

To be appropriated by Vote in 2006/07	R 718 062 000
Statutory amount	R 778 000
Responsible MEC	MEC for Local Government and Housing
Administrating Department	Department of Local Government and Housing
Accounting Officer	Superintendent-General: Local Government and Housing

1. Overview

1.1 Vision

Developmental Local Governance and Integrated human Settlements in the Free State

1.2 Mission

To strengthen and monitor Local Government towards accelerated, quality service delivery

1.3 Values

We will

- be professional in the way we conduct our business
- be driven by the needs of those we serve
- at all times show compassion and empathy
- be project focussed, results-orientated and proactive

1.4 Core Functions

- To oversee and co-ordinate the establishment, monitoring, regulating, strengthening, supporting and capacitating of municipalities in terms of the Constitution of the Republic of South Africa, 1996
- To integrate and coordinate disaster management policy
- To prevent and/or reduce the risk of disasters
- To mitigate the severity of disasters
- To ensure that emergency preparedness is rapid and to render effective response to disasters and post disaster recovery
- To render professional advice regarding the physical and spatial elements of land development
- To manage the process of integrated development planning by municipalities
- To manage and administer housing subsidies
- To facilitate the eradication of the informal settlements

Department of Local Government and Housing

- To manage the technical aspects of all housing programmes regarding the quality, quantity, norms and specifications
- To promote, manage and regulate the Social Housing, Medium Density and Hostel Redevelopment Programme in the Province
- To promote, manage and regulate the rental housing market
- To manage, implement and monitor the Housing Capacity Building Programme
- To manage, implement and regulate legal advisory services to the Member of the Executive Council (MEC), Head of Department and the Department in general on housing related civil legal suits
- To manage and administer housing contracts fairly, equitably and transparently while promoting housing delivery
- To manage and monitor the inclusion of the EPWP principles in selected housing contracts
- To formulate housing policies and the monitoring of the impact of their implementation
- To manage and administer the housing assets (rental stock) of the Department
- To ensure safe, salubrious, economic and environmentally friendly development
- To submit all applications for land development and land use changes to the Townships Board for consideration and in turn submit the recommendations of the Townships Board to the MEC
- To ensure the upgrading of land tenure rights in the Free State, conduct investigations and lodge deeds of transfer in terms of the Conversion of Certain Rights into Leasehold or Ownership Act, 1988 (Act 81/1988)
- To facilitate the opening of township registers as well as assisting municipalities and to access available state land for developmental purposes
- To oversee and co-ordinate the establishment, monitoring, regulating, strengthening, supporting and capacitating of traditional leadership in terms of the Constitution
- To advise Government on matters pertaining to traditional leadership
- To investigate matters referred to the House and take remedial action
- To promote the institution of traditional leadership
- To build the capacity of traditional leadership
- To monitor the performance of traditional leadership
- To provide Secretariat support service to traditional leadership
- To conduct anthropological research on traditional leadership and develop archives (database)
- To support traditional leadership through mobilizing resources, expertise and development and support programmes and monitor the extent to which traditional leadership complies with legislation

1.5 Analyses of demands

Breaking New Ground (BNG)

Following the 10-year review by all of government as championed by the Presidency, the National Department of Housing introduced the new paradigm in housing which focused on providing human settlements rather than the narrow scope of housing units. To this end, the Breaking New Ground (BNG) was approved by Cabinet in September 2004.

The phasing out of Capacity Building Fees from MIG also leaves municipalities reeling with structural inadequacy. In brief, the human settlement context is forever in the state of flux needing incessant balancing actions in terms of relevant and necessary resources. Failure to comprehend and act accordingly may lead to storm and stress of livelihoods.

The municipalities have expressed their need for the development of Social Housing and/or Medium Density projects which calls for the urgent operationalisation of the Rental Housing Tribunal. Certain municipalities have expressed a demand for the re-development of hostels in their areas into either medium density or social housing projects. A demand was also expressed by municipalities for capacity building interventions and consumer education in their housing components during several interactions on the Project Consolidate.

The recent legal suits against the MEC have indicated a need to strengthen the legal advisory

283

Department of Local Government and Housing

services of not only the component but also of the entire Department, particularly when and where there are apparent conflicts of interest.

The mentioned limited revenue bases of most municipalities imply that without comprehensive support programmes these municipalities will not be able to discharge their developmental responsibility. Therefore the need for continued support is imperative, particularly in the area of local economic development and the effective provision of services.

Furthermore, a fluid and ever-changing policy and legislative environment of local government places additional responsibilities on municipalities. For example, the recently enacted Municipal Property Rates Act (MPRA) (No. 6 of 2004) will necessitate that municipalities follow prescribed processes in valuating rateable property and updating municipal valuation rolls that are critical for the effective implementation of the Act. The Act will take effect on 01 July 2006. The MPRA places responsibility on the Department to establish and resource Valuation Appeal Boards and provide technical advice to municipalities in implementing the Act.

The function to promote the local economies at municipal level and integrated development plans, has put an additional pressure on resources because it was not budgeted for in previous years and these functions have been earmarked to be handled by one new directorate in future.

Once they have been proclaimed the landless traditional communities will require that traditional councils be established and resourced. Further, the recognition of traditional councils will mean that the Directorate will have to add the Traditional Leaders to the remuneration list on the budget of the directorate.

1.6 Legislative Mandate

The legal framework under which this department operates:

- Conversion of Certain Rights into Leaseholds or Ownership Act No. 81 of 1988
- Black Communities Development Act No. 4 of 1984
- Upgrading of Land Tenure Rights Act No. 112 of 1991
- Interim Protection of Informal Land Rights Act
- The Housing Act No. 107 of 1997
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998
- The Housing Consumers Protection Measures Act of 1998
- The Rental Housing Act of 1999
- Home Loan and Mortgage Disclosure Act of 2000
- Subdivision of Agricultural Land Act No. 70 of 1970
- The Development Facilitation Act No. 67 of 1995
- The Townships Ordinance No. 9 of 1969
- The Township Regulations (Government Notice R 1036 of 1968)
- Disestablishment of SA Trust Limited Act No. 26 of 2002
- The Removal of Restrictions Act No. 84 of 1967
- The Less Formal Township Establishment Act No. 113 of 1991
- The Physical Planning Act No.125 of 1991
- Municipal Systems Act of 2000
- Municipal Demarcation Act of 1998
- Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000
- White Paper on Local Government of 1998
- Local Government Transition Act, 1993
- Commissions Ordinance, 1954
- Municipal Property Rates Act, 2004
- Municipal Finance Management Act, 2003
- Remuneration of Public Office Bearers Act, 1998
- Municipal Planning and Performance Management Regulations, 2001

Department of Local Government and Housing

- The Civil Protection Act No. 67 of 1977
- The Fund Raising Act No. 107 of 1978
- Disaster Management Act 57 of 2003
- Fire Brigade Act No. 99 of 1987
- National Veld and Forestry Act No. 101 of 1998
- The National Environmental Management Act of 1999
- Traditional Leadership and Governance Framework Act No. 41 of 2003, impacting upon
- House of Traditional Leaders Act No. 6 of 1994
- Bophuthatswana Traditional Courts Act No. 29 of 1979
- Qwa-Qwa Administration Authorities Act No. 6 of 1983
- Black Administration Act No. 38 of 1927
- Black Authorities Act No. 68 of 1951
- National Spatial Development Perspective (NSDP)

1.7. Strategic Goals

- An organizationally capable and skilled Department that is supported and strengthened towards service excellence
- Enhance sustainable human settlements for communities in the Free State Province
- Accountable and sustainable local governance in the Free State Province

1.8. Information on external activities and events that is relevant to budget decisions

The Breaking New Ground Housing Strategy with its demand for the development of Sustainable Human Settlements has a definite and significant impact on the budget decisions that need to be taken by and/or on this budgetary programme, thus:

The recruitment and appointment of requisite personnel for the management and monitoring of the impact of the implementation of the BNG:

- A wholesome reorganisation of the departmental structure;
- Audit of skills;
- Recruitment, placement and retention of personnel;
- Rollover of the housing fund due to insufficient human resources capacity.

The decision taken by government in 2003 of employing Community Development Workers (CDW) to ensure that South African citizens have access to services has an implication on our work since the specific role that relates to recruitment of CDW, monitoring and compiling reports on their activities has been assigned to our Department. Furthermore, the CDW programme places a responsibility on the Department to ensure that an exit and retention strategy is developed that will be used in ensuring that post-training employment opportunities are made available to CDW learners in the public service.

Furthermore the Department is expected to co-ordinate the implementation of Project Consolidate - dedicated intervention by government to support municipalities with service delivery challenges. Importantly, the department through partnership with other stakeholders has to establish the Provincial Project Management Unit (PPMU) for Project Consolidate that will oversee the implementation of developed provincial and municipal action plans. Resourcing of PPMU, mobilising resources and co-ordinating activities of Project Consolidate will have a financial implication to the Department.

The work of the Commission on Traditional Leadership, disputes and claims will continue in the next financial year and will have a bearing on the budget of the Department. From 3 - 6 October 2005 the Commission investigated the Kingship of Batlokwa and Bakwena in the province. In the next financial year, the Commission will investigate the Senior Traditional Leadership and will continue with the claims. The Directorate of Traditional Affairs will support the work of the Commission.

2. Review of the current financial year

One of the new policy priorities was to ensure that municipalities have systems in place and are capacitated to manage their finances and have effective revenue collection systems/strategies in place. Through resources rolled over from the Local Government Capacity Building Grant (LGCBG) limited technical support has been given to municipalities to deal with financial and / or administrative difficulties, and more specifically in the following matters:

- Developing/approving cash funded operational budget and a capital budget supportive of the integrated development plan and compilation of annual financial statements.
- The Department will continue to provide ongoing technical support to municipalities through the DBSA funded municipal capacity building programme.
- Continued implementing the CDW programmes. The 12-month CDW learnership programme for 95 CDW learners is coming to a close and further 198 CDW learners will be recruited to undergo the learnership. We will continue to forge partnerships, and mobilise resources for the effective implementation and co-ordination of Project Consolidate.

During the 2005/2006 financial year, a Provincial Spatial Development Framework (PSDF) in support of the Provincial Growth and Development Strategy was compiled. An extensive geographical information system, which stores and represents spatial data to support the drafting of the PSDF was developed.

The promotion of local economic development at municipal level continued through funds that were made available by Department of Provincial and Local Government directly to municipalities.

During the 2004/2005 financial year (March 2004 – February 2005) a total of 906 land development applications were received. For 2005/2006, 857 applications have already been received, with 3 months still remaining in the financial year. This culminates in a ±30% increase in applications that needs to be done in fewer towns and regional planners due to officials resigning.

The following has also been achieved:

- A Provincial Housing Business Plan was developed;
- 10 Housing Sector Plans have been adopted by the respective councils;
- 60 emerging contractors were empowered of which 80% are woman driven companies;
- 50 trainers were empowered to deliver consumer education;
- Provincial norms and standards have been compiled;
- Investigations on incomplete housing units were completed in four district municipalities;
- Pilot projects were undertaken at the Xhariep district municipality to complete the incomplete houses;
- Business plans for the 17 elements of the BNG have been compiled and submitted to the National Department of Housing;
- Preparations for the accreditation of Mangaung Local Municipality are at an advanced stage;
- A project team has been established for the creation of new rental stock in Mangaung.

3. Outlook for the coming financial year

The Department will strive to achieve the following in the next financial year: As a result of the BNG, the following elements will be addressed during 2006/2007:

- Eradication of informal settlements,
- Provision of Social and Economic Amenities,
- Accreditation of municipalities,
- Acquisition of suitable and well located land,
- Rectification of state financed houses built prior to 1994,
- Rectification of subsidized houses built post 1994 (1994 to March 2002).

Department of Local Government and Housing

The province has approximately 147 000 households residing in informal settlement and/or in shacks. To completely eradicate this number of households requires increased housing subsidy allocations as well as funds for the acquisition of land, planning and surveying, installation of physical infrastructure, provision of Social and Economic Amenities, etc. For the past 10 years, the province has been receiving fewer than 15 000 units per annum. It must be borne in mind that in nominal terms the housing backlog is constantly growing,

The accreditation of municipalities dictates that capacity be enhanced. Particularly noteworthy is the fact that such municipalities must have dedicated housing units, staffed by committed and competent cadres in relevant fields of project management, human settlement, financial management, information technology, engineering etc. Thus to acquire staff of such calibre dictates that identified municipalities must be able to afford and retain them.

Local government and traditional leadership institutions will be strengthened by:

- Providing support to selected municipalities through Project Consolidate, DBSA funded municipal capacity building programmes, enhancing the institutional capacity of the Department to support municipalities;
- Partnering with districts in supporting municipalities to implement the Inter-Governmental Relations (IGR) Act;
- Continuing with partnerships with the University, DBSA and monitor the effectiveness of these partnerships;
- Continuously monitoring and reporting on best practices by municipalities;
- Facilitating payments agreements with national and provincial sector departments with municipalities;
- Supporting municipalities in implementing Municipal Finance Management and the Municipal Property Rates Acts;
- Monitoring and developing reports on the state of municipal finances in the province;
- Developing and implementing municipal revenue enhancement programmes.

The accountability of local government to the community and other spheres of government will be improved by:

- Recruiting, training and facilitating the absorption and retention of CDW learners;
- Strengthening and supporting the establishment of ward committees through developing a framework for municipalities to provide resources for ward committees;
- Developing and facilitating capacity building programmes with partners; and
- Facilitating the development and conclusion of performance agreements and performance contracts for municipal managers and section 57 managers.

Improved municipal infrastructure and free basic services will be enhanced by:

- Facilitating inter-municipal service delivery agreements;
- Providing strategic direction in the implementation of ISRDP and managing the contribution of sector departments;
- Continuing to co-ordinate the implementation of Project Consolidate and provincial and selected municipalities' action plans;
- Facilitating agreements with sector departments and stakeholders on providing resources; and
- Co-ordinating inter-departmental involvement and contribution to the implementation of free basic services policy.

The draft copy of the Provincial Disaster Management Plan has been circulated to the stakeholders for comments and inputs. A summit to launch the plan will be held in the 2006/07 financial year. The cost of the whole process is estimated at R200 000. The Provincial Disaster Management Centre will develop a Provincial Disaster Management Framework, which is aligned to the National Disaster Management Framework. Disaster Management stakeholders, community based organizations, traditional leaders, NGOs and the business sector will be involved in the process. This will impact on the budget of the centre.

Department of Local Government and Housing

The projected cost for the second phase of the Provincial Disaster Management Centre is R6 million. This includes renovations, recruitment, the appointment of personnel, and equipment. The Provincial Disaster Management Centre envisages to embark on the following projects:

- Awareness campaigns;
- Research projects;
- Benchmarking;
- Capacity building and training; and
- Road Shows.

Most of the activities performed during 2006/2007 will continue in the new financial year but additional responsibilities were added. All municipalities must have reviewed integrated development plans (IDP's) by March 2006, which include Spatial Development Frameworks. The improvement of spatial development frameworks is a priority. Municipalities will have to be assisted and capacitated in the compilation of these comprehensive future plans to promote land development planning and be in line with the principles proposed in the Land Use Management Bill.

For the next financial year (2006/2007) a review of the Free State Provincial Spatial Development Framework (PSDF) will take place. Upgrading of software and hardware will be required for the effective functioning of the GIS. If the trend of increased development continues and the number of applications keeps on rising, the department could have serious problems regarding the number of officials responsible for handling town and regional planning applications. It is therefore essential that vacant posts (in line with the new structure) are filled soon. A new component of research and training has been created.

This component will concentrate on researching pertinent land development issues and then designing policies around them. One of the first projects will be to write new land use legislation for the province. This is an important matter as the legislation used at present, dates from the sixties and does not meet new trends and expectations.

The other important aspect will be to transfer skills and knowledge to the municipalities regarding all aspects of land use management schemes and SDF's in order to plan and manage properly. The Constitution and the Municipal Systems Act also oblige the Province to train, assist and support municipalities in this regard.

Insofar as traditional affairs are concerned, the Department aims to support the institution of traditional leadership in order to enable the institution to fulfil its constitutional mandate by being custodians of communities observing customary law.

Challenges

There are a number of challenges that should be tackled in 2006/2007. These are:

- Resourcing developmental local government;
- Mainstreaming of local economic development;
- Effective implementation of the new system of local government;
- Extending free basic services to the poor;
- Effective monitoring of municipal performance to ensure effective and timely support;
- Achieving municipal financial viability;
- Improving the quality of municipal leadership and technical expertise;
- Preserving the integrity of the new system of Local Government and taking decisive action against corruption;
- Evolving an effective ward committee system and promoting community participation, stabilization/ establishment of local government transformation;
- Enhancing Disaster preparedness and the establishment of Disaster Management Centres;
- Establishing and resourcing traditional local houses;

Department of Local Government and Housing

- Support and monitor the implementation of the Municipal Finance Management and the Property Rates Acts;
- Forging effective partnership for service (ISRDP) and involvement of traditional leadership in municipal governance;
- Developing and implementing municipal support programmes and interventions.

Due to budgetary constraints the department could not complete the second phase of the Provincial Disaster Management Centre, retention policy of disaster management volunteers, coordination of disaster management activities in the districts, recruitment and appointment of disaster management personnel and incorporation of municipal disaster management plans into IDP's.

4. Receipts and financing

4.1 Summary of receipts

The following sources of funding are used for the Vote:

Table 2.1: Summary of receipts: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Equitable share	120,947	146,438	145,280	129,126	142,046	142,046	175,711	183,997	195,547
Conditional grants	354,756	397,374	599,210	408,093	507,880	507,880	522,601	653,293	717,770
Own revenue	21,144	17,306	19,000	19,500	19,500	19,500	19,750	20,738	21,860
Total receipts	496,847	561,118	763,490	556,719	669,426	669,426	718,062	858,028	935,177

4.2 Departmental receipts collection

Table 2.2: Departmental receipts: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Tax receipts									
Sales of goods and services other than capital assets	763	955	1,665	1,315	2,310	2,465	1,425	1,540	1,555
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	11	35	3						
Sales of capital assets									
Financial transactions in assets and liabilities									
Total payments and estimates	774	990	1,668	1,315	2,310	2,465	1,425	1,540	1,555

5. Payment summary

5.1 Key assumptions

- The changing structure of the department
- Salary increase of 5, 5 % for 2006/2007, 4, 8 % in 2007/2008 and 4, 5 % in 2008/2009 financial
- The merger of the Human Settlement and Redevelopment Grant and Housing expenditure to form the Integrated Housing and Human Settlement Development Grant

Department of Local Government and Housing

5.2 Programme summary

Table 2.3: Summary of payments and estimates: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1: Administration	39,414	32,428	32,522	41,833	41,473	38,473	57,273	61,101	61,996
2: Housing	347,411	395,658	541,299	469,439	560,957	558,401	574,531	708,526	783,105
3: Local Government	25,023	65,660	58,187	45,447	66,996	64,419	86,258	88,401	90,076
Total payments and estimates	411,848	493,746	632,008	556,719	669,426	661,293	718,062	858,028	935,177

5.3 Summary of economic classification

Table 2.4: Summary of payments and estimates by economic classification: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	80,043	99,934	107,802	112,682	137,456	130,426	157,629	166,652	172,615
Compensation of employees	44,446	50,215	60,462	73,699	70,180	64,115	88,781	94,301	99,412
Goods and services	35,597	49,719	47,267	38,983	67,276	66,311	68,848	72,351	73,203
Interest and rent on land									
Financial transactions in assets and liabilities			73						
Unauthorized expenditure									
Transfers and subsidies	331,805	390,104	522,997	436,906	524,952	524,799	552,676	683,733	754,954
Provinces and municipalities	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326
Departmental agencies and accounts									
Universities and technikons			1,099	1,100	1,100	1,100	1,100	1,100	1,100
Public corporations and private enterprises									
Non-profit institutions			544	824	624	624	824	875	875
Households	287,715	325,403	449,230	399,410	468,953	468,801	523,176	652,830	723,653
Payments for capital assets	-	3,708	1,209	7,131	7,018	6,068	7,757	7,643	7,608
Buildings and fixed structures									
Machinery and equipment		3,708	1,209	7,131	7,018	6,068	7,757	7,643	7,608
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	411,848	493,746	632,008	556,719	669,426	661,293	718,062	858,028	935,177

5.4 Transfers to Local Government

Table 2.5: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Category B		57,911	65,478	30,605	45,691	45,691	9,511	9,188	
Category C		4,096	3,738	541	1,987	1,986	569	589	282
Unallocated funds	44,090	2,694	2,908	4,426	6,597	6,597	17,496	19,151	29,044
Total payments and estimates	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326

6. Programme description

Programme 1: Administration

Aim

The aim of this programme is to gear up and support the Department on matters related to the effective and efficient functioning of the Department.

Programme description

The Programme consists of the following:

Office of the MEC

Office of the HoD

Corporate Services

Support Services, including the following:

- Security Management / Anti-Corruption
 - Human Resources and Organizational Development
 - Departmental Planning and Performance Management
 - Communication and Information Technology
 - Legal Services
- Finance, including the following:
 - Financial Management
 - Supply Chain Management
 - Internal Audit

Table 2.6: Summary of payments and estimates: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1. MEC	2,019	3,009	3,444	4,714	5,624	5,654	6,393	6,047	6,232
2. Corporate Services	37,395	29,419	29,005	37,119	35,849	32,819	50,880	55,054	55,764
Theft and losses			73						
Total payments and estimates	39,414	32,428	32,522	41,833	41,473	38,473	57,273	61,101	61,996

Table 2.7: Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Current payments	39,414	31,507	31,999	39,070	39,210	36,527	50,393	53,978	55,018
Compensation of employees	14,467	13,628	18,246	21,595	19,595	17,739	25,512	29,410	30,582
Goods and services	24,947	17,879	13,680	17,475	19,615	18,788	24,881	24,568	24,436
Financial transactions in assets and liabilities			73						
Transfers and subsidies	-	-	139	261	261	174	3,337	3,608	3,654
Provinces and municipalities			53	51	51	51	72	33	79
Departmental agencies and accounts									
Households			86	210	210	123	3,265	3,575	3,575
Payments for capital assets	-	921	384	2,502	2,002	1,772	3,543	3,515	3,324
Buildings and fixed structures									
Machinery and equipment		921	384	2,502	2,002	1,772	3,543	3,515	3,324
Land and subsoil assets									
Total economic classification:	39,414	32,428	32,522	41,833	41,473	38,473	57,273	61,101	61,996

Policies, Priorities and Strategic Objectives:

Strategic goal 1

- An organizationally capable and skilled Department that is supported and strengthened towards service excellence

Strategic Objectives:

- To create and sustain a working environment in the department conducive to an accelerated delivery of services
- To articulate and entrench Batho Pele principles and build a culture of high performance within the Department
- To ensure that the budget of the Department is planned, managed and spent in line with the service delivery challenges facing the Department
- To enhance the provisioning and management of procurement within the Department in line with national and provincial imperatives

Programme 2: Housing

Aim

The aim of the programme is to manage housing delivery, development and sustainable infrastructural delivery.

Programme description

The Programme consists of the following functions:

- Housing performance/subsidy administration
- Urban renewal and human settlement
- Housing planning and research
- Facilitation of the provision of effectively managed institutional housing in areas where there is high demand
- Facilitate housing capacity building
- Effective contract management
- Housing asset management

Table 2.8: Summary of payments and estimates: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Housing Planning and Research	43,733	7,105	12,087	9,207	12,507	11,541	13,350	11,870	12,111
2. Housing Performance/Subsidy	303,678	388,553	462,715	418,678	491,191	490,901	552,122	685,765	759,858
3. Housing Asset Management			4,819	9,223	6,883	5,583	9,059	10,891	11,136
*Urban Renewal and Human Settlement			61,678	32,331	50,376	50,376			
Total payments and estimates	347,411	395,658	541,299	469,439	560,957	558,401	574,531	708,526	783,105

Department of Local Government and Housing

Table 2.9: Summary of payments and estimates per sub-programme: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Housing Planning and Research	43,733	7,105	12,087	9,207	12,507	11,541	13,350	11,870	12,111
Administration services	43,733	7,105	8,080	7,057	8,434	7,468	11,010	9,273	9,599
Planning Capacity Building			1,997		1,923	1,923			
Research			10						
Municipal Support (CSIR)			2,000	2,150	2,150	2,150	2,340	2,597	2,512
Housing Performance/Subsidy	303,678	388,553	462,715	418,678	491,191	490,901	552,122	685,765	759,858
Subsidy Administration	303,678	388,553	13,765	20,060	23,060	22,770	25,790	36,822	40,094
Project Linked			404,917	203,345	275,858	275,858	305,611	435,914	506,735
People's Housing Process			36,271	156,219	156,219	156,219	165,592	173,870	173,870
Discount Benefit Scheme			142	1,810	1,810	1,810	1,500	1,000	1,000
Hostel Upgrading				3,906	3,906	3,906	4,000	4,350	4,350
Disaster Management Emergency				11,716	11,716	11,716	12,419	10,000	10,000
Institutional Subsidy				11,717	11,717	11,717	12,000	10,000	10,000
Individual Subsidy			1,272	3,000	3,000	3,000	14,339	9,459	9,459
Rural Housing			6,348	3,905	3,905	3,905	4,140	4,350	4,350
Maintenance Housing				3,000					
Urban Renewal (Informal Settlement)							6,731		
Capacity Building									
Urban Renewal and Human Settlement Redevelopment			61,678	32,331	50,376	50,376			
Urban Renewal (Informal Settlement)			5,763	6,350	8,709	8,709			
Human Settlement			15,443	9,475	20,683	20,683			
Provincial Infrastructure			32,496	16,506	17,980	17,980			
Capacity Building			7,976		3,004	3,004			
Housing Asset Management			4,819	9,223	6,883	5,583	9,059	10,891	11,136
Administration services			3,151	7,462	5,122	3,822	7,190	8,976	9,108
Maintenance			168	178	178	178	187	200	214
Sales of Rental Stock			30	32	32	32	36	40	42
Management of Rental Stock			170	180	180	180	189	200	214
Rental Tribunal			1,000	1,041	1,041	1,041	1,109	1,115	1,180
Management of Assets			100	110	110	110	116	120	128
Land Administration			200	220	220	220	232	240	250
Total payments and estimates	347,411	395,658	541,299	469,439	560,957	558,401	574,531	708,526	783,105

*Urban Renewal and Human Settlement Redevelopment will be phased out in the 2006/2007 financial year.

Department of Local Government and Housing

Table 2.10: Summary of payments and estimates by economic classification: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	15,606	23,380	29,157	34,513	38,241	36,305	43,516	47,667	51,174
Compensation of employees	10,117	14,551	17,840	21,614	19,959	18,043	23,366	25,481	27,462
Goods and services	5,489	8,829	11,317	12,899	18,282	18,262	20,150	22,186	23,712
Financial transactions in assets and liabilities									
Transfers and subsidies	331,805	370,932	511,842	432,311	520,209	520,209	527,672	657,356	728,267
Provinces and municipalities	44,090	45,529	61,743	32,411	50,456	50,456	6,811	7,151	7,239
Universities and technikons			1,099	1,100	1,100	1,100	1,100	1,100	1,100
Households	287,715	325,403	449,000	398,800	468,653	468,653	519,761	649,105	719,928
Payments for capital assets	-	1,346	300	2,615	2,507	1,887	3,343	3,503	3,664
Buildings and fixed structures									
Machinery and equipment		1,346	300	2,615	2,507	1,887	3,343	3,503	3,664
Land and subsoil assets									
Total economic classification:	347,411	395,658	541,299	469,439	560,957	558,401	574,531	708,526	783,105

Policies, Priorities and Strategic Objectives:

The following strategic goal and strategic objectives have been identified for the next 5 years.

Strategic Goal 2:

- Enhanced Sustainable Human Settlements to communities in the Free State Province.

Strategic Objectives:

- Effective and proper planning of housing projects for sustainable human settlements
- Improved access to housing subsidies for qualifying beneficiaries
- Increased quality social and medium density housing
- Dysfunctional human settlement areas are rehabilitated and integrated
- Housing capacity building to targeted clients is facilitated annually
- Effective and proper management of housing assets (old and new business)
- Ensure effective contract management
- Effective housing policy formulation
- Effective housing performance management

Service delivery measures

Output type	Performance measures	Performance Targets	
		2005/2006 Est. actual	2006/2007 Estimate
To customise and implement the provincial Multi-Year Housing Delivery Plan	Successful implementation of customised Multi-Year Housing Delivery Plan	25%	60%
	Development of a Provincial Multi-Year Housing Plan	100%	100%
To provide subsidies to qualifying beneficiaries under various housing programmes	Quality housing units provided	12 000	9 000
	Updated living waiting lists	N.A.	80%

Department of Local Government and Housing

Output type	Performance measures	Performance Targets	
		2005/2006 Est. actual	2006/2007 Estimate
To monitor and report on housing projects performance through effective Project management	Expenditure on housing projects according to the cash flow projection and construction programme	N.A.	50%
	Adherence to project management principles	100%	100%
To enforce and verify quality in housing delivery	Provincial norms and standards synchronised, adopted and implemented	100%	100%
	Remedial measures successfully implemented towards enhancing previously constructed houses from the period 1994 to 2002 (RDP Houses)	Audit completed	500
	Decrease in project quality complaints and problems	N.A.	25%
To manage the ranking and assessment of contractors and Professionals	Ranking of contractors	N.A.	100%
	100% Assessment of professionals	N.A.	100%
	Accurate database of contractors	N.A.	100%
To promote the implementation of EPWP principles in housing projects	Selected housing projects comply with EPWP guidelines	12 MIS reports	100% of selected projects
To facilitate, encourage and ensure the development of new social housing institutions. To facilitate and ensure the viability of existing social housing institutions To facilitate the creation of medium density housing	New social housing institutions established	N.A.	1
	Existing Social Housing Institution rehabilitated.	3	1
	Pilots conducted	2 (Sasolburg & Bloemfontein)	1
To facilitate the creation of new rental stock	Update Rental Housing Strategy	100%	100%
	Enhanced private sector investment in the rental housing market	N.A.	10 Projects
To facilitate the improvement of relations between landlords and tenants	Reduction in tenants/landlord complaints	N.A.	25%
To support the identification and macro planning of urban nodes	Provision of accurate information	N.A.	100%
	Progress reports on projects allocated in nodes.	N.A.	5 Reports
To facilitate the creation of integrated and functional human settlements	Strategy to address dysfunctional areas in place	100% developed	20% Implemented
To facilitate the provision of social and economic amenities to complement housing provision	Pilot projects identified for the provision of social and economic amenities	3	3
To facilitate the formulation of the Provincial Informal Settlement Eradication Strategy	Provincial Informal Settlement Eradication Strategy in place	100% Developed	100%
	Progress reports on the implementation of the strategy	N.A.	4
To facilitate the acquisition of well located and suitable land	Audit report of state/private land for possible development made available	N.A.	3 Pockets
	Progress report on acquired land	N.A.	4
To provide capacity and support to stakeholders with regard to the Breaking the New Ground strategy (BNG)	Capacity / Skills Audit Report in place.	N.A.	1
	Progress Report on Provincial Capacity	N.A.	1
	Building Business Plan	N.A.	1
	Impact Assessment Report available.	N.A.	1
	Progress Report on BNG marketing.	N.A.	1
	Community Development Workers empowered on housing matters	N.A.	40%
	Housing consumers empowered	N.A.	3000
	Pilot Accreditation of a Municipality	1	1
	Emerging Contractor Mentoring and Support Programme effectively managed	N.A.	40%

Department of Local Government and Housing

Output type	Performance measures	Performance Targets	
		2005/2006 Est. actual	2006/2007 Estimate
To upgrade land tenure rights	Audit report of sites transferred to date Deeds of Transfer registered in favour of qualifying beneficiaries	N.A. 12 000	8000 sites 3 000 Deeds
To expedite security of tenure in housing subsidy programmes.	Township Registers opened	10% Of affected areas	120 general plans
	Up to date and readily available information	N.A.	100%
	Improved access to land for development	5 Applications for vesting submitted to PSLDC-monthly	4 Quarterly progress reports
	Audit report on tenure rights extended to housing beneficiaries	NA.	1
	Hand-over of title deeds to beneficiaries for all subsidy instruments.	N.A.	5000
	Progress report on Phasing Out Programme and Discount Benefit Scheme	N.A.	1
	Progress report on Title Deeds registered	N.A.	1

Programme 3: Local Government

Aim

The programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating Local Government bodies in terms of the Constitution of 1996. The programme also aims to render support services regarding Disaster Management.

Programme description

The Programme consists of the following:

- Municipal Administration
- Municipal Finances
- Spatial Planning
- Development Administration / Land Use Management
- Integrated Development Planning
- Local Economic Development
- Municipal Infrastructure
- Disaster Management

Table 2.11: Summary of payments and estimates: Programme 3: Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Municipal Administration	4,719	39,940	7,421	8,417	16,670	16,051	12,358	13,072	13,306
2. Municipal Finance			24,902	1,944	14,534	14,486	11,099	10,738	10,884
3. Disaster Management	1,606	1,654	2,363	2,444	4,374	4,285	5,195	3,448	3,602
4. *Municipal Infrastructure			377				19,630	18,794	19,137
5. Spatial Planning	8,127	6,784	6,777	9,477	7,954	7,780	11,181	12,507	12,754
6. Land Use Management	4,661	4,843	5,503	9,155	7,355	6,882	9,546	11,166	11,410
7. Integrated Development and Planning		1,949	2,300	3,000	3,656	3,656	3,101	3,261	3,300
8. Local Economic Development		1,500	310	292	265	265	1,700	1,800	1,805
9. Traditional Resource Administration	5,910	8,990	4,082	8,485	8,765	7,668	8,972	9,693	9,871
10. Traditional Institutional Arrangements			4,152	2,233	3,423	3,346	3,476	3,922	4,007
Total payments and estimates	25,023	65,660	58,187	45,447	66,996	64,419	86,258	88,401	90,076

*The sub-programme: Municipal Infrastructure is currently included under programme 2: Housing

Department of Local Government and Housing

Table 2.12: Summary of payments and estimates by economic classification: Programme 3: Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	25,023	45,047	46,646	39,099	60,005	57,594	63,720	65,007	66,423
Compensation of employees	19,862	22,036	24,376	30,490	30,626	28,333	39,903	39,410	41,368
Goods and services	5,161	23,011	22,270	8,609	29,379	29,261	23,817	25,597	25,055
Financial transactions in assets and liabilities									
Transfers and subsidies	-	19,172	11,016	4,334	4,482	4,416	21,667	22,769	23,033
Provinces and municipalities		19,172	10,328	3,110	3,768	3,767	20,693	21,744	22,008
Non-profit institutions			544	824	624	624	824	875	875
Households			144	400	90	25	150	150	150
Payments for capital assets	-	1,441	525	2,014	2,509	2,409	871	625	620
Buildings and fixed structures									
Machinery and equipment		1,441	525	2,014	2,509	2,409	871	625	620
Land and subsoil assets									
Total economic classification:	25,023	65,660	58,187	45,447	66,996	64,419	86,258	88,401	90,076

Policies, Priorities and Strategic Objectives:

The following strategic goal and strategic objectives have been identified for the next 5 years:

Strategic Goal 3:

- Accountable and sustainable local governance in the Free State Province

Strategic Objectives:

- To strengthen local government and traditional affairs
- To improve the accountability of local government to the community and other spheres of government
- To promote integrated spatial planning
- To enhance a secure land environment for developmental purposes
- To improve local economies
- To enhance improved municipal infrastructure and free basic services

Department of Local Government and Housing

Services delivery measures

Output type	Performance measures	Performance Targets	
		2005/2006 Est. Actual	2006/2007 Estimate
To ensure the successful implementation of legislation, policies and guidelines within local government and traditional leadership	Agreements established on service delivery and development programmes between traditional leaders, municipalities and sector departments	N.A.	4 Quarterly Reports
	Policies, guidelines and legislation formulated and implemented with regard to the following:	100%	100%
	• Traditional Institutional Arrangements	N.A.	100%
	• Traditional Resource Administration	N.A.	100%
	• Traditional Affairs Integration / Development Facilitation	N.A.	100%
	• Traditional Land Administration	N.A.	100%
	Reports submitted on compliance with IGR Act in municipalities	N.A.	25
	IGR agreements developed	N.A.	100%
	Municipal International Relations (MIR) agreements concluded	N.A.	100%
	Reports submitted on compliance with local government legislation in municipalities	N.A.	25
	Municipal annual financial statements assessed	25 sets of annual financial statements, annual reports and oversight reports	25
	Auditor-General reports assessed in respect of municipalities	25	25
	Decrease in government service arrears in debt to municipalities	N.A.	30%
	Reports submitted to monitor the status of debt in municipalities	N.A.	25
	Impact studies conducted on the impact of local governance on the lives of the people in the Free State	N.A.	2
To create and sustain adequate capacity within municipalities and traditional leadership	Protocol agreement established by Provincial Treasury implemented	N.A.	100%
	Capacity building programmes implemented on the following:	100%	100%
	• Traditional Institutional Arrangements		
	• Traditional Resource Administration		
	• Traditional Affairs Integration / Development Facilitation		
	• Traditional Land Administration		
	Identified Municipalities monitored and reported on with regard to their financial positions	25	25
	Policies and guidelines on municipal finances formulated	N.A.	100%
	Municipal finance capacity building programmes implemented	N.A.	100%
	Municipalities captured on monitoring system	N.A.	100%
Municipal officials and councillors trained and capacitated	N.A.	300	
No. of capacity building programmes implemented within municipalities	N.A.	10	
To facilitate the successful implementation of Project Consolidate	Selected municipalities successfully implementing Project Consolidate Operational PMU's for effective project management of key service delivery programmes - MIG, Project Consolidate, ISRDP	Selected municipalities	Selected Municipalities
		8	8

Department of Local Government and Housing

Output type	Performance measures	Performance Targets	
		2005/2006 Est. Actual	2006/2007 Estimate
To enhance public participation in local governance	CDWs successfully deployed	295 recruited for training	300 deployed to municipalities
	Functional ward committees	N.A.	100%
	Capacity building programme implemented	N.A.	4
	Agreements between traditional institutions and municipalities on co-operative governance developed	N.A.	100%
To create and sustain a performance culture within local governance	Support programmes developed and implemented towards supporting the Commission on Traditional Leadership	N.A.	100%
	Municipalities implementing a performance management system	N.A.	100%
	Reports submitted on the performance of municipalities	N.A.	2
	Municipalities participating in a provincial municipal performance rewarding event	N.A.	100%
To promote land development within the Free State Province	Land development applications evaluated and processed	500	500
	Policies, guidelines and legislation formulated	N.A.	2
	Capacity building programme implemented	6 Municipalities	15
	Traditional Land Use Management Plans developed	N.A.	2
To promote integrated development within the Free State Province	IDP policies and guidelines formulated	25 Municipalities	25
	Capacity building programmes implemented	5 Districts, 20 municipalities, all sector departments.	25
To ensure that comprehensive and accurate spatial information is made available	IDP hearing reports and MEC comments developed	25 municipal IDPs assessed	25
	Maps made available with credible data	N.A.	1 Provincial, 25 Municipal
	Updated FS Provincial Spatial Development Framework	100%	100%
To minimize the impact of disasters in the Free State Province	Municipal spatial development frameworks developed	N.A.	5 Districts
	Provincial disaster management framework developed and institutional structures functioning	Framework developed	100% Implemented
	District disaster management plans and institutional structures established	5 Districts	20 Municipalities
	Capacity building programmes implemented	5 District Municipalities	20 Municipalities
To identify and prevent potential disasters in the Free State Province	Policies and legislation developed and implemented	N.A.	5
	Operational Provincial Disaster Management Forum	N.A.	100%
	Updated and effective vulnerability atlas	N.A.	100%
	Disaster prevention networks established	Provincial disaster management centre established with necessary resources	100% Operational Centre
To improve local economic development within municipalities	LED policies, strategies and guidelines developed	All Municipalities	25
	Capacity building programmes developed and implemented	N.A.	5
	Operational LED units	N.A.	21
	Operational Provincial LED Forum	N.A.	100%
To monitor the impact of and to sustain SRDP/ URP in the node	Implementation framework for ISRDP/URP developed for all municipalities	N.A.	24
	Capacity building programmes implemented	N.A.	4
	Compliance reports submitted	4 monitoring reports per annum on 9 partnerships	4

Department of Local Government and Housing

Output type	Performance measures	Performance Targets	
		2005/2006 Est. Actual	2006/2007 Estimate
To establish and sustain Public Private Partnerships towards improved economic growth	Public Private Partnerships established and sustained	N.A.	1 Per District
To facilitate the successful implementation of the Municipal Infrastructure Grant Programme in municipalities	Policies and guidelines formulated	N.A.	1
	Municipalities captured on monitoring system	N.A.	25
	Capacity building programmes implemented	1 Intervention policy developed	4
	Quarterly reports submitted on the status of implementation within municipalities with regard to:	12 monthly reports 4 quarterly reports	4 quarterly reports
To promote and enhance Free Basic Services within the Free State Province	<ul style="list-style-type: none"> • MIG • DORA • FSGDS • IDPs 		
	Policies and guidelines formulated and implemented	N.A.	1
	Capacity building programmes implemented	4 Workshops convened	4
	Municipalities captured on monitoring system	N.A.	25
To monitor and report on the quality of water within the Free State Province	Indigence profiles developed	N.A.	25
	Compliance reports with regard to the Water Act submitted	N.A.	2
	Audit reports submitted on the quality of the drinking and waste water at all the Water Service Authorities in the Free State	Two quarterly and two bi-annual reports	2

7. Other programme information

7.1 Personnel numbers and costs

Table 2.13: Personnel numbers and costs¹: Local Government and Housing

Personnel numbers	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008
1: Administration	80	95	97	97	97	97
2: Housing	96	104	114	114	114	114
3: Local Government	162	172	278	377	453	453
Total personnel numbers:	338	371	489	588	664	664
Total personnel cost (R thousand)	44,446	50,215	60,462	64,115	88,781	94,301
Unit cost (R thousand)	131	135	124	109	134	142

Department of Local Government and Housing

Table 2.14: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Total for department									
Personnel numbers (head count)	338	371	489	489	588	588	664	664	664
Personnel cost (R'000)	44,446	50,215	60,462	73,699	70,180	64,115	88,781	94,301	99,412
Human resources component									
Personnel numbers (head count)			13	14	14	14	14	14	14
Personnel cost (R'000)			2,128	2,200	2,200	2,200	2,300	2,415	2,536
Head count as % of total for department			2.66%	2.86%	2.38%	2.38%	2.11%	2.11%	2.11%
Personnel cost as % of total for department			3.52%	2.99%	3.13%	3.43%	2.59%	2.56%	2.55%
Finance component									
Personnel numbers (head count)			43	43	38	38	82	82	82
Personnel cost (R'000)			8,634	12,128	10,128	10,128	11,881	13,745	14,466
Head count as % of total for department			8.79%	8.79%	6.46%	6.46%	12.35%	12.35%	12.35%
Personnel cost as % of total for department			14.28%	16.46%	14.43%	15.80%	13.38%	14.58%	14.55%
Full time workers									
Personnel numbers (head count)	338	371	489	489	588	588	664	664	664
Personnel cost (R'000)	44,446	50,215	60,462	73,699	70,180	64,115	88,781	94,301	99,412
Head count as % of total for department	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Personnel cost as % of total for department	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R'000)									
Head count as % of total for department									
Personnel cost as % of total for department									

7.2 Training

Table 2.15: Payments on training: Local Government and Housing

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	R thousand	2002/03	2003/04	2004/05	2005/06				
1: Administration	162	861	297	195	195	195	230	80	80
of which									
Subsistence and travel	65	344		78	78	78	92	32	32
Payments on tuition	97	517	297	117	117	117	138	48	48
2: Housing			95	203	203	203	249	257	264
of which									
Subsistence and travel				81	81	81	100	103	106
Payments on tuition			95	122	122	122	149	154	158
3: Local Government			26	248	1,986	1,986	472	444	490
of which									
Subsistence and travel				99	795	795	189	177	196
Payments on tuition			26	149	1,191	1,191	283	267	294
Total payments and estimates	162	861	418	646	2,384	2,384	951	781	834

ANNEXURE TO BUDGET STATEMENT 2
Table B.1: Specification of receipts: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriatio 2005/06	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Sale of goods and services produced by departm	763	955	1,665	1,315	2,310	2,465	1,425	1,540	1,555
Sales by market establishments									
Administrative fees									
Other sales									
<i>Of which</i>									
<i>Rental</i>	36		16	20	20	40	20	20	20
<i>Loan repayments (individual entities)</i>	7	7	30						
<i>Razoning fees</i>	417	701	752						
<i>Amendment fees</i>	11	19	20						
<i>Fees Establishment townships</i>	14	25	30	1,115	1,115	2,215	1,225	1,340	1,353
<i>Land consolidation</i>	27	52	60	30	30	60	30	30	30
<i>Other (Specify)</i>	251	151	757	150	1,145	150	150	150	152
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	11	35	3						
Interest	11	35	3						
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts	774	990	1,668	1,315	2,310	2,465	1,425	1,540	1,555

Department of Local Government and Housing

Table B.2: Payments and estimates by economic classification: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Current payments	80,043	99,934	107,802	112,682	137,456	130,426	157,629	166,652	172,615
Compensation of employees	44,446	50,215	60,462	73,699	70,180	64,115	88,781	94,301	99,412
Salaries and wages	26,669	30,131	52,340	65,181	61,181	55,116	78,683	83,920	88,571
Social contributions	17,777	20,084	8,122	8,518	8,999	8,999	10,098	10,381	10,841
Goods and services	35,597	49,719	47,267	38,983	67,276	66,311	68,848	72,351	73,203
<i>of which</i>									
Advertising				2,494	2,809	2,809	2,752	3,310	3,220
Communication				2,786	4,330	4,330	3,326	3,420	3,606
Computer Services				1,570	1,429	1,429	1,473	1,475	1,667
Consultants and Special Services				10,367	25,816	25,816	23,189	25,804	24,799
Audit fees and Legal fees				4,724	4,554	4,554	3,895	5,428	6,041
Printing and Stationery				2,938	2,563	2,563	2,891	3,115	3,288
Subsistence and Transport				7,072	11,709	11,714	11,219	11,308	11,988
Other	35,597	49,719	47,267	7,032	14,066	13,096	20,103	18,491	18,594
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities			73						
Unauthorised expenditure									
Transfers and subsidies to¹:	331,805	390,104	522,997	436,906	524,952	524,799	552,676	683,733	754,954
Provinces and municipalities	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326
Municipalities	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326
<i>of which: Regional service council levies</i>			193	241	239	238	248	228	282
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons			1,099	1,100	1,100	1,100	1,100	1,100	1,100
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions			544	824	624	624	824	875	875
Households	287,715	325,403	449,230	399,410	468,953	468,801	523,176	652,830	723,653
Social benefits			280	792	492	340	3,575	3,887	3,889
Other transfers to households	287,715	325,403	448,950	398,618	468,461	468,461	519,601	648,943	719,764
Payments for capital assets		3,708	1,209	7,131	7,018	6,068	7,757	7,643	7,608
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment		3,708	1,209	7,131	7,018	6,068	7,757	7,643	7,608
Transport equipment									
Other machinery and equipment		3,708	1,209	7,131	7,018	6,068	7,757	7,643	7,608
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	411,848	493,746	632,008	556,719	669,426	661,293	718,062	858,028	935,177

Department of Local Government and Housing

Table B.2.1: Payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
	Current payments	39,414	31,507	31,999	39,070	39,210	36,527	50,393	53,978
Compensation of employees	14,467	13,628	18,246	21,595	19,595	17,739	25,512	29,410	30,582
Salaries and wages	8,680	8,177	15,843	18,770	16,811	14,955	22,449	26,362	27,430
Social contributions	5,787	5,451	2,403	2,825	2,784	2,784	3,063	3,048	3,152
Goods and services	24,947	17,879	13,680	17,475	19,615	18,788	24,881	24,568	24,436
<i>of which</i>									
Advertising				1,398	1,068	1,068	1,354	1,795	1,760
Communication				1,271	1,354	1,354	1,285	1,349	1,406
Computer Services				870	772	772	743	709	758
Consultants and Special Services				2,843	4,581	4,581	5,470	6,150	5,331
Audit fees and Legal fees				4,100	4,080	4,080	3,649	5,153	5,659
Printing and Stationery				1,820	1,650	1,650	1,698	1,724	1,718
Subsistence and Transport				2,680	3,077	3,077	2,938	3,124	3,439
Other	24,947	17,879	13,680	2,493	3,033	2,206	7,744	4,564	4,365
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities			73						
Unauthorised expenditure									
Transfers and subsidies to¹:			139	261	261	174	3,337	3,608	3,654
Provinces and municipalities			53	51	51	51	72	33	79
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³			53	51	51	51	72	33	79
Municipalities									
<i>of which: Regional service council levies</i>			53	51	51	51	72	33	79
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households			86	210	210	123	3,265	3,575	3,575
Social benefits			86	210	210	123	3,265	3,575	3,575
Other transfers to households									
Payments for capital assets		921	384	2,502	2,002	1,772	3,543	3,515	3,324
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment		921	384	2,502	2,002	1,772	3,543	3,515	3,324
Transport equipment									
Other machinery and equipment		921	384	2,502	2,002	1,772	3,543	3,515	3,324
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	39,414	32,428	32,522	41,833	41,473	38,473	57,273	61,101	61,996

Department of Local Government and Housing

Table B.2.2: Payments and estimates by economic classification: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
				2005/06					
Current payments	15,606	23,380	29,157	34,513	38,241	36,305	43,516	47,667	51,174
Compensation of employees	10,117	14,551	17,840	21,614	19,959	18,043	23,366	25,481	27,462
Salaries and wages	6,071	8,731	15,192	19,528	16,778	14,862	20,066	22,033	23,761
Social contributions	4,046	5,820	2,648	2,086	3,181	3,181	3,300	3,448	3,701
Goods and services	5,489	8,829	11,317	12,899	18,282	18,262	20,150	22,186	23,712
<i>of which</i>									
Advertising				210	280	280	236	246	254
Communication				697	1,405	1,405	1,073	1,071	1,237
Computer Services				700	657	657	680	714	849
Consultants and Special Services				5,737	6,974	6,974	7,001	7,753	7,801
Audit fees and Legal fees				254	254	254	80	83	184
Printing and Stationery				322	344	344	323	335	568
Substance and Transport				2,516	2,626	2,626	4,106	3,996	4,318
Other	5,489	8,829	11,317	2,463	5,742	5,722	6,651	7,988	8,501
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to¹:	331,805	370,932	511,842	432,311	520,209	520,209	527,672	657,356	728,267
Provinces and municipalities	44,090	45,529	61,743	32,411	50,456	50,456	6,811	7,151	7,239
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	44,090	45,529	61,743	32,411	50,456	50,456	6,811	7,151	7,239
Municipalities	44,090	45,529	61,743	32,411	50,456	50,456	6,811	7,151	7,239
<i>of which: Regional service council levies</i>			65	80	80	80	80	83	86
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons			1,099	1,100	1,100	1,100	1,100	1,100	1,100
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	287,715	325,403	449,000	398,800	468,653	468,653	519,761	649,105	719,928
Social benefits			50	182	192	192	160	162	164
Other transfers to households	287,715	325,403	448,950	398,618	468,461	468,461	519,601	648,943	719,764
Payments for capital assets		1,346	300	2,615	2,507	1,887	3,343	3,503	3,664
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment		1,346	300	2,615	2,507	1,887	3,343	3,503	3,664
Transport equipment									
Other machinery and equipment		1,346	300	2,615	2,507	1,887	3,343	3,503	3,664
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	347,411	395,658	541,299	469,439	560,957	558,401	574,531	708,526	783,105

Department of Local Government and Housing

Table B.2.3: Payments and estimates by economic classification: Programme 3: Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimate	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Current payments	25,023	45,047	46,646	39,099	60,005	57,594	63,720	65,007	66,423
Compensation of employees	19,862	22,036	24,376	30,490	30,626	28,333	39,903	39,410	41,368
Salaries and wages	11,918	13,223	21,305	26,883	27,592	25,299	36,168	35,525	37,380
Social contributions	7,944	8,813	3,071	3,607	3,034	3,034	3,735	3,885	3,988
Goods and services	5,161	23,011	22,270	8,609	29,379	29,261	23,817	25,597	25,055
<i>of which</i>									
Advertising				886	1,461	1,461	1,162	1,269	1,206
Communication				818	1,571	1,571	968	1,000	963
Computer Services							50	52	60
Consultants and Special Services				1,787	14,261	14,261	10,718	11,901	11,667
Audit fees and Legal fees				370	220	220	166	192	198
Printing and Stationery				796	569	569	870	1,056	1,002
Substance and Transport				1,876	6,006	6,011	4,175	4,188	4,231
Other	5,161	23,011	22,270	2,076	5,291	5,168	5,708	5,939	5,728
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to¹:	19,172	11,016	4,334	4,334	4,482	4,416	21,667	22,769	23,033
Provinces and municipalities	19,172	10,328	3,110	3,110	3,768	3,767	20,693	21,744	22,008
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	19,172	10,328	3,110	3,110	3,768	3,767	20,693	21,744	22,008
Municipalities	19,172	10,328	3,110	3,110	3,768	3,767	20,693	21,744	22,008
<i>of which: Regional service council levies</i>		75	110	108	107	107	96	112	117
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions		544	824	624	624	624	824	875	875
Households		144	400	90	25	25	150	150	150
Social benefits		144	400	90	25	25	150	150	150
Other transfers to households									
Payments for capital assets	1,441	525	2,014	2,014	2,509	2,409	871	625	620
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,441	525	2,014	2,014	2,509	2,409	871	625	620
Transport equipment									
Other machinery and equipment	1,441	525	2,014	2,014	2,509	2,409	871	625	620
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	25,023	65,660	58,187	45,447	66,996	64,419	86,258	88,401	90,076

Table B.3: Details on transfers to local government

Table B.3: Transfers to local government by transfer/grant type, category and municipality: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
IDP/Grant 1: Spatial Development Framework									
Category A									
Category B	1,539	872		1,200	1,492	1,492	1,280	1,400	
Letsemeng	81	58		60	60	60	64	70	
Kopanong	81			60	119	119	64	70	
Mohokare	81	58		60	60	60	64	70	
Naledi	81	58		60	60	60	64	70	
Mangaung	81			60	119	119	64	70	
Mantsopa		58		60	60	60	64	70	
Masilonyana	81	58		60	60	60	64	70	
Tokolog	81	58		60	60	60	64	70	
Twelopele	81	58		60	60	60	64	70	
Matjabeng	81			60	118	118	64	70	
Nala	81			60	118	118	64	70	
Setsoto	81	59		60	60	60	64	70	
Dihlabeng	81	58		60	60	60	64	70	
Nketoana	81	58		60	60	60	64	70	
Maluti a Phofung	81	58		60	60	60	64	70	
Phumelela	81			60	118	118	64	70	
Moqhaka	81	59		60	60	60	64	70	
Nqwathe	81	58		60	60	60	64	70	
Metsimaholo	81	58		60	60	60	64	70	
Mafube	81	58		60	60	60	64	70	
Category C	405	118		300	474	474	321	361	
Xhariep	81			60	118	118	64	72	
Motheo	81	59		60	60	60	65	72	
Thabo Mofutsanyane	81			60	118	118	64	72	
Fezile Dabi	81	59		60	60	60	64	72	
Lejweleputswa	81			60	118	118	64	73	
Unallocated	1,399								1,800
Total transfers/grants	1,399	1,944	990	1,500	1,966	1,966	1,601	1,761	1,800

IDP/Grant 2: Establishment Town Planning

Category A									
Municipality 1 (name)									
Municipality n (name)									
Category B	1,500	1,310		1,500	1,690	1,690	1,500	720	
Kopanong					190	190	190		
Letsemeng	190								
Twelopele	190								
Mohokare				250	250	250			
Naledi				250	250	250			
Mangaung							880	720	
Tokologo				250	250	250			
Matjabeng	460								
Nala							215		
Dihlabeng	250								
Nketoana	210								
Moqhaka	200								
Mantsopa		205							
Masilonyana		190							
Setsoto		205							
Maluti a Phofung		460							
Phumelela				250	250	250			
Metsimaholo				500	500	500			
Mafube							215		
Nqwathe		250							
Category C									
Xhariep									
Motheo									
Thabo Mofutsanyane									
Fezile Dabi									
Lejweleputswa									
Unallocated								780	1,500
Total transfers/grants	1,500	1,310		1,500	1,690	1,690	1,500	1,500	1,500

Department of Local Government and Housing

Table B.3: Transfers to local government by transfer/grant type, category and municipality: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Municipal Finance/Grant 1: Local Government Support Grant									
Category A									
Category B		12,031	6,948						
Letsemeng		344							
Kopanong		1,389	2,300						
Mohokare		774	800						
Naledi		820	438						
Mantsopa		663	350						
Masilonyana		445	400						
Tokologo		611	400						
Twelopele		700	400						
Matjabeng									
Nala		771	340						
Setsoto			100						
Dihlabeng		440	100						
Nketoana		238	200						
Maluti a Phofung		311	200						
Phumelela		350	220						
Nqwathe		2,338	400						
Metsimaholo		242	150						
Mafube		1,595	150						
Category C		3,691	1,000						
Xhariep		350	1,000						
Thabo Mofutsanyane		2,004							
Fezile Dabi		1,337							
Unallocated		9,974							
Total Transfers/grant		9,974	15,722	7,948					
Urban Renewal and Human Settlement/Grant 1: Municipal Infrastructure									
Category A									
Category B		37,390	29,587	12,080	12,080	12,080			
Letsemeng		2,329	4,645						
Kopanong		49	1,686						
Mohokare			1,859	1,900	1,900	1,900			
Naledi			140						
Mantsopa		947	174						
Dihlabeng		2,323	1,582						
Mafube		46	431						
Masilonyana		1,165	888						
Tokologo			1,550						
Twelopele			326						
Matjabeng									
Nala			6,239	4,213	4,213	4,213			
Setsoto		5,085	141						
Moqhaka		1,498	1,353	5,967	5,967	5,967			
Nketoana		3,457	4,666						
Phumelela			379						
Maluti a Phofung		20,491	3,528						
Unallocated		19,882	2,694	2,908	4,426	6,597	6,597	17,496	18,371
Total transfers/grants		19,882	40,084	32,495	16,506	18,677	18,677	17,496	18,371

Department of Local Government and Housing

Table B.3: Transfers to local government by transfer/grant type, category and municipality: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Urban Renewal and Human Settlement/grant 2: Informal Settlement									
Category A									
Category B		3,546	5,770	6,350	8,709	8,709	6,731	7,068	
Letsemeng			150	200	300	300		297	
Kopanong			57	220	238	238	284	284	
Mohokare			300	300	300	300	200	200	
Naledi			140		60	60	200	200	
Mangaung		1,615	375	1,050	1,710	1,710	900	1,055	
Mantsopa				300	300	300	300		
Masilonyana				200	200	200	200		
Tokologo			82	245	457	457	232	232	
Twelopele			138	200	221	221	300		
Matjabeng		735	735	480	480	480	780	1,500	
Nala		116	84					175	
Setsoto		200	321	280	281	281		200	
Dihlabeng			100	200	669	669	400	400	
Nketoana			400	400	400	400	500	500	
Maluti a Phofung		850	150	500	500	500	1,500	1,500	
Phumelela				350	485	485	350		
Moqhaka				725	1,100	1,100	350		
Nqwathe		30	506	235	310	310	235	225	
Metsimaholo			2,000						
Mafube			232	465	698	698		300	
Category C									
Unallocated	1,083								7,153
Total transfers/grants	1,083	3,546	5,770	6,350	8,709	8,709	6,731	7,068	7,153
Urban Renewal and Human Settlement/grant 2: Human Settlement									
Category A									
Category B		1,905	15,444	9,475	20,683	20,683			
Mangaung		1,880	12,499	9,475	20,477	20,477			
Masilonyana		25	1,175						
Dihlabefng			1,770		206	206			
Category C									
Unallocated	1,568								
Total transfers/grants	1,568	1,905	15,444	9,475	20,683	20,683			
Urban Renewal and Human Settlement/Grant 4: CMIP Capacity Building									
Category A									
Category B			5,547		1,037	1,037			
Kopanong			250						
Letsemeng			253						
Mafube					63	63			
Maluti a Phofung			425						
Masilonyana			250		64	64			
Mangaung			628						
Matjhabeng			936		119	119			
Setsoto			500						
Metsimaholo					70	70			
Mohokare			231		189	189			
Moqhaka			436		64	64			
Ngwathe			499		71	71			
Phumelela			639		111	111			
Tokologo			500		286	286			
Category C			2,427		1,274	1,274			
Xhariep			297		472	472			
Motheo			123		188	188			
Thabo Mofutsanyane			1,073		363	363			
Lejweleputswa			661						
Fezile Dabi			273		251	251			
Unallocated	10,184								
Total transfers/grants	10,184		7,974		2,311	2,311			
RSC Levy									
Category C			193	241	239	238	248	228	282
Motheo			175	241	202	201	235	225	279
Lejweleputswa			6		1	1	3	2	2
Thabo Mofutsanyana			1		22	22	3		
Fezile Dabi			11		14	14	7	1	1
Unallocated									
Total transfers/grants:RSC Levy			193	241	239	238	248	228	282
Total Departmental transfer/g	44,090	64,701	72,124	35,572	54,275	54,274	27,576	28,928	29,326