"> Electricity for lighting: 84.7%
	<ul style="list-style-type: none"> Increased number of households with refuse removed at least once a week by a municipality Reduced number of households with no access to rubbish disposal 	<ul style="list-style-type: none"> Percentage of households in each province with refuse removed by local authority: 63.6% Removed by local authority/private company at least once a week 8,972,934 Removed by local authority/private company less often: 218,302 Communal refuse dump: 271,787 Own refuse dump: 4,075,939 No rubbish disposal: 781,999 Other: 129,201
2. Public trust in local government is restored through continuous, active and meaningful citizen participation processes.	<ul style="list-style-type: none"> Increased number of people perceive local government as trust worthy 	Not available
3. Work opportunities created and expanded through the successful implementation of local employment programmes	<ul style="list-style-type: none"> Number of public employment opportunities created for the poor 	Not available - target set for 2014-2019 period: 1 million

2.5 Revisions to the Legislative and Other Mandates

2.5.1 Legislation

- (a) A new Provincial Planning Bill to replace the old and outdated legislation for land use in the Free State, that will also be aligned with the Constitutional Court's decision on land use and land development, is in the process of being developed, funded by the national Department of Rural Development and Land Reform. The proposed legislation is based on the principles of the proposed National Spatial Planning and Land Use Bill that has been submitted to the General Assembly and is presently under consideration. Considering the lengthy processes involved in promulgating new legislation, the current situation (e.g. the continued functioning of the provincial Townships Board) will however continue until the new proposed legislation has been enacted.
- (b) The Monitoring, Support and Intervention Bill that has been developed by the National Department of Cooperative Governments will also affect government's approach to municipal interventions in terms of Section 100 and Section 139 of the Constitution.

- (c) The Traditional Affairs Bill will, once enacted, effect the following changes:
- The development of provincial legislation towards ensuring alignment to national legislation;
 - Increased cost implications
 - Tools of trade for newly recognized traditional communities and leaders.

2.5.2 Policies

The promulgation of the Bills referred to above will result in a policy shift in terms of land use and land development as well as the manner in which government may intervene in the functioning of municipalities.

2.5.3 Relevant court rulings

None

3. Situational Analysis

3.1 Performance Delivery Environment

(a) Municipal Administration

In regulating municipal areas and at same time serving as a tool to improve the revenue base of municipalities, the provincial set of standard by-laws was promulgated in the Gazette on 9 December 2011, thereby enabling the department to assist municipalities towards customizing and adopting municipal by-laws. The areas addressed in the By-laws are the following:

- Advertising
- Air Pollution Control
- Cemeteries and crematoria
- Childcare Services
- Commonages
- Control of Collections
- Control of Public Nuisances
- Control of street vendors
- Credit Control and Debt Collection
- Delegation of Powers
- Dogs and Cats By-Laws
- Dumping and Littering
- Electricity Supply
- Encroachment on Property
- Environmental Health
- Fences and Fencing
- Fire and Emergency Services
- Fresh Produce Market
- General Street
- Health By-law V1 0
- Impoundment of Animals
- Indigent
- Informal Settlements
- Keeping of Animals
- Libraries
- Licensing of dogs
- Numbering of buildings
- Property Rates
- Public Amenities:
- Public Swimming Pools
- Refuse Removal
- Sporting Facilities

- Storm Water
- Street Trading
- Tariff Policy
- Taxi Ranks
- Unsightly and Neglected Buildings
- Ward Committees
- Waste Management
- Water Restrictions
- Water Services

Although the department embarked on a program to visit all municipalities on a monthly basis to facilitate the process of the adoption of by-laws in the Free State, this was not possible during the previous (2012/2013) financial year due to budget and human resources constraints; municipalities were thus supported and assisted if and when such assistance was requested.

The adoption and promulgation of by-laws is dependent on council resolutions. As council meetings are only held quarterly, it slows down the process considerably. In some cases, councils defer by-laws to the next meeting, whilst other councils do not consider them at all. The community is not always consulted during the process of standardizing municipal by-laws, which is in sharp contrast to our commitment to increase public participation in municipal affairs.

The status of standardized municipal by-laws per municipality was as follows as at the 31st of September 2013:

Code	Municipality	By-laws Promulgated	By-laws in process	Total
MAN	Mangaung	20	6	26
DC 16	Xhariep	0	4	4
FS 161	Letsemeng	1	6	7
FS 162	Kopanong	8	0	8
FS 163	Mohokare	14	0	14
FS 164	Naledi	2	0	2
FS 196	Mantsopa	12	0	12
DC 18	Lejweleputswa	0	0	0
FS 181	Masilonyana	4	3	7
FS 182	Tokologo	1	9	10
FS 183	Tswelopele	11	0	11
FS 184	Matjhabeng	16	0	16
FS 185	Nala	3	21	24
DC 19	Thabo Mofutsanyane	1	0	1
FS 191	Setsoto	16	0	16
FS 192	Dihlabeng	3	4	7
FS 193	Nketoana	2	0	2
FS 194	Maluti-a- Phofung	13	0	13
FS 195	Phumelela	8	11	19
DC 20	Fezile Dabi	1	2	3
FS 201	Moqhaka	3	3	6
FS 203	Ngwathe	7	0	7
FS 204	Metsimaholo	2	5	7
FS 205	Mafube	3	6	9
Total		151	80	231

(b) Municipal Finance

(i) Operation Clean Audit

During the implementation of the Operation Clean Audit 2014 programme, a need was identified to support all Municipalities with GRAP-compliant Annual Financial Statements and on reporting to the National Treasury in line with the prescribed budget formats, while also economizing on uniformity and coordination. The CaseWare Software Tool was rolled out to all Municipalities during the 2010/11 financial year, thus automating the compilation of GRAP-compliant Annual Financial Statements by 75% and 80% for reporting to National Treasury in terms of prescribed Budget Formats. The development of a database of uniform Policies and Business Processes was completed and implemented during the pilot and Section 139 Municipalities with the exception of the Nala Local Municipality (due to financial management system related challenges). Financial constraints however hampered the rollout of this programme to all municipalities across the Province, but was shared with and introduced to all Municipalities. Agreement was reached with National Treasury to host the Policies and Business Data on their database to facilitate a Standard Chart of Accounts for municipalities and determine minimum specifications to which all municipal financial management systems and system vendors will have to comply with in future.

Without proper internal controls, effective policies and - procedures and streamlined business processes, successes with regard to audit outcomes achieved through the Policies and Business Processes Project may not be sustained in future municipal financial years and subsequent audit outcomes. It is therefore imperative that additional funding be secured to roll-out and/or sustain this initiative in all municipalities.

All Financial Management Systems used by Municipalities comprise of modules catering for expenditure management; it is however uncertain to which extent all applicable modules are effectively implemented within municipalities. The extent to which control measures are over-riden and commitments entered into outside these systems represent some of the challenges experienced with regard to expenditure control within municipalities. Compliance with Supply Chain Management Regulations also has an impact on expenditure control. The effective implementation of the AGSA's Key Control Matrix as well as advanced managerial and political oversight will yield some improvements. The absence of proper cash flow forecasting in Municipalities however further negatively influences cash management, as well as the *ad hoc* application of cash-at-hand-to-pay-commitments in an arbitrary manner.

Through the IMESA Partnership, the following Municipalities are supported with the GRAP 17 Compliance Fixed Asset Register:

- Moqhaka
- Kopanong
- Maluti a Phofung
- Mafube
- Ngwathe
- Setsoto
- Naledi
- Nala
- Phumelela
- Mohokare

Few Municipalities have progressed adequately with Operation Clean Audit 2014 as is reflected in the audit outcomes of the 2011/2012 Municipal Audits and public concerns raised by the Auditor General South Africa. During the 2011/2012 audit outcomes, 9 of the 31 Municipalities and Municipal Entities reflected an improvement.

Financial management within municipalities has, although not yet at the desired level, improved over the recent years to a situation where the following 6 municipalities have received unqualified audits in respect of the 2010/2011 financial year:

- Fezile Dabi DM
- Lejweleputswa DM
- Motheo DM
- Thabo Mofutsanyana District Municipality

- Xhariep DM
- Nketoana LM

The following municipalities received Unqualified Audit Opinions for the 2011/2012 financial years:

- Fezile Dabi District Municipality (including the Municipal Entity)
- Lejweleputswa District Municipality (Including the Municipal Entity)
- Thabo Mofutsanyana District Municipality
- Xhariep District Municipality
- Tswelopele Local Municipality
- Dihlabeng Local Municipality
- Nketoana Local Municipality

Of particular concern however is the escalating tendency in unauthorized, irregular, fruitless and wasteful expenditure incurred by Municipalities, which increased with 64%, as compared to the declining service standards and civil dissatisfaction. Poor audit findings are attributed to non-compliance with legislation and regulations, and particularly adequate compliance with supply chain management. Municipalities will have to address the following main root causes towards progressing towards clean audits:

- Leadership and oversight challenges
- Lack of document management
- Lack of capacity
- Lack of commitment
- Lack of technical expertise

The above deteriorating situation is attributed to capacity and skill constraints in financial management at Municipalities. This especially is a contributing factor in the inadequate year on year progress towards achieving and sustaining unqualified audit opinions. During the most recent financial year (e.g. 2012/2013), the situation warranted more dedicated support initiatives to assist Municipalities in addressing challenges of this nature. These initiatives included the deployment of particular expertise, concluding strategic partnerships with Stakeholders and implementing particular support programs and projects in Matjhabeng, Mohokare, Moqhaka, Nala, Naledi and Setsoto Local Municipalities.

(ii) Reduction of Municipal Debt

The prevailing global economic crisis also influenced negatively on the financial fortunes of municipalities. As such, the overall financial position of most Municipalities remains a source of concern.

The total arrears debt position of Free State Municipalities passed the R8 billion mark during the 2012/2013 year. Consequently, Free State Municipalities accrued significant outstanding dues payable to creditors.

Towards the end of September 2013, Municipalities owed R 2,081,663,583.00 to creditors. Of this amount, R 842,986,583.00 was due to Eskom, with a further R 910,548,070.00 payable to the respective Water Boards. Most Municipalities would not be able to exist as a going concern and all are dependent on Equitable Share and other Grants/Subsidies to maintain their operations.

Consumer debt is still on the rise mainly because municipalities fail to collect debt on services rendered; all municipalities had debtors more than 50% of its own revenue as at the end of the most recent financial year (2012/2013).

The monthly collection rate per local municipality was as follows during the 2012/2013 financial year:

- Letsemeng: 67%
- Kopanong: 71%
- Mohokare: 30% ,
- Naledi: 58%,
- Mangaung: 91%,
- Mantsopa: 43%,
- Masilonyana: 49%,
- Tokologo: 60%,

- Tswelopele: 73%,
- Matjhabeng: 70%,
- Setsoto: 53%,
- Dihlabeng: 69%,
- Nketoana: 73%,
- Maluti a Phofung: 108%,
- Phumelela: 40%,
- Moqhaka : 96%,
- Ngwathe: 98%,
- Metsimaholo: 37%
- Mafube: 33%

The debt owed to Municipalities by the (national) Department of Public Works as follows as at end January 2013:

- Nketoana – R4,392,538
- Moqhaka – R111,476
- Masilonyana – R3,069,691
- Setsoto – R994,161
- Tokologo – R939,541
- Naledi – R939,608
- Mantsopa – R1,640,992
- Dihlabeng – R1,918,229

The debt owed to Municipalities by the (provincial) Department of Public Works was as follows as at the end March 2013:

- Naledi – R 6,457.93
- Masilonyana – R17,965.44
- Tswelopele – R14,523.03
- Matjhabeng – R28,813.33
- Dihlabeng – R2,368,155.89
- Maluti-a-Phofung – R2,737,451.71
- Phumelela – R115,145.16
- Moqhaka – R941.24
- Ngwathe – R30,587.71
- Metsimaholo – R28.57
- Mangaung – R5,478,116.06

The department, in liaison with Provincial Treasury, SALGA and the National / Provincial Departments responsible for Public Works, commenced with a project of engaging with all municipalities in order to reduce debt owed to municipalities by State Departments.

The department, in liaison with Provincial Treasury, SALGA and the national /provincial departments responsible for Public Works, commenced with a project of engaging with all municipalities in order to reduce debt owed to municipalities by State Departments. The Intergovernmental Debt Steering Committee held meetings with the following Municipalities during the year under reporting towards addressing debt reduction:

- Naledi
- Metsimaholo
- Matjhabeng
- Nala
- Mafube
- Masilonyana
- Ngwathe

(iii) Reduced Municipal overspending on OPEX and under-spending on CAPEX:

Unrealistic and incorrect budgeting by Municipalities is but one of the reasons why municipalities are not performing

well in this area, which is substantiated by the extent to which Municipalities annually adjust their budgets. Municipalities tend to prepare balanced budgets as opposed to cash-funded budgets. In order to balance their budgets, anticipated revenue figures are inflated and the actual revenue never materialises. This contributes to expenditure and commitments that cannot be maintained and achieved.

The state of affairs with regard to municipal spending as per their Operational Expenditure Budgets was as follows as at the 30th of September 2013 (bearing in mind that the municipal financial year only started on the 1st of July 2013):

Municipality	% Spent of total OPEX as at 30 September 2013
Mangaung	22.9%
Letsemeng	15.9%
Kopanong	24.6%
Mohokare	13.7%
Naledi	13.6%
Xhariep	23.9%
Masilonyana	10.4%
Tokologo	27.4%
Tswelopele	23.7%
Matjhabeng	24.4%
Nala	No figures available
Lejweleputswa	24.8%
Setsoto	18%
Dihlabeng	14.3%
Nketoana	28.9%
Maluti-A-Phofung	12.4%
Phumelela	23.4%
Mantsopa	13.9%
Thabo Mofutsanyana	10.9%
Moqhaka	12.7%
Ngwathe	19.3%
Metsimaholo	15.8%
Mafube	29.4%
Fezile Dabi	25.8%

(c) Deepened democracy through public participation

Although all municipalities have, since 2009, established their ward committees with sector representation, only 157 of the 317 ward committees were functional as at the end of March 2012, with 3 ward committees still needing to be established in the Mangaung Metro. To date 313 ward committees have been established, three wards in Mangaung Metro have not yet been established (the process of establishment is underway), and one ward committee in Setsoto is still to be re-established.

All municipalities have, as at the end of the most recent financial year, implemented the CDW Programme. Although the Offices of the respective Speakers are responsible to continuously supervise CDWs on a daily basis, poor

reporting and supervision as well as a lack of resources being provided to CDWs continue to be a main challenge. The programme has since migrated to the Department of the Premier, from the beginning of 2013/14 financial year.

As the Ward Committee System raised serious challenges with regard to effectiveness in enhancing the involvement of communities in meaningful local decision-making, and in ensuring that municipalities comply with the criteria informing the functionality of ward committees, the reporting template and the format for ward based operational plans were made available to all municipalities during the 2012/2013 financial year, requesting municipalities to report thereon from January 2013 onwards. Although only grade 1 - 3 municipalities received a financial allocation to pay a stipend to ward committees, grade 4 and 5 municipalities also succeeded to pay a stipend to their ward committees despite them not being allocated specific funds in this regard. To date all municipalities in the province are paying the out of pocket stipends to members of ward committees

Ward committees have yet not developed household profiles, primarily as they have not yet been trained in this regard (due to insufficient funding). The matter relating to the co-ordination of centralized household profiling also still needs to be clarified. In addition to this, the revised Ward Committee Legislative Framework and model was put on hold by the national Department of Cooperative Governance, hampering progress in this regard.

During a provincial planning workshop held during the most recent financial year, the community-based planning approach was rolled-out as part of our concerted effort to increase community involvement in municipal planning, implementation and oversight. Through this methodology, ward committees will play a central role in shaping the people's voice in municipal development. It also will serve as the basis for credible and people-driven municipal IDPs. A service level agreement with the University of the Free State in this regard has been finalized, resulting in the module being in the process of being developed as at the end of March 2013. A three-year implementation plan was also developed during the above-mentioned workshop towards ensuring the involvement of communities in municipal projects, involving all municipalities and various other stakeholders. This will not only improve the credibility of municipal IDPs processes, but will also enable municipalities to develop ward operational plans towards improving the functionality of ward committees and evaluating their performance.

During the 2012/2013 financial year, all municipalities in the Province have commenced with the out-of-pocket payment of stipends for members of the ward committees. Whereas the bigger municipalities were able to do this from their own revenue, grade 1-3 municipalities were financially supported in this regard through the equitable share allocation. In adding value, the Department developed functionality indicators to enhance uniformity and structured a reporting system. Municipalities were also assisted towards developing Ward Operational Plans, which, together with ward committee functionality indicators, will be used as instruments to measure effectiveness and value for money for the payment of out-of-pocket expenses for members of ward committees. This process will be finalised during the current (e.g. 2013/14) financial year.

The violent community protests in the province, especially in Sasolburg, Zastron, Petrusburg, Reddersburg, etc, during 2012/2013, where public and private properties were looted by some criminal elements in our communities who hijacked genuine community concerns, cannot go on unabated. We are however acknowledging the growing social distance between communities and government, which is in sharp contrast to our commitment to people-centred development, requiring from all leaders across all levels of government in the Province to ensure that community concerns are attended to, with regular feedback to the community. In line with Cabinet's decision on improved public participation, public participation programmes need to be developed, implemented and monitored on a quarterly basis towards improving the involvement of the community in government affairs.

The Customer Satisfaction Survey conducted by the department, and the subsequent risk analysis done, indicated the need to strengthen our communication systems within Province (across all levels of government) considerably. To this extent, the department developed a Citizen Support System (Complaints Management System) to enhance the responsiveness of municipalities to community complaints. The process of developing the system has been finalised, and is currently being piloted at Mantsopa, Dihlabeng and Mafube Local Municipalities.

(d) Inter-Governmental Relations

Since 2009, MECLOGA meetings have been helpful in directing strategic agendas on matters impacting on the local

government sector; this is demonstrated by a decision taken during a MECLOGA meeting that all municipalities should appoint their security managers as responsible officers to deal with the management of responses to memoranda submitted to municipalities, thereby complying with the provision of the Gatherings Act. It was also resolved by MECLOGA that the time-tables of all IGR structures in the province should be synergized.

Although regular District Intergovernmental Forum meetings were held since 2009, the functionality of these structures however still remains a serious challenge.

The Department of COGTA, SALGA and the LGSETA have commenced with a process to establish a capacity building forum in the province that will channel its input to the Provincial Rapid Response Team after its creation. For this to succeed, the department however needs to have a fully functional Rapid Response unit in place, which is not the case yet.

Meetings held by the Technical IGR Support Committee have strengthened the District IGR Forums by providing district-wide leadership in coordinating sector support (to implementing common projects). The District Technical IGR Support Committees provided opportunities for municipalities to discuss their MTAS, IDPs and other service delivery challenges, as well as to share best practices. The District Technical IGR Support Committees strengthened the principle of a single window of coordination, support and monitoring to municipalities through effective coordination and the involvement of sector departments.

(e) Municipal Performance Monitoring, Reporting and Evaluation

In 2009, the department embarked on a local government (LG) assessment project, which produced the State of Local Government Report. In order to address challenges identified in the report, Cabinet resolved to implement the Local Government Turnaround Strategies (LGTAS) with a view that the system of governance in the country must be addressed holistically. LGTAS focused on local realities and making local government everyone's business. The scope and depth of the LGTAS were not limited to local government only but also included provincial and national government as well as SOEs. The department supported all municipalities in the Province in the development of the Municipal Turnaround Strategies (MTAS), resulting in all municipalities adopting Municipal Turnaround Strategies.

All municipalities excluding Nala have submitted their 2010/2011 Section 46 Reports by the end of June 2012; only 7 municipalities however submitted their Oversight Reports by said date.

All municipalities adopted their skills development plans during the 2012/2013 financial year, which were assessed by the department. An assessment report in this regard was compiled and is currently under consideration.

With the implementation of the Municipal Systems Act as amended (MSAA), the department provided support to all municipalities through district workshops on the interpretation of the Municipal Systems Act as amended (MSAA), thereby ensuring the successful implementation of the amendments made. In ensuring compliance to the MSAA, a workshop in this regard was also conducted during November 2012, involving all municipalities.

A consolidated Municipal Performance Report was produced by the department in respect of the 2011/2012 financial year. Numerous municipalities have submitted their reports late to the department, resulting in the department not being able to submit the Consolidated Municipal Performance Report on time. The quality of municipal reports received varied due to different reporting formats required from National Treasury and (national) DCOG.

Municipal reporting has posed a challenge, which has a ripple effect on the monitoring of municipal performance. In order to augment this challenge, the department is in the process of developing a Monitoring and Evaluation System, which will assist in streamlining reporting. Moreover, the department has a programme on the review of Local Government Performance Indicators in order to align them to Outcome 9 and other relevant Outcomes. The Directorate will be presenting and deliberating on the proposed core set of LG performance indicators in consultation with key stakeholders and municipalities. The programme also seeks to define performance standards for the proposed indicators. The performance indicators will go a long way in ensuring that municipalities have a uniform standard of performance reporting

(f) Filling of the top 6 critical posts in municipalities:

Since 2009, the majority of municipalities experienced challenges towards ensuring that their top 6 posts are filled with competent and skilled personnel. During the 2012/2013 financial year, none of the municipalities in the Province have succeeded towards filling their top 6 critical. Based on recent information obtained from municipalities, this situation has however improved during the 1st quarter of the current financial year, as the following municipalities have indicated that their top 6 critical posts were filled as at the 30th of October 2013:

- Tokologo
- Mohokare
- Kopanong
- Mangaung
- Tswelopele
- Fezile Dabi

Some of the municipalities' proposed structures in relation to S57 posts are bloated, whereas some municipalities have their Town Planner and Communication Manager posts filled on levels below S57.

(g) Implementation of the Municipal Performance Management System:

Although all municipalities have reported that they have successfully implemented the performance management system for administrative officials, challenges were, since 2009, experienced in the majority of municipalities on the functionality of the system.

Performance Contracts and Employment Contracts form the basis for the strengthening of administrative and institutional capabilities of municipalities. During the most recent year (e.g. 2012/2013), 74 of the 09 Section 57 Managers across various municipalities have submitted their signed Performance Agreements, including key LGTAS performance indicators. Only 64 of the 98 Section 57 managers have however submitted their signed employment contracts; newly-appointed section 57 managers still have to conclude and submit their signed Performance Agreements and/or Employment Contracts.

In improving the situation in municipalities, the department held various workshops with municipalities regarding compliance with the Municipal Systems Amendment Act in order to capacitate municipalities in this regard. Early in 2013, a PMS Support Programme was implemented in 22 municipalities.

The department has also developed a programme of rolling-out the implementation of Local Government: Regulations on appointment and conditions of employment of senior managers to both municipal administration and political echelon. The programme is aimed at ensuring that municipalities comprehend their responsibilities towards complying with legislation.

(h) Integrated development and planning

The democratic dispensation of South Africa which occurred in 1994 required municipalities to be developmental in nature, transforming amongst others the municipal planning system and introducing new legislation for local governance. A coordinated approach towards development was introduced as a fundamental solution to eradicate poverty and to have integrated economic, sectoral, environmental and sustainable growth to the marginalized people of South Africa. The above cited scenario necessitated the introduction of an integrated planning and service delivery approach within Government (inclusive of the local government sphere). The country moved towards the introduction of integrated development planning (as a process) which culminated to integrated development plan (product) of municipalities. This process has been and is still used as a fundamental tool to transform racially-divided local government and introduce the democratically, harmonised and socially coherent citizenry.

Due to continuous efforts by the department to encourage municipalities to adopt their IDPs, the status of (municipal) IDPs was as follows since 2009:

- i. During the 2008/2009 year, only 12 of the 25 municipalities have adopted their IDPs in June, with 7 IDP being adopted during May. 6 Municipalities failed to submit their adoption letters.
- ii. During the 2010/2011 financial year, 17 municipalities adopted their IDP during May and 8 municipalities during the beginning of June.
- iii. During the 2011/2012 and 2012/2013 financial years, all municipalities adopted their IDPs.
- iv. During 2013/2014 financial year all 24 municipalities adopted and submitted the IDPs to COGTA for assessment

During the 2012/2013 financial year, the quality of IDPs however regressed to some degree, e.g.:

- i. During the 2008/09 year, 22 of the IDPs of the 25 municipalities were rated medium, while one (1) was rated high, one (1) was rated low and one (1) failed to submit its IDP for assessment purposes.
- ii. During 2011/2012, 13 municipal IDPs were rated high and 11 municipal IDPs were rated medium
- iii. During the 2012/2013 financial year, 14 municipalities were rated high and 10 municipalities were medium during 2012/2013.
- iv. During the 2013/2014 financial year, 3 municipalities were rated high, 20 municipalities were rated medium and 1 municipality (Mohokare) was rated low.

The decline in quality was due to amongst others the following factors:

- i. Not all municipalities have submitted their existing sector plans for evaluation process. Some do not have sector plans (e.g. LED strategy, Spatial Development Framework, to mention but a few); some are obsolete and needs to be reviewed.
- ii. There has been poor articulation of the Situational Analysis wherein the backlogs, future development and challenges, opportunities should get vigorous expression.
- iii. Municipalities have used the 2011 data as published by STATSA, however, there has been poor interpretation of such data so as to enable the situational analysis phase to address the above mentioned areas, i.e. backlogs, future development and allocation of resources
- iv. Issues of Climate change did not get expression in the IDPs
- v. There has generally been poor alignment of the IDP with the budget. Budget principles were not followed accordingly
- vi. Allocation not clearly indicated (despite Division of Revenue Act). Some municipalities used the old allocations
- vii. The programs and projects of the Sector Departments were not expressed adequately in most of the IDPs

All municipalities and sector departments participated annually in the development of Municipal IDPs, at the same time ensuring alignment with LGTAS.

Prior to 2012, Ward Committees did not actively participate in IDP processes. Following capacity building sessions conducted by the department within the respective Public Participation Offices during recent years, all ward committees participated in the development of Municipal IDPs during the most recent financial year, with the exception of the Mangaung Metropolitan Municipality, who still have to re-establish some of their ward committees (ward 27, 31 and 33).

The following challenges still face the Free State Provincial Government insofar as integrated development planning is concerned:

- i. A lack of support from Section 56 Managers and Councillors;
- ii. A tendency by municipalities to treat IDPs as a compliance issue instead of a strategic tool to inform the work of municipalities; and
- iii. Non-adherence to process planning.

(i) Local Economic Development and Job Creation

There are several interesting indices to determine the economic growth of South Africa; most of these however measure the situation at national level, resulting in very little information known regarding the economies of towns in the Free State Province. A better understanding of the opportunities and constraints in local economies should inform a more balanced development path that overcomes the problem where economic opportunities are dispersed in a concentrated fashion across the country.

As part of our response to tackle poverty and provide livelihood support to poor households, the Community Works Programme (CWP) was adopted as a key initiative to mobilize communities towards providing regular and predictable work opportunities at the local level. The CWP is a ward-based programme that:

- i. identifies 'useful work' ranging from 1- 2 days a week or one week a month targeted at the poorest wards
- ii. create access to a minimum level of regular work for those who need it, targeting areas of high unemployment and poverty where sustainable alternatives are likely to remain limited for the near future.

Whereas the programme was initially implemented in only six municipalities, the Province currently has 13 sites where the CWP is being implemented. This intervention, coupled with an increased allocation of funds from Treasury for the successful implementation of this programme, yielded considerable success, with a total number of approximately 70,000 jobs being created since 2009; during the 2012/2013 year alone, 18,249 jobs were created due to additional funding made available to this programme by the (national) Department of Cooperative Governance. During the 2013/2014 up to the end September 2013, 19,520 participants benefited from the programme, and more specifically as follows:

CWP Sites	Municipality	Monthly Participa- tion Tar- gets Sep 2013	Partici- pation Sep 2013	%	Target Work Days for 12 months	Target Work Days for Sep 2013	Actual Work Days for Sep 2013	%	Non Youth		Youth		Total Fe- male	Disabled
									M	F	M	F		
Edenville and Koppies	Ngwathe	2000	2045	102%	216800	18067	17 619	98%	249	743	232	821	1564	5
Phumelela	Phumelela local	1000	1130	113%	108400	9033	8 608	95%	122	331	198	479	810	12
Harrismith	Maluti-a- Phofung	1500	1684	112%	162600	13550	12665	93%	273	629	242	540	1169	1
Tokologo	Lejweleput- swa	1000	1045	105%	108400	9033	7468	83%	175	242	190	438	680	1
Welkom	Matjhabeng	3000	3669	122%	325200	27099	30 227	112%	227	1494	478	1470	2964	12
Matshatlala	Naledi	1500	1647	110%	162600	13550	13459	99%	239	498	268	642	1140	32
Letsemeng	Letsemeng	1000	1239	124%	108400	9033	8713	96%	171	279	275	514	793	10
Mohokare	Mohokare	1000	1258	126%	108400	9033	8140	90%	152	241	309	556	797	5
Nala	Nala	1000	1019	102%	108400	9033	7 582	84%	69	195	214	541	736	4
Setsoto	Setsoto	1000	1189	119%	108400	9033	8588	95%	91	338	183	577	915	2
Moghaka	Moghaka	1000	1117	112%	108400	9033	7530	83%	94	213	255	555	768	8
Metsimaholo	Metsimaholo	1000	1177	118%	108400	9033	8664	96%	50	406	75	646	1052	4
Mangaung	Mangaung Metro	1000	1301	130%	108400	9033	10272	114%	160	374	263	504	878	0
		17000	19520	115%	1842800	153562	149535	97%	2072	5983	3182	8283	14266	96

The following municipalities are implementing the “Clean Cities, Towns and Villages Programme Beyond 2010”, where the department facilitated, in partnership with National DCOG, the identification of pilot sites for Clean Cities and Towns Programme:

- i. Tokologo
- ii. Maluti-a-Phofung
- iii. Moqhaka
- iv. Mangaung

An informal partnership was also agreed on in relation to the Clean Free State Campaign, resulting in the department participating in the Steering Committee of this structure. The campaign is currently focusing on the Mangaung Metro and the Matjhabeng Municipality.

Since 2009, a total number of 38,145 (temporary) jobs were created in the Province through the Municipal Infrastructure Grant (MIG), with the MIG being the primary funding mechanism used by municipalities to provide access to basic services to all households in the Province, and more specifically as follows:

- i. 2009/2010: 10,992 jobs
- ii. 2010/2011: 8,061 jobs
- iii. 2011/2012: 8,411 jobs
- iv. 2012/2013: 6,865 jobs
- v. 2013/2014: 3,816 jobs

Vibrant economies in municipalities are partly because of good local economic development strategies. Since 2009, the department has been supporting municipalities in updating their LED strategies.

Due to an increased emphasis being placed on local municipalities to review their LED strategies, the following municipalities have updated their LED Strategies during the most recent financial year:

- Kopanong
- Mangaung
- Matjhabeng
- Masilonyana
- Dihlabeng
- Nketoana
- Fezile Dabi
- Xhariep.

The remaining 16 Municipalities have LED Strategies in place but they still need to be reviewed. The following Municipalities commenced with the review of their LED Strategies:

- Setsoto
- Mafube
- Xhariep
- Letsemeng
- Metsimaholo
- Naledi
- Lejweleputswa
- Nala
- Tswelopele
- Tokologo
- Ngwathe

The department has also collaborated with the SALGA to develop a framework for the organizational structure of LED units in municipalities, thereby assisting them on the functionality of these units. Currently all municipalities do have LED Units, although some are still not functioning to the full potential due to availability of LED Budget and the structure. Various municipalities succeeded to appoint LED staff within their municipalities, such as Maluti-a-Phofung, Mafube, Fezile Dabi, Metsimaholo, Masilonyana, Setsoto and Thabo Mofutsanyana. This illustrates that there is an improvement on the understanding of LED within municipalities.

27 LED officials representing 17 municipalities (e.g. Xhariep, Mohokare, Letsemeng, Kopanong, Naledi, Tokologo, Matjhabeng, Nala, MAP Thabo Mofutsanyana, Mafube, Ngwathe, Nketoana, Phumelela, Dihlabeng, Mantsopa, Mangaung) attended the LED Learnership, resulting in the following:

- 19 officials (of which 14 are currently working in LED units) attended and completed the Level 4 LED Learnership.
- 16 officials (of which 14 are currently working in LED units) attended and completed the Level 5 LED Learnership
- After completion of the Learnership the following officials that completed the LED Learnership were appointed in their respective LED Units: Mafube, Naledi, and Ngwathe

As at the end of the 2012/2013 financial year, only the Lejweleputswa Development Agency was operational, with numerous challenges being experienced with regard to the functionality of the Fezile Dabi and Thabo Mofutsanyana Development Agencies.

In setting up LED Forums that is based on partnerships with private business and other role players in local economic development, the Fezile Dabi, Lejweleputswa and Xhariep District LED forums have been established; the full participation of all role-players in these structure however still remain a challenges. Several local municipalities are also in the process of setting up LED forums that would enhance the implementation of LED on local level., e.g. Mangaung, Maluti a Phofung, Dihlabeng, Nketoana, Phumelela, Mohokare, Kopanong.

There is a need to clarify the roles and responsibilities in relation to local economic development between the department and the Department of Tourism, Economic - and Environmental Affairs within the Province. Municipalities also need to improve their institutional capacity towards enabling them to effectively and efficient address local economic development.

(j) Spatial Planning / Land Use Management

The national Department of Rural Development has developed a Provincial Geographical Information System (GIS) that is accessible to all provincial departments. The department is currently working closely with the (national) Department of Rural Development to integrate the (departmental) Geographical Information System with the National (and provincial) GIS. All departmental GIS officials have already been trained on the SPYSIS.

The Free State Spatial Development Framework (FSSDF) will only be finalized towards the end of the current financial year, funded by the (national) Department of Rural Development. The FSSDF Phase 1 and Phase 2 reports have been approved. A Draft FSSDF was submitted in June 2013, and a workshop conducted with all provincial departments during July 2013. The commenting period for the Draft PSDF has ended on 30 September 2013, and all comments or inputs are now being interrogated and addressed for a final Draft FSSDF.

Municipalities lack the capacity to develop their own GIS databases; the department need to assist municipalities in this regard towards ensuring proper integration of municipal GIS databases with the National/ Provincial GIS (Spisys).

The implementation of Municipal Spatial Development Frameworks (SDFs) also needs to be monitored by the department to ensure integrated and sustainable planning.

The Constitutional Court decided in a landmark decision that spatial planning is the competence of municipalities and that they should act as the "body of first instance". This means that all land use - and land development applications will have to be submitted to a municipality for processing and consideration.

The Spatial Planning and Land Management Act (SPLUMA) has been signed by the President and will be enacted in April 2014; it is envisaged that the Provincial Bill will follow closely thereafter.

The new legislation will, amongst others, have the following implications:

- The (provincial) Townships Board will be replaced by newly-established (municipal) Tribunals.
- A newly-established Provincial Land Use Tribunal will be responsible for the consideration of specific applications,
- A newly-established Appeals Tribunal will handle all appeals.

Spatial Development Frameworks and Land Use Management Schemes must be revised in terms of the new SPLUMA Act. Municipalities also need to be trained to perform new functions in terms of the new SPLUMA Act. The development of a provincial planning act is also necessary towards ensuring the successful implementation of the SPLUMA.

In improving integrated planning between municipalities and sector departments in the Province, the establishment of a Provincial Land Use Management Forum within the Free State Province is highly desirable.

(k) Disaster Management

The Constitution places a legal obligation on Government to ensure the health (personal and environment) and safety of its citizens; all spheres of Government are required to *“secure the well-being of the people of the Republic”*.

In documenting the institutional arrangements for disaster risk management planning, which includes the assignment of primary and secondary responsibilities for priority disaster risks posing a threat in the province, the Free State Provincial Disaster Management has developed a disaster management strategy. This strategic document provides the broad framework within which provincial and national departments, other organs of state and institutional role players will implement disaster risk management planning as required by relevant legislation. It also establishes the operational procedures for disaster risk reduction planning as well as the emergency procedures to be implemented in the event of a disaster occurring or threatening to occur in the province, and aims to facilitate an integrated and coordinated approach to disaster risk management, which will ensure that the province achieves its vision for disaster risk management.

Communities within the province, especially the poor, are exposed to various risks/incidents because of hazards, both natural and human-induced. Dealing with these hazards in a manner that minimizes losses or damages requires effective and efficient implementation of well planned programmes and activities. Examples of hazards that are prevalent within the province/our communities include veld and structural fires, drought, snow, floods, tornados, wind and hailstorms. Hence, different pieces of legislation and policies assign specific roles and responsibilities to the different spheres of government for dealing with incidents or disasters prior to, during and post their occurrence.

Post 1994, the Free State Province therefore placed a high emphasis on disaster risk deduction, which includes:

- prevention
- mitigation
- preparedness

In mitigating disasters within the Province, the department facilitated numerous disaster management workshops to councillors in various district municipalities. A reconstruction and rehabilitation committee was also established during the most recent financial year to monitor progress and expenditure patterns of all departments that received allocations for flood disasters. The three most-affected districts, e.g. Thabo Mofutsanyana, Xhariep and Fezile Dabi were also visited regularly towards determining the progress made on reconstruction projects.

The Mangaung Metro, the Fezile Dabi DM and the Lejweleputswa DM were assisted with the establishment of their DM Centres. The Xhariep District Municipality has embarked on a process to benchmark with other provinces in this regard.

A flood contingency plan was developed for the Province as a whole and district and local municipalities were assisted annually on the review and updating of their disaster management plans. District - and Local Councillors were also a workshop conducted on disaster prevention, - mitigation, -response and -recovery. A workshop was also conducted involving all sector departments and other disaster management role-players on disaster risk assessment and the finalization of disaster management plans. A Business Plan for the establishment of a fully functional Provincial Disaster Management Operational Centre is nearing completion.

The province still faces numerous challenges affecting negatively on disaster management, e.g.

- i. Most municipalities do not budget for disaster risk reduction programmes in their Integrated Development Plans (IDPs).
- ii. Departments and/or municipalities do not appoint disaster management focal people in their institutions
- iii. The provincial disaster management centre is not yet fully functional due to budget and/or other capacity constraints; the same applies to district municipalities.
- iv. Local municipalities perceive disaster management as a district competency and therefore do not develop disaster management plans towards addressing specific hazards within their municipal areas.
- v. Municipalities lack the capacity to conduct scientific disaster risk assessment on the prevalent hazards within their municipal areas; most municipalities depend on previous (actual) experiences in identifying risks that may impact on communities

The problem of coordination and alignment of interventions of departments and agencies affecting local government remains a serious challenge that requires creative and radical solutions. A need has been identified to ensure that targeted policies and legislation are reviewed and that the various support, monitoring and other interventions by national and provincial departments, State Owned Enterprises and various other stakeholders are better coordinated. The tasks of tackling the varied problems facing municipalities are cross-cutting and complex. The concept of a single window of coordination is thus a new organizational ethos intended to bring key departments together to facilitate cross departmental collaborative partnerships to impact more decisively and positively on municipal performance. It will also provide for a more focused oversight and support role to municipalities and a greater knowledge bank on municipal environments.

(l) Financial and -other assistance provided to municipalities since 2009

In an effort to stabilize and/or improve municipal service delivery, the department rendered the following financial assistance to municipalities since 2009:

- Xhariep District Municipality: Reimbursement of the salary of the Chief Financial Officer Salary and budget deficit, subsidizing funeral cost of the Municipal Manager
- Mohokare Local Municipality: Settlement Yellow Fleet as well as the payment of salaries to employees, subsidizing the salaries of the MM, CFO, Dir CS and Dir Technical Services. Replacement of water pumps, Payment of AGSA Account.
- Naledi Local Municipality for the payment of MPRA Deeds information, legal costs, MPRA implementation, municipal debt owed to Bloem water, compilation of the 2011/2012 AFS, Unbundling of Infrastructure Assets, payment of the remainder of the department's contribution to the implementation of the MPRA and payment of the AGSA Account
- Ngwathe: Compilation of 2011/2012 AFS And Unbundling of Infrastructure Assets, Payment of AGSA Account
- Nala Local Municipality: Payment of salaries to personnel and Fleet Management, legal cost in relation to the KPMG Forensic Report, Financial Management System and financial contribution for the compilation of the 2010/2011 Annual Financial Statements, Payment of AGSA Account.
- Dihlabeng Local Municipality: Fleet Management, payment of legal cost
- Phumelela Local Municipality: Reimbursement of the salary of the Chief Financial Officer
- Mafube Local Municipality: MPRA Deeds information, MPRA implementation, Implementation of a Financial System.
- Thabo Mofutsanyana: Payment of legal fees.
- Letsemeng Local Municipality: Subsidizing the salary of the CFO
- Kopanong: Compilation of the 2011/2012 AFS and the Unbundling of Infrastructure Assets, payment of AGSA Account
- Mafube: Payment of AGSA Account
- Tokologo: Payment of AGSA Account

Expertise in all municipal areas was introduced and deployed to the all municipalities since 2009, e.g. skilled and competent senior officials were deployed by the Provincial Government to various top positions in the following municipalities:

- Setsoto Local Municipality
- Ngwathe Local Municipality
- Mantsopa Local Municipality
- Nala Local Municipality

The department also contributed towards improving the functionality of municipalities by the appointment of

consultants in respect of the following municipalities:

- Kopanong Local Municipality
- Maluti a Phofung Local Municipality
- Mafube Local Municipality
- Matjhabeng Local Municipality
- Moqhaka Local Municipality
- Mohokare Local Municipality
- Naledi Local Municipality
- Nala Local Municipality
- Ngwathe Local Municipality
- Phumelela Local Municipality
- Setsoto Local Municipality

The department entered into an agreement with the Institute of Municipal Engineering of South Africa (IMESA) for the roll-out of the IMESA Infrastructure Management System (IIMS) at 3 pilot Municipalities that included Kopanong, Masilonyana and Moqhaka Local Municipalities. During the most recent financial year, the initiative was rolled-out to the following Municipalities:

- Dihlabeng
- Moqhaka
- Kopanong
- Letsemeng
- Maluti a Phofung
- Mafube
- Ngwathe
- Setsoto
- Naledi
- Nala
- Mohokare
- Matjhabeng
- Phumelela

(m) Municipal Infrastructure

Following the 1994 elections, and with the inception of independent local governance in the municipal sphere, the Municipal Infrastructure Programme (MIP) was established towards improving the quantity and quality of municipal infrastructure in formalized areas. Since 1991 and up until March 1996, the programme contributed R51,478,603 to this end. During 1996, this programme was replaced by the Extended Municipal Infrastructure Programme (EMIP), of which of R40,925,842 was spent by municipalities during 1996/1997 on infrastructure alone.

In April 1997, the Consolidated Municipal Infrastructure Programme (CMIP) was introduced and a total amount of R488,464,444 was spent during the following 7 years, and more specifically as follows: water (46%), sanitation (26%), roads and storm water (24%), street lights (2%) and other community facilities (2%).

With the inception of MIG in April 2004 until June 2014 a total amount of R7,6 billion was allocated for infrastructure development in previous-disadvantage areas. This led to the Free State Province eradicating all backlogs on house connections for water and sanitation, with the exception of Maluti a Phofung.

For the period 2004-2009, MIG funding was spent as follows: (13%), sanitation (64%), roads and storm water (16%), sport community facilities (4%), street lights (2%) and project management (1%)

As at the end of September 2013, the following number of households were provided access to basic services:

- Water: 604,068 (98% of the 615,909 target). 516 Stands of the planned 4 561 stands were in the QwaQwa rural area. A total number of 12,928 stands (of the total backlog of 23,121) were therefore serviced in Maluti a Phofung (e.g. the QwaQwa rural area).
- Sanitation: 604,420 (99% of the 615,909 target) Households were served. 1600 of the planned 5,350

Households were serviced in QwaQwa rural area, resulting in a total number of 17,354 stands (of the total backlog of 30,000) being serviced in the QwaQwa rural area.

- Refuse Removal: 615,909 (100% access). With the roll-out of the Municipal Turn-Around Strategy in 2010, Municipalities indicated that all formalized stands have access to refuse removal. The frequency of refuse removal is however inconsistent in some towns and needs to be addressed by municipalities

The target in relation to the eradication of the backlog on water and sanitation within the Province will only be achieved during 2016. This is due to limited MIG funding to the Maluti-a-Phofung Local Municipality. All other set backlog targets in other Municipalities have been met.

A lack of technical expertise/continuity within municipalities results in late and/or slow infrastructure project implementation. Insufficient project management skills in municipalities also result in deadlines not being met, as well as an over-expenditure on MIG projects.

Limited funding for infrastructure projects, inclusive of the operation and maintenance thereof, further impact negatively on the provision of based services to the community (by municipalities). This is caused by the inability of municipalities to generate own revenue.

Delays in municipal procurement processes also result in the late implementation of projects and the subsequent escalation of project costs. MIG funds transferred to municipalities are not being ring-fenced, resulting in municipalities utilizing the funds for operations; the completion of projects is therefore compromised. Service providers are also paid late because of insufficient funding within municipalities.

A survey conducted during 2006 indicated that a total number of 106,000 households in the Free State were at the time still using buckets as a form of sanitation in formalized towns within the Province. To date, 78 000 bucket systems have successfully been eradicated. Towards the end of 2013, a special programme was initiated by the national Department of Human Settlements, Water Affairs and the Department of the Premier whereby Bloemwater was appointed as the implementing agent to eradicate the remaining buckets in the province.

During the 2003-2004 financial year, the national government took a decision to implement Free Basic Services. The Free State has supported this initiative by supporting municipalities to provide Free Basic Services as part of the government's effort to alleviate poverty in households that cannot afford to pay for these basic services.

All municipalities in the Free State are providing Free Basic Services. Most municipalities are in the process of aligning their Indigent policies and registers to the National Framework thus ensuring that qualifying households have access to Free Basic Services such as Water, Electricity, Refuse Removal and Sanitation.

Achievements to date on provision of Free Basic Services in the province as at the end of October 2013 are as follows:

Name of municipalities	Number of Households	Number of Indigents Households	Free Basic Water	Free Basic Electricity	Free Basic Sanitation	Free Basic Refuse
Mafube	18 999	3 755	3 755	3 755	3 755	3 755
Metsimaholo	40 140	18 741	18 741	18 741	18 741	18 741
Moqhaka	33 974	5 719	6 216	3,296	6 216	6 216
Ngwathe	37 737	5 253	5 253	5 253	4 980	5 253
Dihlabeng	31 836	3 184	31 836	3 184	3 184	3 184
Maluti A Phofung	80 144	6 934	33 974	41 313	33 934	6 934
Mantsopa	12 927	2 336	2 336	2 336	2 336	2 336
Nketoana	14 782	3 505	3 478	2 963	3 485	3 477

Name of municipalities	Number of Households	Number of Indigents Households	Free Basic Water	Free Basic Electricity	Free Basic Sanitation	Free Basic Refuse
Phumelela	10 588	1 8862	9 609	8 821	1 862	0
Setsoto	28 495	2 605	28 495	28 495	28 495	28 495
Matjhabeng	97 000	27 708	27 708	27 708	27 708	27 708
Masilonyana	14 072	4 161	4 161	4 161	4 161	4 161
Nala	23,424	9,617	9,617	9,617	9,617	9,617
Tswelopele	10 653	3 965	3 965	3 965	3 965	3 965
Tokologo	9 078	1 630	1 190	556	1 250	1 251
Letsemeng	9 972	5 053	2 653	5 053	5 053	5 053
Naledi	8 271	4 550	4 562	4 562	4 562	4 562
Kopanong	13 318	2 067	2 067	2 067	2 067	2 067
Mohokare	8 464	1 431	1 431	1 431	1 431	1 431
Mangaung Metro	385 685	14 373	14 373	14 373	14 373	14 373

(n) Single Window of Coordination

All sectors were consulted in synergizing reporting requirements from municipalities, thereby reducing the reporting burden on municipalities. The (national) Department of Cooperative Governance (DCOG) has indicated that a workshop date will be determined to finalize the reporting requirements during the 2012/2013 financial year. The final decision of DCOG will, once received, be implemented in the FS Province. Treasury has also introduced a new template to municipalities for performance reporting, which places an additional reporting burden on municipalities.

(o) Traditional Affairs

Recognised traditional leadership in the Free State province is situated within the Maluti a Phofung Local Municipality in addition, consists of Bakwena kingdom, which comprise of seven traditional communities, Batlokoa ba Mokotleng kingdom, which comprise of three traditional communities and Kholokoe traditional community. Batlokoa ba Mokgalong traditional community reside in Phumelela Local Municipality and Barolong boo-Seleka traditional community resides in the Mangaung Metropolitan Municipality.

Prior to 1994, traditional leadership in the province was administered by the QwaQwa Administration of Authorities Act, Act No. 6 of 1983, Bophuthatswana Traditional Authorities Act, Act No. 23 of 1978, and the Black Administration Act, Act No. 38 of 1927. The provincial government enacted the Free State Traditional Leadership and Governance Act, Act No. 8 of 2005, which repealed a part of the Black Administration Act and the whole of other mentioned pieces of legislation. The provincial government also enacted the Free State House of Traditional Leaders Act, Act No. 6 of 1994, which establishes the Free State House of Traditional Leaders. The development of the new legislation led to the establishment of transformed structures such as the Free State House of Traditional Leaders and traditional councils.

Before the reconstitution process in 2007, there were 104 recognized traditional leadership positions. After the reconstitution process, the total number of traditional leaders is 135, e.g.

- 2 Kings/Queens
- 13 Senior Traditional Leaders
- 120 Headmen

The Kings' Council and Local Houses in Thabo Mofutsanyana have not yet been established due to the Bill on the Provincial and Local Houses not being adopted within the FS Province yet; processes are currently underway to re-submit the Bill to the Legislature for consideration. Due to the Queens and Rural Women Forum having to be re-constituted (as members need to be from the same communities to address poverty alleviations within their specific communities), the Queens and Rural Women Forum has not yet been established and registered.

All staff members of Traditional Councils were absorbed into suitable posts on the structure of the department to improve the efficiency of Councils. Support staff was also appointed for the Kings, the Chairperson and the Deputy Chairperson of the House. EXCO Members were also appointed on a full-time basis. Tools of trade were provided to the Kings, Senior Traditional Leaders and Members of the House, e.g. vehicles and cell phones. New members were inaugurated and sworn in, functional committees of the House were established and the opening of the House took place successfully. Members of the House visited Robben Island as per Premier's injunction during the official opening of the House.

The preliminary stages relating to the building of palaces for Marena a Maholo Mota and Mopeli are in an advance stage and architectures and quantity surveyors have already visited the sites.

During the most recent financial year, four meetings were held with the Thabo Mofutsanyana District Municipality, the Phumelela Local Municipality, the Maluti-a-Phofung District Municipality and the Mangaung Metro towards discussing the service delivery needs of rural communities in these areas.

The reconstitution of traditional council's process, which commenced in June 2012 with several meetings held between the department, the Maluti-a-Phofung Local Municipality and the Mangaung Metropolitan Municipality, was concluded in September 2013 (as a premise to create a harmonious atmosphere in which the elections of traditional councils would take place). Only two vacant positions of senior traditional leaders who passed on and the five villages of which by-elections are scheduled later this year still needs to be addressed appropriately. Senior traditional leaders have since submitted the names of their selected members, to occupy 60% membership of traditional councils. Preparations for elections are fairly at an advanced stage, whereby voting stations have been identified and inspected, electoral teams have been established, and the voter education manual has been developed. Elections of traditional councils are planned to take place in the current financial year.

Traditional affairs within the Free State Province face the following challenges:

- i. Insufficient staff and/or budget that affects the efficacy of the House.
- ii. The manner in which Initiation Schools are managed within the province remains one of the biggest challenges in that the Free State Initiation Schools Health Act provides a very limited role for traditional leaders, even though they are the custodian of traditional culture. The House is often not consulted until such time when specific challenges are experienced within initiation schools. The House is in negotiation with the Department of Health (who is the custodian of the Initiation Schools Health Act) towards amending or repealing relevant legislation towards allocating more powers to traditional leaders and to include offences for any wrong-doing.
- iii. Insufficient budget to implement tools of trades for Traditional Leadership.
- iv. Poor or lack of infrastructure at the majority of TCs
- v. Lack of proper security
- vi. Limited elementary skills amongst some officials and traditional leaders
- vii. Lack of ICT infrastructure
- viii. Language barriers and preference of traditional leaders
- ix. Future role of traditional leaderships in the democratic state.
- x. Unclear roles and responsibilities between traditional leaders and councillors and ward committees.
- xi. Development of ways of working with the Traditional Health Practitioners, the Department of Health and Tourism and Environmental Affairs.

3.2 Organizational Environment

In alignment with changes made at the national level after the 2009 elections, the (previously-combined) Department of Local Government and Housing was divided into two separate departments during 2009, e.g. the Department of Cooperative Governance and Traditional Affairs (COGTA), and the Department of Human Settlements (HS), both falling under a single Ministry. This implied the creation of adequate capacity in both departments in relation to Programme 1 Services (e.g. Corporate Services, Office of the CFO, Internal Audit and Risk Management, Security Management and Anti-Corruption and District Services).

Due to financial – and human resources constraints and as a transitional arrangement (pending the availability of sufficient funding), both departments made use of a ‘shared’ Programme 1 Services during the period 1 September 2009 until 31 March 2013. As from the 1st of April 2013 and emanating from a decision of the Free State Executive Council, Programme 1 Services personnel and related budget were ‘split’ between this department and the Department of Human Settlements. This worsened the capacity of Programme 1 to render effectively and efficiently, high-quality services to the department, especially considering the limited capacity experienced within Programme 1 Services prior to the implementation of the ‘shared services’ arrangement.

The revised organizational structure of the department, which was approved by the Executive Authority during July 2012, provides for 437 posts, of which 308 (70%) posts are filled and 129 (30%) posts are vacant. 52 (40%) of the indicated vacant posts have been advertised and are in different stages of filling towards improving the capacity of the department to delivery its services as per the mandate of the department.

A project dealing with the development of a functional generic structure for provincial departments responsible for cooperative governance and traditional affairs, involving representatives from all such provincial departments, has been initiated by the Department of Public Service and Administration during the current (2013/2014) financial year. Once this project has been completed, the department will embark on a process to determine the extent to which the revised structure of the department is aligned with the functional generic structure, taking into account the needs and service delivery environment applicable to the department (as per the Departments’ Service Delivery Model).

4. Description of the strategic planning process

The department held a strategic planning workshop during November 2013 towards developing the 2014-2019 Strategic Plan and 2014-2017 Annual Performance Plan, involving managers from level 9 upwards in the department. The objectives of the workshop were as follows:

- (i) To have a proper understanding of the priorities set out in the 2013 National Development Plan (NDP), the 2014-2019 Medium Term Strategic Framework (MTSF) and the Free State Growth and Development Strategy (FSGDS)
- (ii) To review the financial- and non-financial performance of the department during the 2013/2014 financial year towards informing the service delivery targets of the department over the next 5 year
- (iii) To consider and have a proper understanding of the service delivery challenges facing the department;
- (iv) To develop the 2014-2019 Strategic Plan and 2014-2017 Annual Performance Plan of the department (in alignment with the 2014-2019 MTSF and the FSGDS, and
- (v) To agree on mechanisms towards ensuring the successful implementation of the 2014/2017 Annual Performance Plan as well as the (provincial) Programme of Action.

At the above workshop, the priorities set out in the 2014-2019 MTSF as well as the Free State Growth and Development Strategy, as it relates to the mandate of the department, were also considered. This was meant to ensure that the 5-year plans and service delivery targets of the department are fully aligned with national goals and priorities as per the 2014-2019 Strategic Plan and 2014-2017 Annual Performance Plan.

5. Strategic Goals of the Department

Programme 1	Administration
Strategic Goal 1	Title: Creation of a department geared towards service excellence
Goal statement	To provide leadership and support to the department in accordance with all applicable Acts and policies
Justification	This programmes aims to provide strategic direction, leadership and support to the department
Links with MTSF and FSGDS	<p>The realization of this goal will impact directly on the extent to which the department achieves some of the priorities set out in the following chapters of the MTSF: Outcome 12: An efficient, effective and development oriented public service (Chapter 13 of the NDP), and more specifically by ensuring that the department complies with all requirements as set out in the PSA, PSR, PFMA and other legislation relating to good governance in the Public Service. Outcome 14 : Nation building and social cohesion (Chapter 15 of the NDP), and more specifically in relation to reducing inequality of opportunity and redress through the implementation of special projects in respect of gender equality, women empowerment, disability, etc.)</p> <p>This goal will also impact on the extent to which the Free State Province achieve various priorities as set out in the Free State Growth and Development Strategy, and more specifically in relation to Pillar 6: Good Governance (Driver 15: Foster good governance to create a conducive climate for growth and development)</p>
Programme 2	Local Governance
Strategic Goal 2	Title: Accountable and sustainable local governance
Goal statement	To facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders
Justification	This programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities in terms of the Constitution of 1996.
Links with MTSF and FSGDS	<p>The realization of this goal will contribute significantly to the realization of various priorities as set out in Outcome 9: Responsive, accountable, effective and efficient local government system of the MTSF (Chapter 13 of the NDP), and more specifically in relation to municipal administration, municipal finance, public participation, capacity development and municipal performance monitoring, reporting and evaluation.</p> <p>This goal will also contribute to the realization of some of the priorities as set out in Outcome 14 (Transforming Society and Uniting the Country), and more specifically in relation to the promotion of social cohesion towards reducing the gaps between rich and poor, black and white, women and men, city and country by reducing inequality of opportunity, redress, enabling the sharing of common space, awakening the populace to speak when things go wrong and to be active in their own development.</p> <p>With regard to the Free State Growth and Development Strategy, this goal will also contribute to the achievement of some of the priorities set out in Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>
Programme 3	Development and Planning
Strategic Goal 3	Title: Integrated development and planning
Goal statement	To promote and facilitate integrated development and planning on local government level

Justification	This programme aims to facilitate and render support towards integrated planning and development on local government level
Links with MTSF and FSGDS	<p>The work done by this Programme will contribute towards realizing a number of national and provincial goals as set out in the following outcomes of the 2014-2019 Draft MTSF:</p> <p>Outcome 9 (A responsive, accountable, effective and efficient local government system) , and more specifically on matters related to integrated planning and development across all sphere of government, the roll-out of infrastructure programmes in local government and the mitigation of risks towards ensuring effective service delivery</p> <p>Outcome 4 (Decent employment through inclusive growth), and more specifically through the (joint) implementation of the Community Works Programmes towards creating jobs and reducing unemployment.</p> <p>Outcome 6 (An efficient, competitive and responsive economic infrastructure network), and more specifically where it relates to bulk infrastructure services .</p> <p>Outcome 8 (), and more specifically on matters related to spatial structuring for inner city renewal and regeneration, development of secondary cities and ensuring well-located informal settlements.</p> <p>Outcome 10 (Protect and enhance our environmental assets and natural resources), and more specifically contributing to an effective climate change mitigation and adaptation response (e.g. through disaster management-related plans and activities). The desired outcomes include a reduction in impacts of climate change, risk mitigation through appropriate disaster responses and the deployment of innovative technologies that combat the effects of climate change.</p>

Programme 4	Traditional Institutional Management
Strategic Goal 4	Title: Viable and sustainable Traditional Institutions
Goal statement	To promote and facilitate viable and sustainable Traditional Institutions
Justification	This programme aims to provide assistance and support to the Institution of Traditional Leadership in the FS Province in order to realize its constitutional mandate, which is to be custodian of communities that observe customary law
Links with MTSF and FSGDS	The realization of this goal will contribute towards achieving one of the key objectives of Government, e.g. placing the institution of traditional affairs at the centre of rural development, service delivery in rural areas and the establishment and maintenance of related partnerships; as such, this Programme contributes towards realizing some of the priorities set out in Outcome 7 (Comprehensive Rural Development) insofar as this programme aims to provide assistance and support to the Institution of Traditional Affairs in the FS Province in order to realize its constitutional mandate.

Programme 5	House of Traditional Leaders
Strategic Goal 5	Title: Functioning of the FS House of Traditional Leaders
Goal statement	To promote and enhance the effective and efficient functioning of the FS House of Traditional Leaders
Justification	This programme serves to support and enhance the functioning of the FS House of Traditional Leaders as well as Local Houses
Links with MTSF and FSGDS	The realization of this goal will contribute towards realizing the vision of the new (national) Department of Traditional Affairs e.g. "To build a coherent and cohesive institution of Traditional Leadership that plays a central role in rural development". This will also enhance the realization of cooperative governance within areas of traditional leadership authority. This programme serves to support and enhance the functioning of the FS House of Traditional Leaders as well as Local Houses The work done by this Programme also contributes to the achievement of some of the priorities of Outcome 14 (Transforming Society and uniting the Country), and more specifically in relation to facilitating the building and maintenance of heritage infrastructure in rural areas

PART B

STRATEGIC OBJECTIVES

PROGRAMME 1: ADMINISTRATION

Purpose of the Programme

This programme aims to provide strategic direction, leadership and support to the Office of the MEC and the department

Brief description of the Programme

This programme consists of the following sub-programmes:

1. Corporate Services
2. District Services

This Programme renders the following services:

1. Corporate Services, which includes the following:
 - a. Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations
 - b. Human Resources Planning and Information
 - c. Employee Health and Wellness
 - d. Special Programmes related to gender equality, people with disabilities, the youth and women empowerment.
 - e. Human Resources Skills Development
 - f. Employee Performance Management
 - g. Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions
 - h. Service Delivery Planning and Improvement
 - i. Strategic Planning, Monitoring and Evaluation
 - j. Risk Management
 - k. Corporate Communication
 - l. Information Technology
 - m. Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc.
2. Support to the HoD (Office of the HoD)
3. Support to the MEC (Office of the MEC)
4. Internal Audit
5. Security Management and Anti-Corruption
6. Office of the CFO, which includes the following responsibilities:
 - a. Budget Management
 - b. Financial Management
 - c. Supply Chain Management, including asset management

Strategic objectives

Sub-Programme	Corporate Services
Strategic Objective	Title: Improved capability of the department to meet its obligations
Objective statement	To strengthen the ability of and support the department to render high-quality services
Baseline	<p>The following services are currently rendered to the department:</p> <p>Corporate Services, which includes the following:</p> <ul style="list-style-type: none"> Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations Human Resources Planning and Information Employee Health and Wellness Special Programmes related to gender equality, people with disabilities, the youth and women empowerment. Human Resources Skills Development Employee Performance Management Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions Service Delivery Planning and Improvement Strategic Planning, Monitoring and Evaluation Risk Management Corporate Communication Information Technology Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc. Support to the HoD (Office of the HoD) Support to the MEC (Office of the MEC) Internal Audit Security Management and Anti-Corruption Office of the CFO, which includes the following: <ul style="list-style-type: none"> Budget Management Financial Management Supply Chain Management, including asset management
Justification	This Sub-Programme provides operational support and leadership in terms of strategic management, financial management, logistics, transport, procurement, human resources management, legal services, information systems, communication and other auxiliary services to the Department in support of enabling the department to render high-quality services to its clients.
Links with national and provincial priorities	<p>This objective contributes directly to the achievement of some of the priorities set out in the following outcomes / chapters of the MTSF:</p> <p>Outcome 12: An efficient, effective and development oriented public service (Chapter 13 of the NDP), and more specifically by ensuring that the department complies with all requirements as set out in the PSA, PSR, PFMA and other legislation relating to good governance in the Public Service.</p> <p>Outcome 14 : Nation building and social cohesion (Chapter 15 of the NDP), and more specifically in relation to reducing inequality of opportunity and redress through the implementation of special projects in respect of gender equality, women empowerment, disability, etc.)</p> <p>This objective will also impact on the extent to which the Free State Province achieve various priorities as set out in the Free State Growth and Development Strategy, and more specifically in relation to Pillar 6: Good Governance (Driver 15: Foster good governance to create a conducive climate for growth and development)</p>

Resource considerations

i. Trends in the numbers of key staff

- (a) This programme consists of 82 officials (as on 31st of January 2014), representing approximately 26% of the workforce in the department:
- (b) With the above limited human resource capacity, this Programme experiences numerous challenges towards providing an effective and adequate specialized support service to the department, worsened by the recent 'split' of the Programme 1 Shared Services that served both the Department of Cooperative Governance and Traditional Affairs and the Department of Human Settlements. In ensuring that this programme is able to render a first class specialized support service to the department, and more specifically to line-function units, it is imperative that the human capacity of this programme be strengthened adequately, especially in the following areas:
- Performance Monitoring and Evaluation
 - Employee Performance Management
 - Organizational Development
 - Corporate Communication
 - Records Management
 - Human Resources Development
 - HR Policy Development
 - Employee Health and Wellness
 - Special Programmes in relation to gender equity and -empowerment, youth empowerment and the disabled
 - Supply Chain Management, inclusive of Asset Management

*Expenditure trends***Summary of payments and estimates per sub sub-programme: Programme 1: Administration**

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
R thousand									
Office of the MEC	7,246	7,212	9,839	11,799	10,237	9,342	10,122	10,639	11,266
Office of the MEC	7,246	7,212	9,839	11,799	10,237	9,342	10,122	10,639	11,266
Corporate Services	102,666	122,867	104,059	120,860	87,272	83,955	100,001	105,874	111,163
Support Services	54,876	62,946	62,065	75,224	52,875	47,316	60,518	63,922	67,672
Budget and Financial Management	24,028	35,047	41,994	45,636	34,397	36,639	39,483	41,952	43,491
District Services	23,762	24,874		-	-	-			
Special Functions: Losses	-	-	-	-	-	-	-	-	-
Theft and Losses									
Total payments and estimates	109,912	130,079	113,898	132,659	97,509	93,297	110,123	116,513	122,429

Summary of provincial payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	108,218	126,642	109,114	131,284	94,041	89,895	108,099	115,052	120,890
Compensation of employees	62,234	70,775	56,503	73,337	41,149	39,089	56,838	60,507	64,412
Goods and services	45,795	55,669	52,583	57,947	52,862	50,776	51,261	54,545	56,478
Interest and rent on land	189	198	28	0	30	30			
Financial transactions in assets and liabilities									
Transfers and subsidies to:	192	393	186	169	1,051	1,051	182	183	193
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	192	393	186	169	1,051	1,051	182	183	193
Payments for capital assets	1,317	2,429	2,878	1,206	2,417	2,351	1,842	1,278	1,346
Buildings and other fixed structures									
Machinery and equipment	1,317	2,429	2,878	1,206	2,417	2,351	1,842	1,278	1,346
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for financial assets	185	615	1,720	0	0	0			
Total economic classification	109,912	130,079	113,898	132,659	97,509	93,297	110,123	116,513	122,429

Risk management

The following five (5) key risks will affect negatively on the realization of the strategic goal and –objectives of this Programme if specific actions are not taken towards mitigating such risks:

RISK	INTENDED ACTIONS TO MITIGATE RISK
A shortage of (a) properly skilled and competent staff and (b) insufficient / adequate personnel in the majority of units within the Programme	<p>Critical vacancies have been identified as per the proposed new organizational structure and post establishment of the department and will be advertised for filling once the restructuring process has been completed and approved. Steps will also be taken to speed-up the restructuring process for purposes of implementation early in the new financial year.</p> <p>A comprehensive skills audit will be conducted towards identifying skills development needs, which will in turn be addressed through the department's Skills Development Plan.</p> <p>The utilization of existing employees will be scrutinized and steps will be taken to utilize officials in a multi-skill approach, thereby ensuring that the utilization of existing employees are maximized in line with the needs of and challenges facing the programme.</p> <p>The human resource capacity and needs of the department will be monitored and assessed annually, and the HR Plan will be aligned with the needs of the department.</p>
Insufficient funding (budget)	Steps will be put in place to ensure that budgeted funds are aligned with the strategic objectives and performance targets of the programme. This will be done by ensuring that already-limited funds are re-directed in accordance with the strategic objectives and priorities of the programme as set out in the Annual Performance Plan.
<p>Inadequate performance management and - monitoring culture</p> <p>Non-compliance with legislation, prescripts and departmental policies in relation to corporate, financial and – supply chain services</p>	<p>A strategic planning, monitoring and evaluation policy has been approved for the department, linked to the (employee) Performance Management System. This policy will be reviewed towards ensuring that roles and responsibilities are properly defined towards ensuring buy-in and commitment from all managers in the department.</p> <p>Quarterly non-financial and – financial reports will be made available to Performance Quality Assurance Committees as well as departmental Performance Moderating Committees, thereby influencing the awarding of pay progression and/or performance rewards to qualifying officials.</p> <p>Standardized generic performance measures and indicators dealing with amongst others compliance with legislation, prescripts and departmental policies in relation to corporate, financial and supply chain services will be developed for inclusion in all Performance Agreements / Performance and Development Plans. This should also contribute towards creating and instilling a performance culture in the department and enhancing compliance with legislation and the operational requirements of the department.</p>
Corruption / bribery of officials	Internal controls will be put in place to ensure that opportunities for corruption and/or bribery are eliminated as far as possible. Strict actions will be taken against officials who were found guilty of corruption and/or who accepted bribery, thereby instilling a culture of discipline and integrity within the Programme.
Centralized decision-making powers, resulting in long turn-around time	Increased delegation of authority in terms of the PSA, PSR and MFMA to senior managers, at the same time implementing proper control measures towards ensuring compliance.

PROGRAMME 2: LOCAL GOVERNANCE

Purpose of the Programme

This programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities in terms of the Constitution of 1996

Brief description of the Programme

This programme consists of the following Sub-Programmes:

1. Municipal Administration
2. Municipal Finance
3. Public Participation
4. Capacity Development
5. Municipal Performance Monitoring, Reporting and Evaluation

The services rendered by the department in terms of this programme include:

1. Ensuring compliance by and the effective functioning of municipalities within the approved regulatory framework
2. Monitoring and supporting municipalities towards ensuring financial viability
3. Promoting good governance service delivery and enhance community participation and strengthening IGR
4. Providing support and assistance towards accelerating municipal transformation and organizational development
5. Monitoring, evaluating and reporting on municipal performance

The department exercises its mandate in respect of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in partnership with the Free State Provincial Treasury. The Act entrusts Provincial Treasury and this department with specific roles and responsibilities that are discharged independently, but in consultation with one another. The Act also provides that the Provincial Treasury and the department exercise certain responsibilities jointly. A Memorandum of Understanding to this effect had been entered into between the parties. The Provincial Treasury and the department jointly convene the MFMA Chief Financial Officer forum on a quarterly basis, where areas of mutual interest are discussed and best practices shared.

Strategic objectives

Sub-Programme	Municipal Administration
Strategic Objective	Title: Administratively - and institutionally viable and sustainable municipalities
Objective statement	To strengthen the administrative and institutional capabilities of municipalities
Justification	This sub-programme includes the formulation of policy and legislation, the rendering of support on the implementation thereof, the management of legal matters relating to local government and the rendering of support to municipalities insofar as their administrative and institutional capacity is concerned, thereby ensuring that appropriate skills are in place in all municipalities
Links with national and provincial priorities	This objective links directly with the following national and/or provincial priorities: 2014/2019 Medium Term Expenditure Framework: Outcome 9: Responsive, accountable, effective and efficient local government system of the MTSF (Chapter 13 of the NDP), and more specifically in relation to municipal administration. Free State Growth and Development Strategy: Pillar 6: Good Governance, and specifically Driver 15: Foster good governance to create a conducive climate for growth and development

Sub-Programme	Municipal Finance
Strategic Objective	Title: Financially viable and sustainable municipalities
Objective statement	To strengthen the financial capabilities of municipalities
Justification	This Sub-Programme aims to ensure that a regulatory environment exist for the professionalization of local government administrations and that certain basic public sector governance standards are met by municipalities
Links with the MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014/2019 Medium Term Expenditure Framework: Outcome 9: Responsive, accountable, effective and efficient local government system, and more specifically in relation to municipal finances.</p> <p>Free State Growth and Development Strategy: Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Sub-Programme	Public Participation
Strategic Objective	Short Title: Cooperative governance and service delivery through effective community participation
Objective statement	To promote cooperative governance and service delivery through effective community participation
Justification	This Sub-Programme facilitates the promotion of cooperative governance and the enhancing of community participation through ensuring the effective and efficient functioning of ward committees and District IGR structures.
Links with MTSF and FSGDS	<p>This objective links directly with the following national priorities</p> <p>2014/2019 Medium Term Strategic Framework: Outcome 9: Responsive, accountable, effective and efficient local government system of the MTSF (Chapter 13 of the NDP), and more specifically towards improving public trust in the credibility of local government and improving intergovernmental relations between and amongst the three spheres of government. Outcome 14: Nation building and social cohesion (Chapter 15 of the NDP), and more specifically in relation to the promotion of social cohesion towards reducing the gaps between rich and poor, black and white, women and men, city and country by amongst others awakening the populace to speak when things go wrong and to be active in their own development</p>

Sub-Programme	Capacity Development
Strategic Objective	Title: Coordinated municipal capacity building initiatives
Objective statement	To improve municipal service delivery by coordinating all municipal capacity building initiatives
Justification	This Sub-Programme involves the rendering of support to and building the capacity of municipalities towards ensuring that municipalities are capable of rendering 1 st class services to all citizens of the FS Province
	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014/2019 Medium Term Expenditure Framework Outcome 9: Responsive, accountable, effective and efficient local government system of the MTSF (Chapter 13 of the NDP), and more specifically in relation to municipal capacity development.</p> <p>Free State Growth and Development Strategy Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Sub-Programme	Municipal Performance Monitoring, Reporting and Evaluation
Strategic Objective	Short Title: Effective municipal performance monitoring and - reporting
Objective statement	To ensure effective municipal performance monitoring and -reporting
Justification	This Sub-Programme serves to monitor and evaluate the performance of municipalities in terms of the national municipal performance framework and to report thereon, including proposing improvement measures
Links with MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014/2019 Medium Term Expenditure Framework Outcome 9: Responsive, accountable, effective and efficient local government system of the MTSF (Chapter 13 of the NDP), and more specifically in relation to municipal performance monitoring, reporting and evaluation.</p> <p>Free State Growth and Development Strategy: Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Resource considerations

Trends in the numbers of key staff

Over the last 3 years, the human resource capacity within this programme remained rather stable, whilst the challenges facing this programme increased significantly. In order to enable this programme to deliver effective support and assistance to municipalities within the Free State Province over the next 4 years, it is imperative to strengthen the human resource capacity of the programme accordingly, especially in the following areas of service delivery:

- Municipal Administration
- Municipal Performance Monitoring and Evaluation / Capacity Building
- Municipal Finances
- Intergovernmental Relations

Expenditure trends

Summary of payments and estimates by economic classification: Programme 2: Local Governance

R thousand	Outcome			Main appropriati on	Adjusted appropriati on	Estimated Actual	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14	2013/14		2014/15	2015/16	2016/17
Municipal Administration	14,819	14,622	18,121	19,768	19,843	19,643	19,424	20,578	21,860
Municipal Finance	124,351	64,998	59,470	66,824	77,156	79,736	71,286	77,037	74,675
Public Participation	46,445	82,250	20,100	15,683	11,906	14,906	18,040	18,806	19,882
Capacity Development	-	-	4,090	6,725	5,725	5,725	6,034	6,385	6,780
Total payments and estimates	185,615	161,870	101,781	109,000	114,630	120,010	114,784	122,806	123,197

Summary of provincial payments and estimates by economic classification: Programme 2: Local Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	107,683	124,279	76,456	66,519	68,148	78,584	79,144	82,591	87,506
Compensation of employees	53,739	67,082	24,898	31,044	28,544	31,924	45,793	48,726	51,847
Goods and services	53,930	57,181	51,558	35,475	39,604	46,660	33,351	33,865	35,659
Interest	14	16	-	-	-	-	-	-	-
Transfers and subsidies to:	77,588	37,082	24,894	41,872	45,783	40,751	35,008	39,800	35,253
Provinces and municipalities	76,377	34,127	24,860	40,557	45,619	40,557	33,642	38,384	33,762
Departmental agencies and accounts	-	2,870	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	1,200	-	-	1,200	1,200	1,264
Households	1,211	85	34	115	164	194	166	216	227
Payments for capital assets	344	476	431	609	699	675	632	415	438
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	344	476	431	609	699	675	632	415	438
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	33	-	-	-	-	-	-	-
Total economic classification: F	185,615	161,870	101,781	109,000	114,630	120,010	114,784	122,806	123,197

Risk management

The following four (4) key risks have been identified that might influence negatively on the realization of the strategic goal and –objectives of this programme if specific actions are not taken towards mitigating such risks:

RISK	INTENDED ACTIONS TO MITIGATE RISK
Non-functionality of Specialised Support and Intervention unit	Ways of working to be streamlined within the programme towards enabling and empowering the Specialized Support and Intervention unit to coordinate projects aimed to improve municipal capacity / service delivery
Lack of integrated functioning within the programme (silo functioning)	Monthly Programme Management meetings to be held towards improving integrated planning of activities between units within the programme
Approved structure of the programme does not reflect posts dealing with issues related to HR matters within municipalities; the department is therefore not able to provide support and/or assistance to municipalities on matters related to human resources (e.g. skills development, filling of posts, etc.)	Structure to be refined towards creating the required capacity within the department to assist municipalities on matters related to HR
Unclear mandate of the department in relation to the Mangaung Metro	Mandate of the department in relation to the Mangaung Metro to be clarified

PROGRAMME 3: DEVELOPMENT AND PLANNING

Purpose of the Programme

This programme aims to facilitate and render support towards integrated planning and development on local government level

Brief description of the Programme

This Programme consists of the following Sub-Programmes:

1. Spatial Planning
2. Land Use Management
3. Integrated Development Planning
4. Local Economic Development
5. Municipal Infrastructure
6. Disaster Management

This programme provides the following services within the department

1. Promoting integrated and sustainable planning and development at local government sphere and the successful review and implementation of integrated SDFs
2. Supporting municipalities on matters related to sustainable spatial planning in terms of Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)
3. Ensuring the effective land use management in the Free State Province
4. Assisting and/or supporting municipalities on the promotion of local economic development
5. Promoting, monitoring and supporting the successful implementation of the Municipal Infrastructure Programme within all municipalities
6. Assisting, supporting and monitoring municipalities towards providing free basic services to indigent people within the Free State Province
7. Managing, coordinating and supporting disaster prevention, -mitigation, -response and -recovery
8. Supporting municipalities with the development and implementation of credible municipal Integrated Development Plans (IDPs) towards integrated service delivery
9. Preventing, mitigating the impact of disasters and developing programmes aimed at disaster response and recovery. (add)

Other stakeholders involved in the above services include:

1. Sector Departments such as Health, Water Affairs, Mineral and Energy Affairs and Agriculture, National Human Settlements
2. Service Providers such as Water Boards and others
3. Parastatals such as ESKOM, TELKOM
4. SALGA
5. Non Governmental Organisations of similar interests.

The ability of the department to successfully recruit and retain skilled and competent town and regional planners is one of the areas that need to be addressed during the coming years, as this is one of the areas of concern within the department.

Strategic objectives

Sub-Programme	Spatial Planning and Land Use Management
Strategic Objective	Title: Credible Spatial Development Frameworks
Objective statement	To promote the development of credible municipal spatial development frameworks in line with the Provincial Spatial Development Framework
Justification	This Sub-Programme focuses on building the capacity of municipalities and the rendering of support on matters related to land use management, town planning schemes and spatial development frameworks, and the making of well-informed recommendations to the Executive Authority through the Land Use Management Board
Links with the MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014-2019 Medium Term Strategic Framework Outcome 9 (A responsive, accountable, effective and efficient local government system) , and more specifically on matters related to integrated planning and development across all sphere of government Outcome 8, and more specifically on matters related to spatial structuring for inner city renewal and regeneration, development of secondary cities and ensuring well-located informal settlements.</p> <p>Free State Growth and Development Strategy Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Sub-Programme	Local Economic Development (LED)
Strategic Objective	Title: Improved local economy
Objective statement	To enhance an improved local economy within the Free State Province
Justification	This Sub-Programme serves to provide advice and support to municipalities through capacity building on the development of the local economy
Links with the MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014-2019 Medium Term Strategic Framework Outcome 4 (Decent employment through inclusive growth), and more specifically through the (joint) implementation of the Community Work Programme towards creating jobs and reducing unemployment</p> <p>Free State Growth and Development Strategy Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Sub-Programme	Municipal Infrastructure
Strategic Objective	Title: Successfully-implemented municipal infrastructure programme
Objective statement	To improve the quantity and quality of municipal basic services in formalized areas
Justification	This Sub-Programme serves to facilitate the successful implementation of municipal infrastructure within municipalities, to monitor, support and evaluate municipalities' performance thereon, to report on such matters towards providing a basic level of service to all and to ensure the provision of free basic services to the indigent community. To intervene if and where identified

<p>Links with the MTSF and FSGDS</p>	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014-2019 Medium Term Strategic Framework Outcome 9 (A responsive, accountable, effective and efficient local government system), specifically on matters related to the roll-out of infrastructure programmes in local government and the mitigation of risks towards ensuring effective service delivery Outcome 6 (An efficient, competitive and responsive economic infrastructure network), and more specifically where it relates to bulk infrastructure services.</p> <p>Free State Growth and Development Strategy Pillar 3: Improved quality of life, and more specifically Driver 8: Expand and maintain basic and roads infrastructure</p>
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<p>Sub-Programme</p>	<p>Disaster Management</p>
<p>Strategic Objective</p>	<p>Title: Integrated risk planning and management of disasters</p>
<p>Objective statement</p>	<p>To promote an integrated and coordinated approach to disaster risk management in the FS Province and contribute towards meeting agreed basic service delivery target values</p>
<p>Justification</p>	<p>This Sub-Programme intends to ensure that potential disasters are prevented and mitigated through effective planning and co-ordination. It also provides for effective and efficient disaster - and response recovery in the Province</p>
<p>Links with the MTSF and FSGDS</p>	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014-2019 Medium Term Strategic Framework Outcome 10 (Protect and enhance our environmental assets and natural resources), and more specifically contributing to an effective climate change mitigation and adaptation response (e.g. through disaster management-related plans and activities). The desired outcomes include a reduction in impacts of climate change, risk mitigation through appropriate disaster responses and the deployment of innovative technologies that combat the effects of climate change.</p> <p>Free State Growth and Development Strategy Pillar 6: Good Governance, and more specifically Driver 12: Integrate environmental concerns into growth and development planning</p>

<p>Sub-Programme</p>	<p>Municipal Integrated Development Planning</p>
<p>Strategic Objective</p>	<p>Title: Improved Municipal Integrated Development Planning</p>
<p>Objective statement</p>	<p>To ensure legally-compliant municipal integrated development planning</p>
<p>Justification</p>	<p>This Sub-Programme serves to monitor, report, support and assist municipalities, through effective collaboration processes, on the development and successful implementation of credible IDPs, which must promote full community participation to make them credible</p>
<p>Links with the MTSF and FSGDS</p>	<p>This objective links directly with the following national and/or provincial priorities:</p> <p>2014-2019 Medium Term Strategic Framework Outcome 9 (A responsive, accountable, effective and efficient local government system), specifically on matters related to integrated planning and development across all sphere of government</p> <p>Free State Growth and Development Strategy: Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Resource considerations*Trends in the numbers of key staff*

This programme consists of 64 officials, representing a decline since the 1st of April 2007. This includes Town and Regional Planners, who are also considered a scarce skill. The lack of capacity within this programme could seriously compromise the department's capacity towards realizing and/or achieving the goals and objectives of this programme. The ability of the department to successfully recruit and retain skilled and competent town and regional planners within the department is one of the areas that need to be addressed during the coming years, as this is one of the areas of concern within the department. With a view to this, critical vacancies will be identified and filled over the next few years towards improving this programme's human resource capacity to deliver in accordance with its planned performance. Specific areas of service delivery that needs to be addressed are:

- a. Town and Regional Planning
- b. Disaster Management
- c. Local Economic Development
- d. Integrated Development and Planning

Expenditure trends

Summary of payments and estimates: Programme 3: Development and Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Spatial Planning	15,381	15,745	15,173	22,573	19,051	19,051	21,416	22,584	23,962
Development Admin/ Land Use Management									
Integrated Development and Planning (IDP)									
Local Economic Development (LED)/ Dev and Planning	3,150	3,401	4,095	5,424	4,924	5,424	5,768	6,074	6,438
Municipal Infrastructure	42,813	32,521	27,408	33,696	30,016	32,950	38,567	40,176	42,398
Disaster Management	3,695	3,726	6,168	13,458	8,958	9,458	7,141	7,555	8,286
Total payments and estimates	65,039	55,393	52,844	75,151	62,949	66,883	72,892	76,389	81,084

Summary of provincial payments and estimates by economic classification: Programme 3: Development and Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	53,088	40,264	31,950	53,469	48,204	51,871	45,163	47,976	51,165
Compensation of employees	22,198	23,036	24,952	34,094	28,079	29,079	32,366	34,438	36,645
Goods and services	30,862	17,228	6,998	19,375	20,125	22,792	12,797	13,538	14,520
Interest and rent on land	28	-	-	-	-	-	-	-	-
Transfers and subsidies to:	11,494	14,849	20,576	21,005	14,234	14,501	27,026	27,686	29,153
Provinces and municipalities	11,478	14,830	20,326	20,867	14,000	14,267	26,883	27,540	29,000
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	16	19	250	138	234	234	143	146	153
Payments for capital assets	455	280	318	677	511	511	703	727	766
Buildings and other fixed structures									
Machinery and equipment	455	280	318	677	511	511	703	727	766
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for financial assets	2	-	-	-	-	-	-	-	-
Total economic classification	65,039	55,393	52,844	75,151	62,949	66,883	72,892	76,389	81,084

Risk management

The following five (5) key risks have been identified that might influence negatively on the realization of the strategic goal and objectives of this programme if specific actions are not taken towards mitigating such risks:

RISK	INTENDED ACTIONS TO MITIGATE RISK
Lack of responsiveness and cooperation from municipalities, sector departments and other stakeholders, as well as a lack of compliance by municipalities. This is worsened by the fact that the department has little or no enforcement powers through legislation.	Municipal Managers will be engaged towards agreeing on the point of entry to and exit from municipalities with regard to the provision of information, and negotiations will take place to capture this in the Performance Agreements of Municipal Managers. Regular reports will be submitted towards keeping the HoD, MEC and EXCO informed on progress in this regard. Various IGR structures and fora such as the MECLOGA, PCF, etc. will be increasingly utilized to address challenges in this regard.
Political interference in administrative matters within municipalities / unstable political environment within municipalities	The development of provincial legislation will be explored towards clarifying roles and responsibilities between political office bearers and administrators within municipalities, taking into account the new Municipal Systems Act. Steps will also be taken through various IGR structures to align the performance agreements of political office bearers with such legislation.
Lack of integrated planning and coordination between Programme 2 and other programmes within the department and between the department and other sector departments having an impact on the performance of the programme	Structured meetings will be scheduled within the department towards improving departmental coordination and integration. External structures such as FoHoD and its technical clusters will increasingly be utilized. The establishment of Technical Working Groups by the Department of the Premier towards ensuring the improved implementation of the Provincial Outcome-Based Plan will also address this challenge.
Inadequate number of skilled and competent personnel (e.g. high vacancy rate) in the majority of areas within the programme	Critical vacancies have been identified as per the revised and approved structure of the department; these vacancies will be prioritized based on available funds and advertised for filling. The required skills of officials will be addressed through the departmental Skills Development. A work analysis will be done to improve the utilization of serving officials, taking into account their skills and competencies as well as the needs of the department. The human resource capacity and -needs of the department will be monitored and assessed annually, and the HR Plan will be aligned with the needs of the programme.
Lack of capacity within municipalities	Implementation of capacity building programmes within municipalities

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

Purpose of the Programme

This programme aims to provide assistance and support to the Institution of Traditional Leadership in the Free State Province in order to realize its constitutional mandate, which is to be custodian of communities that observe customary law

Brief description of the Programme

This programme consists of the following Sub-Programme:

1. Traditional Institutional Administration

This programme is responsible for the rendering of the following services:

1. Provide support to Traditional Institutions
2. Monitor, report and advise on the financial capacity and performance of Traditional Institutions
3. Facilitate disputes and claims
4. Administer the establishment and recognition of traditional institutions
5. Conduct anthropological – and genealogical research and advice thereon
6. Keep and maintain a database on matters related to traditional leadership in the Free State Province
7. Forge and maintain partnerships with all relevant stakeholders towards improved service delivery
8. Facilitate and ensure the successful implementation of a comprehensive Skills Development Framework and – Strategy for Traditional Institutions
9. Monitor and advise Traditional Institutions on its individual and collective performance
10. Co-ordinate and advise on the allocation of functions by government departments to Traditional Institutions

Strategic objective

Sub-Programme	Traditional Institutional Administration
Strategic Objective	Title: Effective administration of traditional leadership institutions
Objective statement	To support and transform the institution of traditional leadership
Baseline	The personnel attached to the respective Traditional Councils have been absorbed into the organizational structure of the department. Job descriptions, Performance and Development Plans have also been developed for all such employees. The Traditional Councils are visited at least annually towards determining their needs and challenges and to determine the support needed by them towards ensuring effective service delivery by all Traditional Councils
Justification	This Sub-Programme deals with the institutional development of traditional leadership in the FS Province
Links with the MTSF and FSGDS	This objective links directly with the following national and/or provincial priorities: 2014-2019 Medium Term Strategic Framework: Outcome 7: Comprehensive Rural Development and more specifically by ensuring, through effective and efficient assistance and support to the Institution of Traditional Affairs, the placement of the institution of traditional affairs at the centre of rural development, service delivery in rural areas and the establishment and maintenance of related partnerships Free State Growth and Development Strategy: Pillar 6: Good Governance, and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development

Resource considerations

Trends in the numbers of key staff

This programme currently consists of 91 employees, which represent a decline in staff numbers when comparing it to the previous financial year. This number includes 81 Traditional Council support staff situated in the respective rural communities within the Free State province. In order to ensure that this programme has the necessary capacity to delivery in accordance with new challenges facing the programme, critical vacancies need to be identified and filled during the next few years towards improving this programme's human resources capacity

Expenditure trends

Summary of payments and estimates: Programme 4: Traditional Institutional Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Traditional Institutional Administration	16,413	20,449	23,495	22,851	32,617	26,900	34,400	36,496	38,772
Total payments and estimates	16,413	20,449	23,495	22,851	32,617	26,900	34,400	36,496	38,772

Summary of provincial payments and estimates by economic classification: Programme 4: Traditional Institutional Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	Jan-00	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	15,990	19,869	23,050	21,984	31,434	25,717	33,499	35,563	37,790
Compensation of employees	14,593	18,762	21,241	20,181	29,381	23,664	31,630	33,626	35,750
Goods and services	1,391	1,101	1,809	1,803	2,053	2,053	1,869	1,937	2,040
Interest and rent on land	6	6	-	-	-	-	-	-	-
Transfers and subsidies to:	297	303	437	624	1,106	1,106	648	671	706
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions	151	255	286	422	866	866	438	450	474
Households	146	48	151	202	240	240	210	221	232
Payments for capital assets	125	277	8	243	77	77	253	262	276
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	125	277	8	243	77	77	253	262	276
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for financial assets	1			-	-	-			
Total economic classification	16,413	20,449	23,495	22,851	32,617	26,900	34,400	36,496	38,772

Risk management

The following two key risks have been identified that might influence the realization of the strategic goal and objectives of this programme negatively if specific actions are not taken towards mitigating such risks:

RISK	INTENDED ACTIONS TO MITIGATE RISK
Lack of sufficient human resources	Prioritization and filling of critical vacancies, subject to availability of funds
Unfunded legislative changes	Cost of the new legislation to be determined by the (national) Department of Traditional Affairs; funding to be secured through Provincial Treasury

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS

Purpose of the Programme

This programme aims to promote and enhance the effective and efficient functioning of the FS House of Traditional Leaders as well as Local Houses

Brief description of the Programme

This programme consists of the following Sub-Programmes:

1. Administration of Houses of Traditional Leaders
2. Houses of Committees and Local Houses of Traditional Leaders

This programme is responsible for the rendering of the following services:

1. Provide procedural and parliamentary services and render assistance and support on the performance of the House of Traditional Leaders
2. Render effective and efficient secretariat and administrative services to the respective Committees of the House of Traditional Leaders
3. Conduct research and assist and support the House on the development and implementation of policies related to indigenous law, traditions, customs and culture
4. Administer the finances of and render administrative support to the House of Traditional Leaders

In realizing the goal and ensuring the achievement of respective objectives of this programme, the following stakeholders are involved:

1. All Sector Departments within the Free State Province
2. Municipal Councillors
3. Traditional / Rural Communities

Strategic objective

Sub-Programme	Administration of House of Traditional Leaders
Strategic Objective	Title: Effective functioning of the FS House of Traditional Leaders
Objective statement	To render effective and efficient administrative support to the FS House of Traditional Leaders
Baseline	Various legislations has been drafted and is awaiting adoption by the Free State Legislature. The budget of the House of Traditional Leaders has been separated from the finances of the Traditional Institutional Management unit towards enabling the House to administer its own budget in line with its needs and challenges. A draft organizational structure and post establishment has been developed towards realizing the goals and objectives of the FS House of Traditional Leaders. Administrative and secretariat support is provided to 6 functional Committees of the House
Justification	This Sub-Programme serves to ensure that the FS House of Traditional Leaders are effectively and efficient supported towards enabling them to fulfil their mandates and obligations
Links with the MTSF and FSGDS	This objective contributes directly to the achievement of some of the key priorities of the (national) Department of Traditional Affairs and also links directly with the Free State Growth and Development Strategy: Pillar 6 (Good Governance), and more specifically Driver 15: Foster good governance to create a conducive climate for growth and development

Resource considerations*Trends in the numbers of key staff*

This programme currently consists of 14 officials. In order to ensure that this programme has the necessary capacity to delivery in accordance with new challenges facing the programme, critical vacancies have been identified and be filled during the next few years, subject to the availability of funds.

*Expenditure trends***Summary of payments and estimates: Programme 5: House of Traditional Leaders**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Administration of Houses of Traditic	11,082	11,454	8,512	8,752	9,751	9,451	9,426	9,980	10,599
Total payments and estimates:	11,082	11,454	8,512	8,752	9,751	9,451	9,426	9,980	10,599

Summary of provincial payments and estimates by economic classification: Programme 5: Administration of Houses of Tradition:

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	8,929	10,014	8,344	8,426	8,394	8,079	9,086	9,629	10,230
Compensation of employees	4,632	5,500	6,226	7,048	6,874	6,574	7,658	8,149	8,671
Goods and services	4,294	4,514	2,118	1,378	1,520	1,505	1,428	1,480	1,559
Interest and rent on land	3								
Financial transactions in assets and liabilities									
Transfers and subsidies to:	3	2	50	285	1,308	1,308	296	306	322
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions					1,223	1,223			
Households	3	2	50	285	85	85	296	306	322
Payments for capital assets	2,150	1,438	118	41	49	64	44	45	47
Transport equipment	2,075								
Machinery and equipment	42	1,438	118	41	49	64	44	45	47
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets	33								
Specialised military assets									
Payments of Financial Assets									
Total economic classification: F	11,082	11,454	8,512	8,752	9,751	9,451	9,426	9,980	10,599

Risk management

The following three (3) key risks have been identified that might affect the realization of the strategic goal and objectives of this programme negatively on if specific actions are not taken towards mitigating such risks:

RISK	INTENDED ACTIONS TO MITIGATE RISK
Lack of resources (human and financial)	Posts of coordinators to be job evaluated towards determining the correct level of such posts, thereby improving staff retention. Critical vacancies to be prioritized and filled. Additional funds to be secured through partnerships to realise some of the objectives of this programme
Lack of a monitoring and evaluation policy	Monitoring and evaluation policy to be developed and implemented towards improving accurate reporting
Adjudication of cases without certificates	Conferment of civil and criminal jurisdiction to traditional leaders to be facilitated
Lack of role clarification between the department and the House as a statutory body	Roles and responsibilities as well as ways of working between the department and the House of Traditional Leaders to be clarified

PART C

LINKS TO OTHER PLANS

1. Links to the long-term infrastructure and other capital plans

None

2. Conditional grants

None

3. Public entities

None

4. Public-private partnerships

None