

Department of Local Government and Housing

To be appropriated by Vote in 2007/08	R 878 028 000
Statutory amount	R 719 262
Responsible MEC	MEC for Local Government and Housing
Administering Department	Department of Local Government and Housing
Accounting Officer	Head of Department: Department of 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

The department is characterised by the following inherent values

- professionalism
- needs driven
- compassion and empathy
- 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 monitor, evaluate and provide feedback on the financial performance of District and Local Municipalities.
- To monitor, evaluate and provide feedback to District and Local Municipalities towards compliance with key pieces of Local Government finance related legislation and regulations.
- To mobilise resources, expertise and support programs towards enhancing the financial management and overall financial position of District and Local Municipalities.
- To ensure public accountability and transparency on Local Government level.
- 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
- 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 and establish sustainable partnerships
- 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, Cabinet approved the Breaking New Ground (BNG) 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 services of not only the component but also of the entire Department, particularly when and where there are apparent conflicts of interest.

The deteriorating overall financial position of some municipalities and moreover the escalating consumer debt owed to municipalities for services rendered and consumed, which is now nearing the R 3 billion level for the Free State, also compels the Department to champion a particular strategy towards enhancing the revenue and general liquidity of municipalities. The Department therefore has scheduled a revenue enhancement summit, where experiences and private sector perspectives on debt collection will be explored. The Department is further of the intention to roll out a strategy to assist Local Municipalities in recovering a certain portion of the outstanding debtors. The strategy will amongst others encompass debtor data base verification exercises and also service level agreements with sector national and provincial Departments to promptly settle outstanding rates and service charges accounts and to advise Local Municipalities properly of payments made. 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:

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), as amended
- 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 and as amended in 2003
- Municipal Demarcation Act of 1998, (Act No. 27 of 1998)
- Municipal Structures Act, 1998 as amended in 2000, 2002 and 2003
- White Paper on Local Government of 1998
- Local Government Transition Act, 1993
- Commissions Ordinance, 1954
- Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- Municipal Finance Management Act, 2003
- Remuneration of Public Office Bearers Act, 1998
- Municipal Planning and Performance Management Regulations, 2001
- 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)
- The Public Audit Act, 2004 (Act No. 25 of 2004)

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 accommodated 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 claims and disputes will continue in the next financial year and will have a bearing on the budget of the Directorate. 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

The Department had strived to achieve the following in the current financial year: As a result of the BNG, the following elements had been addressed during 2006/2007:

- Eradication of informal settlements,
- Provision of Social and Economic Amenities,
- Accreditation of the first phase of Mangaung 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).

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

As part of Project Consolidate and the implementation of the 5 Year Local Government Strategic Agenda we have achieved the following:

- Laid a sound foundation for municipal administrative and political leadership through the facilitated induction training for councillors and Executive Municipal Management Leadership Programme;
- Accelerated infrastructure service delivery and better management of treasury responsibilities through the deployment of technical and financial experts through the SIYENZA Manje Programme, provincial government and National Billing Initiatives to 10 municipalities;
- Facilitated the eradication of 60 599 buckets as at end of December 2006 and developed a corresponding provincial bucket eradication strategy;
- Facilitated the Municipal Infrastructure Grant (MIG) expenditure for the year under-review;
- Ensured effective planning for service delivery and exploitation of economic opportunities prevalent in localities through technical support in developing of Spatial

Development Framework and robust engagements in relation to district economic opportunities;

- Facilitated the Provincial IDP Engagement Session held on 15-19 May 2006 to engage the draft reviewed IDP. Feedback and information on commitment was provided by departments to municipalities to improve the credibility of the IDPs
- Facilitated the absorption of 265 CDWs in the public service;
- Facilitated workshops on varied issues (Administration of Justice, Promotion of Indigenous Knowledge System) to enhance the capacity of traditional leaders;
- Facilitated the development of draft provincial disaster management framework and plan

3. Outlook for the coming financial year

Housing

- Developing of a provincial multi year Housing delivery Plan
- Development and Implementation of the allocation strategy
- Developing of sustainable partnerships
- Identification of suitable and well located land for housing development
- The Housing Subsidy System (HSS) will be improved and effectively maintained, resulting in improved information for decision making- purposes
- More effective marketing of the Breaking New Ground Policy
- The implementation of informal settlement eradication strategy
- Vigorous mentoring and skills transfer for Contractors
- Implementation of a Learnership programme for construction companies owned and led Youth and Women
- More effective implementation and project management on BNG houses

Local government

- Accelerating the pace of service delivery and enhancing the absorptive capacity of municipalities for effective utilization of resources;
- Embedding of core municipal systems such as performance management system that are critical for evolving performance accountability in municipalities;
- Forging of strategic and programmatic partnerships for growing local economies and thus contribute to the Geographic Growth Product (GGP);
- Repositioning of departments and mobilizing government social partners to consolidate their hands-on support to municipalities within the ambit of 5 Year Local Government Strategic Agenda

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Equitable share	146,438	145,280	142,046	175,711	197,491	197,491	183,997	195,547	210,213
Conditional grants	397,374	599,210	507,880	522,601	528,629	528,629	653,293	772,410	892,768
Own revenue	17,306	19,000	19,500	19,750	19,750	19,750	40,738	46,860	48,860
Total receipts	561,118	763,490	669,426	718,062	745,870	745,870	878,028	1,014,817	1,151,841

4.2 Departmental receipts collection

Table 2.2: Departmental receipts: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates			
	Audited	Audited	Audited				2007/08	2008/09	2009/10	
	2003/04	2004/05	2005/06	2006/07						
Tax receipts										
Sales of goods and services other than capital asset		955	1,448	2,022	1,425	1,977	1,994	2,254	2,367	2,485
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land		35	43	23		20	71			
Sales of capital assets										
Financial transactions in assets and liabilities			177	888		150	82			
Total payments and estimates	990	1,668	2,933	1,425	2,147	2,147	2,254	2,367	2,485	

5. Payment summary

5.1 Key assumptions

The revised structure of the department had been implemented and all critical vacant posts filled.

5.2 Programme summary

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1: Administration	32,428	32,522	37,550	57,273	52,973	51,721	79,660	85,942	91,827
2: Housing	395,658	541,299	411,067	574,531	596,587	594,490	707,829	830,881	955,499
3: Local Government	65,660	58,187	78,602	86,258	96,310	92,399	90,539	97,994	104,515
Total payments and estimate	493,746	632,008	527,219	718,062	745,870	738,610	878,028	1,014,817	1,151,841

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/8	2008/09
	2003/04	2004/05	2005/06						
Current payments	99,934	107,802	121,979	157,629	174,992	168,487	193,309	210,772	224,837
Compensation of employees	50,215	60,462	64,541	88,781	90,374	85,812	114,301	124,552	135,030
Goods and services	49,719	47,267	57,047	68,848	84,618	82,519	79,008	86,220	89,807
Financial transactions in assets and liabilities		73	391			156			
Transfers and subsidies	390,104	522,997	401,437	552,676	565,529	565,199	676,122	796,201	917,781
Provinces and municipalities	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665
Universities and technikons		1,099	1,085	1,100	1,100	1,100	1,100	1,100	1,100
Non-profit institutions		544	561	824	4,324	4,085	3,175	3,175	3,200
Households	325,403	449,230	355,507	523,176	530,479	530,406	652,660	771,813	892,816
Payments for capital assets	3,708	1,209	3,803	7,757	5,349	4,924	8,597	7,844	9,223
Buildings and fixed structures									
Machinery and equipment	3,708	1,209	3,110	7,757	5,349	4,924	8,597	7,844	9,223
Software and other intangible assets			693						
Total economic classification:	493,746	632,008	527,219	718,062	745,870	738,610	878,028	1,014,817	1,151,841

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
	2003/04	2004/05	2005/06						
Category B	60,605	68,386	40,152	9,511	13,443	29,182	9,796	9,659	
Category C	4,096	3,738	2,709	569	501	426	533	794	
Interprovincial transfers			1,423						
Unallocated funds				17,496	15,682		8,858	9,660	20,665
Total payments and estimates	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665

5.5 Transfers to Non-Governmental Institutions

Table 2.6: Summary of departmental transfers to Non-Governmental Institutions: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2003/04	2004/05	2005/06						
Total transfer to NGO's		544	561	824	4,324	4,085	3,175	3,175	3,200
Total payments and estimates	-	544	561	824	4,324	4,085	3,175	3,175	3,200

6. Programme description

6.1 Programme 1: Administration

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

Table 2.7: Summary of payments and estimates per sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
MEC	3,009	3,444	4,597	6,393	5,871	5,493	5,719	6,205	6,522
Corporate Services	29,419	29,005	32,562	50,880	47,102	46,072	59,727	64,247	69,068
District Services							14,214	15,490	16,237
Special Function: Losses		73	391			156			
Total payments and estimates	32,428	32,522	37,550	57,273	52,973	51,721	79,660	85,942	91,827

Table 2.8: Summary of payments and estimates per sub sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
MEC	3,009	3,444	4,597	6,393	5,871	5,493	5,719	6,205	6,522
MEC	3,009	3,444	4,597	6,393	5,871	5,493	5,719	6,205	6,522
Corporate Services	29,419	29,005	32,562	50,880	47,102	46,072	59,727	64,247	69,068
Support Services	29,419	29,005	16,672	30,436	30,158	30,158	35,158	37,357	40,335
Budget and Financial Management			15,890	20,444	16,944	15,914	24,569	26,890	28,733
District Services		-	-	-	-	-	14,214	15,490	16,237
DC 16 to DC 20							14,214	15,490	16,237
Special Functions: Losses		73	391	-	-	156			
Theft and Losses		73	391			156			
Total payments and estimates	32,428	32,522	37,550	57,273	52,973	51,721	79,660	85,942	91,827

Table 2.9: Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	31,507	31,999	36,306	50,393	44,185	43,109	70,360	76,862	81,206
Compensation of employees	13,628	18,246	17,321	25,512	21,312	20,653	44,305	48,180	52,191
Goods and services	17,879	13,680	18,594	24,881	22,873	22,300	26,055	28,682	29,015
Financial transactions in assets and liabilities		73	391			156			
Transfers and subsidies	-	139	63	3,337	6,779	6,761	3,435	3,575	4,008
Provinces and municipalities		53	51	72	14	13			
Non-profit Institution					3,500	3,500			
Households		86	12	3,265	3,265	3,248	3,435	3,575	4,008
Payments for capital assets	921	384	1,181	3,543	2,009	1,851	5,865	5,505	6,613
Buildings and fixed structures									
Machinery and equipment	921	384	488	3,543	2,009	1,851	5,865	5,505	6,613
Software and other intangible assets			693						
Total economic classification:	32,428	32,522	37,550	57,273	52,973	51,721	79,660	85,942	91,827

6.2 Programme 2: Housing

Aim

The aim of the programme is to manage housing delivery, develop and sustain infrastructure 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 2.10: Summary of payments and estimates per sub-programme: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Housing Planning and Research	7,105	12,087	8,709	13,350	11,550	10,244	13,127	14,269	15,280
Housing Development Implementation	388,553	524,393	393,251	552,122	578,178	577,972	685,643	807,125	930,628
Housing Property Management		4,819	9,107	9,059	6,859	6,274	9,059	9,487	9,591
Total payments and estimates	395,658	541,299	411,067	574,531	596,587	594,490	707,829	830,881	955,499

Table 2.11: Summary of payments and estimates per sub sub-programme: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Housing Planning and Research	7,105	12,087	8,709	13,350	11,550	10,244	13,127	14,269	15,280
Administration	7,105	10,080	8,709	13,350	11,550	10,244	13,127	14,269	15,280
Policy									
Planning		1,997							
Research		10							
Housing Development Implementation	388,553	524,393	393,251	552,122	578,178	577,972	685,643	807,125	930,628
Administration	63,150	8,956	37,903	27,290	42,422	42,306	30,632	32,912	35,735
Individual Housing Subsidies		16,782	812	14,339	14,339	14,339	9,459	9,459	9,459
Project-Linked Subsidies	325,403	422,111	345,199	305,611	319,092	319,092	435,914	555,031	675,389
Peoples Housing Process		45,692	3,458	165,592	159,654	159,564	173,870	173,870	173,870
Emergency Housing Assistance				12,419	12,419	12,419	10,000	10,000	10,000
Institutional Subsidies		7,713	456	12,000	12,000	12,000	10,000	10,000	10,000
Urban Restructuring Programme (Higher density individual ownership and Social Housing)				6,731	10,112	10,112	7,068	7,153	7,475
Affordable State Rental (Public Sector Hostel Redevelopment)			2,412	4,000	4,000	4,000	4,350	4,350	4,350
Rural Housing Programme		23,139	3,011	4,140	4,140	4,140	4,350	4,350	4,350
Housing Property Management		4,819	9,107	9,059	6,859	6,274	9,059	9,487	9,591
Administration		4,819	9,107	8,836	6,636	6,051	7,819	8,231	8,335
Sales and transfer of Housing Properties				36	36	36	40	42	42
Enhanced Extended Discount Benefit Scheme							1,000	1,000	1,000
Housing Properties Maintenance				187	187	187	200	214	214
Total payments and estimates	395,658	541,299	411,067	574,531	596,587	594,490	707,829	830,881	955,499

Table 2.12: Summary of payments and estimates by economic classification: Programme 2: Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	23,380	29,157	30,488	43,516	56,256	54,367	49,328	53,211	56,847
Compensation of employees	14,551	17,840	18,327	23,366	22,027	20,703	24,235	26,444	28,233
Goods and services	8,829	11,317	12,161	20,150	34,229	33,664	25,093	26,767	28,614
Financial transactions in assets and liabilities									
Transfers and subsidies	370,932	511,842	379,420	527,672	538,458	538,385	657,273	776,441	897,222
Provinces and municipalities	45,529	61,743	22,855	6,811	10,144	10,127	7,068	7,153	7,475
Universities and technikons		1,099	1,085	1,100	1,100	1,100	1,100	1,100	1,100
Households	325,403	449,000	355,480	519,761	527,214	527,158	649,105	768,188	888,647
Payments for capital assets	1,346	300	1,159	3,343	1,873	1,738	1,228	1,229	1,430
Buildings and fixed structures									
Machinery and equipment	1,346	300	1,159	3,343	1,873	1,738	1,228	1,229	1,430
Land and subsoil assets									
Total economic classification:	395,658	541,299	411,067	574,531	596,587	594,490	707,829	830,881	955,499

Policies, priorities and strategic objectives

Strategic Goal 2:

Enhanced Sustainable Human Settlements to communities in the Free State Province by 2014.

Strategic Objectives:

- To ensure the effective and efficient delivery of housing in the Free State.
- To ensure the effective and efficient delivery of housing opportunities in terms of National and Provincial Housing Programmes.
- To rehabilitate dysfunctional areas with the notion of economic and social development.
- To effectively and efficiently manage housing assets

Strategic Objective No.2.1: To ensure effective planning for Housing and Sustainable Human Settlements

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To conduct housing research	<p>Conduct research and submit findings on the following:</p> <ul style="list-style-type: none"> • Alternative housing methods • Building materials <p>Populate and facilitate the implementation of alternative housing methods and building materials</p>	2 Research findings published and implemented in identified municipalities
To provide a regulatory framework for housing delivery	<p>Review and update the following policies:</p> <ul style="list-style-type: none"> • Child Headed Households • Beneficiary waiting lists <p>Pre Emptive rights</p> <p>Populate and facilitate the implementation of the above updated policies within all municipalities</p> <p>Develop and facilitate the implementation of the Multi-Year Housing Delivery Plan (Prov PoA 12.2.1)</p>	<p>3 policies, guidelines and/or strategies developed</p> <p>3 policies and strategies updated and implemented</p> <p>100% Updated Multi-year Housing Delivery Plan</p>
To provide capacity and support to municipalities with regard to housing delivery in line with the Housing Act	<p>Monitor and enforce quality and EPWP compliance in housing delivery:</p> <ul style="list-style-type: none"> • Enhance EPWP principles in housing projects • Enrol Housing Projects <p>Support and assist with the accreditation of Mangaung Local Municipality</p> <p>Hands on capacity building in municipalities</p> <p>Conduct workshops</p> <p>Provide 8 training workshops and courses to municipalities (Prov PoA 12.1.3)</p> <p>Conduct Consumer Education training</p> <p>Learnership on Community House builder managed for 600 learners</p> <p>Develop Brochures on the BNG/Turn Around Strategy</p>	<p>All identified housing projects</p> <p>100% enrolment of NHBC in all PLS projects</p> <p>Mangaung Local Municipality Accredited on Level 1</p> <p>4 training workshops conducted</p> <p>8 training programmes completed</p> <p>5000 beneficiaries educated</p>

Measurable Objectives	Performance measures	Performance Targets 2007/08
To provide capacity and support to municipalities with regard to housing delivery in line with the Housing Act	Build institutional capacity through partnerships: Foster and formalise relationships with possible partners	Five partnerships established
Land tenure rights are upgraded	Finalise and implement the Land Tenure Strategy Ensure the registration of 500 deeds of transfer Facilitate the opening of township registers in respect 30 General plans Develop and implement a land acquisition strategy	5000 deeds of transfer registered in favour of qualifying beneficiaries 80 township registers opened 10 parcels of land transferred to the municipalities for development purposes Hectares of state land acquired or privately owned land purchased for housing development
To manage housing information	To provide reliable and accurate data: <ul style="list-style-type: none"> Clean and maintain data on HSS Interface with BAS 	100% reliable data on HSS
To upgrade informal settlements	Pilot Socio Economic Projects in partnership with stakeholders Conduct feasibility studies and produce reports Approve business plans and allocate for planning and surveying	6 Informal settlements upgraded 2 Socio Economic projects piloted
To create integrated and functional human settlements (Spatial restructuring and Integration)	Socio Economic surveys conducted Identify and pilot 6 human settlement projects (Prov PoA 12.3.1)	1 Socio Economic Survey conducted 6 human settlement projects identified

Strategic Objective No.2.2: To ensure the effective delivery of Housing opportunities in relation to National Housing Programmes

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To ensure the successful implementation of the Breaking New Ground - / Turn Around Strategy	Monitor, evaluate and report on the implementation of the BNG and Turn Around Strategy	100% Implementation of the BNG Strategy/ Turn Around Strategy 100% Increase on the understanding and awareness of officials and stakeholders on the BNG and Turn Around Strategy enhanced
To provide individual subsidies to qualifying beneficiaries in accordance with the housing policy	Allocate and approve 14278 subsidies	No. of subsidies allocated and approved: <ul style="list-style-type: none"> 2400 PHP 9813 project linked 20 Emergency housing 315 Social Housing 200 individual subsidies 300 Farm Worker 100 Relocation / rightsizing 100 Housing Finance-linked 1000 women-headed households 30 disabled persons

Measurable Objectives	Performance measures	Performance Targets 2007/08
To facilitate and fast-track the construction and rectification of houses	<p>Monitor and report on the construction of houses (Prov PoA 12.1.1)</p> <p>Provide mentorship to and support contractors:</p> <ul style="list-style-type: none"> Interact with CETA, NHBRC Manage formal training programme for contractors <p>Finalize agreement on the modalities for utilizing the R42 billion set aside by the financial institutions for housing development for poor and middle-income groups (Nat. PoA 4.1.4)</p> <p>To ensure implementation of the programme on rectification of houses with structural defects (15/03/1994-31/03/2002):</p> <ul style="list-style-type: none"> Finalizing validation of the incomplete houses in remaining districts Completion of the incomplete houses Technical Management on all projects Rectify defect houses (Nat PoA 12.1.2) 	<p>14 278 Houses constructed</p> <p>500 Special Projects (Youth, Slum Developments, 16 Days of Activism – 32 houses)</p> <p>34 Emerging contractors participating and empowered in housing delivery</p> <p>15 Women contractors engaged through the various housing programmes</p> <p>745 Houses with defects rectified</p>

Strategic Objective No. 2.3:

To build the Institutional Human resource Capacity to deliver Sustainable Human Settlements – 15% of the Branch's Budget

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To regulate rental housing within the Province	<p>Render an effective and efficient secretariat and advisory service to the Rental Housing Tribunal</p> <p>Advocate the Rental Housing Tribunal and Social Housing policies</p>	<p>100% cases submitted to the Rental Housing Tribunal</p> <p>100% Increase in the understanding of and awareness of the Rental Housing Tribunal</p>
To effectively and efficiently manage all rentals	<p>Transfer identified units to beneficiaries through the Discount Benefit Scheme</p> <p>Devolve identified rental units to municipalities in terms of section 15 of the Housing Act</p> <p>To verify occupancy and rental agreements</p> <p>Pilot rental housing stock for the poor (Nat PoA 4.1.6)</p>	<p>1000 Units transferred to beneficiaries</p> <p>All identified rental units devolved to municipalities</p> <p>All identified occupancy and rental agreements verified</p>

6.3 Programme 3: Local Government

The programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities and traditional leadership institutions in terms of the Constitution of 1996. The programme also aims to render support services regarding Disaster Management, planning and development.

Programme description

The Programme consists of the following:

- Municipal Administration
- Municipal Finances
- Spatial Planning
- IGR and community participation
- Integrated Development Planning and Local Economic Development
- Municipal Infrastructure Services
- Disaster Management
- Traditional Affairs
- Free Basic Services and Partnerships

Table 2.13: Summary of payments and estimates per sub-programme: Programme 3: Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Municipal Administration	39,940	7,421	16,473	12,358	29,530	29,238	16,077	17,345	18,553
Municipal Finance		24,902	14,331	11,099	8,599	7,825	13,126	13,992	15,076
Municipal Infrastructure		377	17,491	19,630	22,116	21,777	21,115	23,094	24,031
Disaster Management	1,654	2,363	4,131	5,195	5,195	4,582	4,591	5,063	5,623
Spatial Planning	11,627	12,280	13,632	20,727	15,983	15,054	19,192	20,655	21,836
Local Economic Development	3,449	2,610	2,839	4,801	3,039	2,973	3,607	3,973	4,519
Traditional Affairs	8,990	8,234	9,705	12,448	11,848	10,950	12,831	13,872	14,877
Total payments and estimates	65,660	58,187	78,602	86,258	96,310	92,399	90,539	97,994	104,515

Table 2.14: Summary of payments and estimates by economic classification: Programme 3: Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	45,047	46,646	55,185	63,720	74,551	71,011	73,621	80,699	86,784
Compensation of employees	22,036	24,376	28,893	39,903	47,035	44,456	45,761	49,928	54,606
Goods and services	23,011	22,270	26,292	23,817	27,516	26,555	27,860	30,771	32,178
Transfers and subsidies	19,172	11,016	21,954	21,667	20,292	20,053	15,414	16,185	16,551
Provinces and municipalities	19,172	10,328	21,378	20,693	19,468	19,468	12,119	12,960	13,190
Non-profit institutions		544	561	824	824	585	3,175	3,175	3,200
Households		144	15	150			120	50	161
Payments for capital assets	1,441	525	1,463	871	1,467	1,335	1,504	1,110	1,180
Machinery and equipment	1,441	525	1,463	871	1,467	1,335	1,504	1,110	1,180
Land and subsoil assets									
Total economic classification:	65,660	58,187	78,602	86,258	96,310	92,399	90,539	97,994	104,515

Policies, priorities and strategic objectives

Strategic Goal: Accountable and sustainable local governance in the Free State Province

Strategic Objectives:

- To mainstream hands-on support to local government to improve municipal governance, performance and accountability
- To address the structure and governance arrangements of the State in order to better, strengthen, support and monitor local government
- To refine and strengthening the policy, regulatory and fiscal environment for local government and give greater attention to the enforcement measures
- To promote integrated spatial planning
- To enhance improved municipal infrastructure

Specification of Measurable Objectives and Performance Indicators:

Strategic Goal 3: Accountable and sustainable Local Governance is promoted in the Free State

Strategic Objective No.3.1:

To mainstream hands-on support to Local Government to improve Municipal Governance, performance and accountability

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
Municipal transformation and -organizational development is promoted	Support District and local municipalities to prepare IDPs <ul style="list-style-type: none"> • Develop alignment framework • Facilitate sector department commitment • Monitoring and reporting • Organise information sharing sessions 	5 District Management and 20 Local Municipalities with adopted and aligned IDPs 100% alignment of municipal IDPs to PGDS Implementation of National and Provincial programmes of action
To promote integrated development within the Free State Province	Alignment of municipal IDPs with community needs, sector plans and PGDS Continuous support and monitoring of municipal IDPs Assessment of IDPs and engagement sessions at provincial and district level	<ul style="list-style-type: none"> • 4 monitoring reports developed on the implementation of municipal IDPs • 1 support programme on IDPs targeting 25 municipalities developed and implemented • 5 Districts assessment and engagements held and MEC comments developed
	Capacity building programme	1 support programme on IDP targeting sector departments developed and implemented
	Support the implantation of guidelines/ publication of guidelines	An IDP guideline for all stakeholders developed

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote integrated development within the Free State Province	<p>Municipalities need to be supported to establish the core basic municipal systems to function as effective governments as required by law:</p> <ul style="list-style-type: none"> • Develop Regulations on Local Government • Support municipalities to establish municipal systems - Admin systems, PMS, service delivery. 	25 municipalities with core municipal systems in relation to municipal transformation and institutional development
	<p>Implement local government competency frameworks, , performance and evaluation of Municipal Managers together with other Senior Managers:</p> <ul style="list-style-type: none"> • Monitor the implementation of regulations to strengthen management and accountability in Local Government for Section 57 Senior Managers. • Promote the enacted Performance Management Regulations • Render support to appoint and review the contracts of and to assess the performance of Section 57 Managers • Ensure that new contracts for Senior Managers in Local Government are developed and signed 	25 municipalities complying to appropriate legislation
	<p>Support municipalities to fill vacant municipal and senior manager posts:</p> <ul style="list-style-type: none"> • Develop a provincial database tracking the status of Section 57 Managers, reporting and supporting municipalities. 	<p>25 municipalities supported in filling vacant posts</p> <p>An updated provincial database on the status on section 57 managers by end December 2007</p>
	<ul style="list-style-type: none"> • Participate and implement Provincial recruitment and retention strategy with particular focus on less resourced municipalities. 	
	<p>Use information from the national local government skills audit to develop provincial skills profile and data-base</p> <ul style="list-style-type: none"> • Maintain skills audit for Section 57 Senior Managers, prioritizing 25 municipalities. • Pilot the Leadership development programme in selected municipalities • Develop functional Professional Leadership Programmes and assessment report on existing institutions done. 	<p>25 skills audits profiles updated and maintained</p> <p>2 Leadership Development Programmes piloted</p>

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote integrated development within the Free State Province	<p>Source and deploy hands-on support to municipalities:</p> <ul style="list-style-type: none"> • Determine priority Municipalities institutional requirements and provide support to address those gaps. • Engage Institutions to assist with financial management training to complement other sources. • Deploy Institutional and Admin systems expertise in identified Municipalities. <ul style="list-style-type: none"> • Develop and implement capacity building programme on disaster management (that include fire fighting and fire prevention). • Develop and implement early warning systems that include provincial vulnerability atlases and contingency plans • Support district municipalities (including leveraging resources) in establishing operational centres and assist in the development of implementable disaster management plans • Develop a comprehensive information management and communication system • Monitor the occurrence of disaster through using the developed risk assessment tool and provincial vulnerability atlas; • Co-ordinate disaster response and recovery • Partner with district municipalities in facilitating adequate fire brigade services at district municipal level 	<p>2 Memorandum Of Understanding on financial management training</p> <ul style="list-style-type: none"> • One capacity building programme on disaster manager (that include fire fighting and fire prevention) • Number of disaster managements officials and community trained • 1 Updated provincial vulnerability atlas and 5 district contingency plans • operational disaster management centres • Information management and communication system developed • 4 monitoring reports developed • Number of disaster response and recovery plans implemented 5 partnership arrangements made
Fast-track the implementation of free basic services	<p>Ensure the achievement of identified service delivery targets</p> <ol style="list-style-type: none"> i. Complete and verify a backlog study. ii. Develop provincial master sector plans. iii. Develop provincial sector implementation plans with annual targets. iv. Implement Indigent policy guidelines. v. Implement Free Basic Services Sector Communication strategy. vi. Report quarterly to EXCO and the PCF. 	<ul style="list-style-type: none"> • Report on service delivery backlogs • 4 provincial master sector plans on FBS developed • 20 local municipalities implementing the indigent policy and providing FBS
	Develop and monitor a provincial implementation plan (in line with the National Implementation Plan) for the eradication of the bucket system, with clear targets linked to housing delivery and provincial spatial development framework towards prioritizing the eradication of the bucket system	100% Eradication of bucket system

Measurable Objectives	Performance measures	Performance Targets 2007/08
Fast-track the implementation of free basic services	Implement and monitor a National Municipal Infrastructure Investment Policy and Strategy that serves as a roadmap to achieving universal access and will deal with other issues such as refuse removal and FBS	5 local municipalities piloting the implementation of the National Municipal Infrastructure Investment Policy and Strategy
	<p>Align all Sector plans with the PGDS and IDPs, and the NSDP</p> <ul style="list-style-type: none"> • Alignment of the sector departments' plans (e.g. water, sanitation, electricity, roads, housing, waste management, municipal health) with IDPs, PGDS, NSDP. • ii. Report regularly to EXCO and the PCF. 	<p>Nine provincial Sector departments' Plans aligned</p> <p>4 assessment reports on alignment developed for EXCO and PCF</p>
	<p>Prioritise short to long term technical hands-on support to less capacitated municipalities, e.g. through the DBSA support initiative, SALGA, University, DWAF, inter-municipal partnership .</p> <ul style="list-style-type: none"> • Establish and/or refine the management arrangements and support mechanisms for deployment of local government technical experts. • Develop guidelines for effective deployment of local government technical experts. • Identify more Generalist technical experts from within the sector and mobilise specialist experts from Government and Outside Government. • Roll-out phased hands-on support to prioritised municipalities 	<p>25 experts deployed to municipalities</p> <p>A guideline on the development of technical experts developed and implemented</p>
	<p>Specific hands-on support will be given to the ISRDP municipality node</p> <ul style="list-style-type: none"> • Orientation of official's in the ISRDP Node. • Economic profiling of the node and development of economic development strategy. • Implement community investment programme in the node. • A short term intervention is in place where MIG has deployed senior engineers, students and graduates to prioritised municipalities 	<p>An orientation session with official from the ISRDP node organised</p> <p>1 Economic development strategy developed for the node</p> <p>2 community investment projects implemented in the node</p> <p>20 (senior engineers and graduate students) deployed to prioritised municipalities</p>

Measurable Objectives	Performance measures	Performance Targets 2007/08
To improve local economic development	<p>Provide differentiated support to district and local municipalities to prepare implementable LED Strategies that are aligned to IDPs.</p> <p>i. Ensure LED alignment with IDPs and that LED strategies of municipalities are anchored by credible and updated data.</p> <p>ii. Conduct LED capacity assessment based on a municipal LED competency framework.</p> <p>iii. Mobilization and deployment of LED related capacity in priority municipalities.</p>	<p>25 LED capacity assessments completed.</p> <p>5 LED experts deployed in priority municipalities.</p> <p>5 District Municipalities and 20, Local Municipalities having adopted LED Strategies</p>
	<p>Support all district and local municipalities by prioritizing LED interventions in the Provincial Growth and Development Strategy.</p> <ul style="list-style-type: none"> Provincial Economic Clusters to co-ordinate LED support and PGDS alignment strategy for municipalities. Develop second economy in partnership with civil society and Rural Economic Development with particular focus to small towns and declining economies. 	<p>5 Growth and Development summits held in districts</p> <p>50% of LED implementation plans implemented</p>
	<p>Implement the National Framework for LED, including policy guidelines and strategies in alignment with ASGISA in district and local municipalities.</p> <ul style="list-style-type: none"> Convene a LED, PGDS & ASGI-SA alignment workshop. Improve market and public confidence in municipalities. 	<p>25 of municipalities participating in provincial LED alignment workshop</p> <p>Five marketing programmes developed and implemented towards improving public confidence</p>
	<ul style="list-style-type: none"> Identify and exploit the comparative and competitive advantage of the 25 municipal areas Intensify enterprise support at Local Level. <p>Introduce sustainable community investment programmes.</p>	<p>Five community investment programmes developed and implemented</p>
	<p>Publish, communicate and implement LED Framework as part of hands on support.</p>	<p>Developed Provincial LED Framework</p> <p>No. of awareness / information workshops held in municipalities</p>

Measurable Objectives	Performance measures	Performance Targets 2007/08
To improve local economic development	<p>The LED Framework will be implemented through mobilization of key sets of LED- related capacity:</p> <ul style="list-style-type: none"> i. Deployment of experienced economists, development economists and planners in selected municipalities. ii. Identification of high-level international skills and a dedicated strategic leadership programme for municipal managers and senior municipal staff; and iii. Conduct provincial level economic analysis of District and local areas: <ul style="list-style-type: none"> • Economic profiling of the nodes and development of economic development strategy. • Implement community investment programme in the node. 	<p>1 economic profile developed in the node.</p> <p>Increased level of economic and social investment in the nodal areas</p> <p>No of new enterprises established in the LM area of jurisdiction (current fiscal period)</p>
	<p>Establish public - private partnerships / forums to facilitate LED and to optimize opportunities to create an enabling and conducive environment for LED</p>	<p>5 public-private partnerships / forums established to promote LED</p>
	<p>Develop the Urban Development Framework to reinforce the implementation of national LED framework in cities and towns.</p>	<p>5 district municipalities supported in the implementation of their economic development projects</p> <p>5 Awareness workshops on the Regional Industrial Development Strategy (RIDS) and LED Framework</p>
Promote municipal financial viability and management	<p>Provide financial management hands-on support to in particular, low capacity municipalities and improve the capacity to account for public resources:</p> <ul style="list-style-type: none"> • Establish shared services and promote knowledge sharing. • Support selected municipalities to comply with MFMA priority areas for implementation without ignoring medium and high capacity • Develop and implement an action plan with treasury on the MFMA. 	<ul style="list-style-type: none"> • 25 financial statements of the Municipalities submitted to the AG • MFMA priority areas for implementation in selected municipalities identified supported. • 25% improvement of financial capacity in municipalities. • A signed MOU with Treasury implemented and monitored – that include SCM and submission of credible AFS
	<p>Support all programmes that are designed to improve governance and fight corruption.</p> <ul style="list-style-type: none"> • Rollout of the local government anti-corruption strategy to all municipalities and coordinates the implementation of the strategy at a local level. 	<ul style="list-style-type: none"> • 25 municipalities with capacity to develop and implement the anti-corruption strategy. • 25 municipalities having anti-corruption policies, systems and procedures in place.

Measurable Objectives	Performance measures	Performance Targets 2007/08
Promote municipal financial viability and management	<ul style="list-style-type: none"> Support municipalities to develop and implement anti-corruption policies, systems and procedures including internal institutional structures and capabilities. 	<ul style="list-style-type: none"> 100% Implementation of Corporate Governance Matrix
To promote good governance and enhance public participation	<p>Support refinement of the local government fiscal system, with a particular focus on ensuring the LG Equitable Share (LGES) and other grants benefit the poorer municipalities.</p> <ul style="list-style-type: none"> Contribute towards options for a fiscal instrument to replace Regional Services Council (RSC) levies. <p>Contribute towards options on the revised local government equitable share (LGES) formula to assist poorer municipalities.</p>	<p>5 % increase of own revenue that has been generated as a result of improved integrated financial management and revenue collection practices in all municipalities</p>
	<p>Guide the implementation of the Municipal Property Rates Act (MPRA).</p> <ul style="list-style-type: none"> Monitor the Implementation of Regulations. Support and monitor municipal implementation of the Act. And its impact of communities and fiscal the environment. 	<ul style="list-style-type: none"> A guideline on the implementation of MPRA implemented and popularised 2 monitoring reports on MPRA developed
	<p>Guide municipalities in engaging the unfolding Regional Electricity Distributors (REDs) establishment processes (financial implication and financial models)</p>	<p>An information session on the implication of REDS and corresponding financial models on municipalities convened</p>
Establish Intergovernmental Committee on Disaster Management	<p>Intensify provincial campaign to improve mechanisms for community participation and empowerment</p> <p>i. Provide ongoing support for the implementation of the national policy guidelines on public participation, with a focus on the priority municipalities.</p> <p>ii. Build capacity of ward committees through accredited LGSETA process.</p>	<p>i. 300 Ward Committees Established</p> <p>ii. 300 Ward Committees that have undergone training</p> <p>iii. 300 Functional Ward Committees</p> <ul style="list-style-type: none"> 300 CDW deployed to the Municipalities
	<p>Co-ordinate and support provincial and district disaster management advisory foray and other related meetings</p>	<p>One Intergovernmental Committee on Disaster Management established</p> <p>6 disaster management advisory foray operational</p>
	<p>Develop guidelines for Premier and Mayors to develop and implement public participation / Izimbizo programmes.</p>	<p>A guideline on community participation developed and endorsed by the PCF</p>

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote good governance and enhance public participation	<p>Strengthen transparency and accountability of financial affairs of Local Government</p> <ul style="list-style-type: none"> • Ensure strict adherence to tender rules and financial management regulations and provide guidelines on reporting unethical conduct by councillors and officials. • Promote holding of regular public reporting of financial expenditures according to budgets. • Identify key development agencies to assist in scaling up the mobilization of social capital and develop a partnership programme 	<ul style="list-style-type: none"> • Municipalities complying with tender rules and MFMA specifications • Awareness sessions held in municipalities to identify unethical conduct. • Partnership programmes established • 25 municipalities participating in partnership programmes
	<p>Coordinate, facilitate, direct and monitor the priority hands-on support actions in municipalities:</p> <ol style="list-style-type: none"> i. Establish a dedicated central co-coordinating mechanism towards ensuring that the implementation of the Local Government Strategic Agenda is a standing item on all relevant Intergovernmental Relations structures ii. Develop a support requirement matrix for different types of municipalities along functions and powers: Monitoring and reporting strengthened and implemented. iii. Ensure the establishment and effective functioning of a dedicated IGR Team iv. Regular support and monitoring meetings held between local government, sector departments and municipalities <p>Partner SALGA in intensifying support to the political leadership and traditional leaders of municipalities:</p> <ol style="list-style-type: none"> ii. Develop & implement an annual capacity and training programme for councillors and traditional leaders i. Promote the participating of all councillors in the capacity and training programme and report thereon. iii. Assist SALGA to develop a pro-active intervention plan to address stabilizing the political and administrative components of municipalities and unblocking political problems that negatively affect the service delivery and support actions directed at municipalities: <ol style="list-style-type: none"> i. Implement activities per the plan for each year to be completed by June 2008. ii. Intervention plan. 	<ol style="list-style-type: none"> a. A co-ordinating unit / PMU on 5 year local government strategic agenda operational b. A provincial municipal support matrix developed and implemented c. 100% of representatives attending meetings d. 100% of resolutions implemented e. 100% of reports submitted on time with relevant information <p>Annual Training plan in place</p> <p>100% Implementation of capacity building programmes on the following:</p> <ul style="list-style-type: none"> • Traditional Institutional Arrangements • Traditional Resource Administration • Traditional Affairs Integration / Development Facilitation •

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote good governance and enhance public participation	iv. Establish and sustain agreements on service delivery and development programmes between traditional leaders, municipalities and sector departments Popularise Local Government Communication Guidelines through provincial and district workshops: <ul style="list-style-type: none"> • Municipal Communication Infrastructure in place. • Communications Policy in place. • Municipal Communication Cycle adopted. • Communications Strategy in place. • Communications Support in place for Public Participation. 	Traditional Land Administration 100% Implementation of Communication Plan
	Resource mobilization of communication in municipalities: <ul style="list-style-type: none"> • Establish a dedicated fund to enhance and support communication in struggling municipalities • Support secondments and twinning agreements between municipalities through provincial communication forums • Executive communication skills and structures audits to municipalities to assess functionality and interventions needed 	Communication resources secured
	Participate in the development and implementation of a five year communication framework for local government service delivery programmes and communicate progress and successes:	50% Progress achieved
	<ul style="list-style-type: none"> • Intensify communication on the outputs of 5 Year Local Government Strategic Agenda Actively support the government-wide campaign on local economic activities and opportunities through LED initiatives • Communicate progress of service delivery in line with set targets Render communication support to municipalities around mass awareness campaigns and priorities on all service delivery programmes including IPD, URP, ISRDP, FBS, MIG, etc. Reposition the image / profile of the local government sector: Conduct research into public opinion / perception on local government	

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote good governance and enhance public participation	<ul style="list-style-type: none"> • Develop ideal brand identify that is in line with the desirable image of local government • Develop multi-media campaigns to address perceptions Participate in the development of a national perception index, which can be assessed annually	Public perception index developed Report on public opinion / perception developed and disseminated
	Strengthen communication in municipal and traditional institutions: <ul style="list-style-type: none"> • Fast-track the establishment of fully resources communication units in all municipalities • Develop a programme to train municipal communicators and political principles • Ensure technical support to district municipalities to formulate district-wide communication strategies • Intensify the use of Izimbizo as a platform to focus attention on local government 5-year development plan • Support and strengthen the establishment of IGR communication structures between all three spheres of government to facilitate a co-ordinated government communication system 	25 functional communication units within municipalities and traditional institutions
	Support access to information through the use of ICT in municipalities: <ul style="list-style-type: none"> • Establish ICT Forum to develop local government ICT frameworks • Ensure that all municipalities are compliant with applicable legislation • In partnership with the Dept of the Premier, ensure that MPCCs have adequate ICT capacity to support service delivery efforts 	25 LM connected and functional ICT Systems
	Strengthen Good Governance at Local Government Level (Corporate Governance). <ul style="list-style-type: none"> • Implement the Code of Conduct for Councillors and traditional leaders. • Establish audit committees at district and municipal level (Risk Management). • Establish a shared anti-corruption forum. 	Conduct 5 awareness raising sessions for all Councillors and traditional leaders in municipalities on Code of Conduct. 25 municipalities have audit committees. All priority municipalities participate in a shared anti-corruption forum and accessing Hotline.

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote good governance and enhance public participation	<p>Establish local houses and traditional councils</p> <p>Development and implement agreements between traditional institutions and municipalities on co-operative governance</p> <p>Develop and implement support programmes towards supporting the Commission on Traditional Leadership</p>	4 MOU developed with 2 district and 2 local municipalities
	<p>Create and sustain a performance culture within traditional councils:</p> <ul style="list-style-type: none"> • Conduct research on an appropriate performance management system • Development policies and guidelines • Develop a performance management system for traditional councils • Implement Traditional Council performance improvement rewards and events 	Operational plans for 13 traditional councils developed and implemented

Strategic Objective No.3.2: To address the structure and Government arrangements of the State in order to better, strengthen, support and monitor Local Government

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To strengthen the intergovernmental system to benefit local government by principally implementing the IGR Framework Legislation	<p>Implement the IGR Framework Act.</p> <p>Provide implementation toolkits.</p> <p>Department of Local Government and Housing to support establishment and functionality of the District IGR structures to comply with IGR Framework Legislation.</p>	<p>5 District IGR Forums functional</p> <p>25 municipalities implementing the Practitioners Manual, Guidelines and other toolkits.</p> <p>5 District IGR structures established and supported.</p>
To improve the Department's as well as municipal capacity towards achieving the 5-year Local Government Strategic Agenda	<p>Critically review the Department's as well as municipal capacity:</p> <p>Assess the capacity of the Local Government Branch to perform its statutory responsibilities towards local government, and to recommend measures to improve its capacity to support and monitor municipalities.</p> <p>Enhance departmental capacity to implement 5 Year Local Government Strategic Agenda and other programmes</p> <p>Establish PMUs towards co-ordinating the provision of hands-on support to municipalities on the 5-Year Local Government Strategic Agenda</p>	<p>Municipal annual assessment conducted</p> <p>100% participation in the development of the framework</p> <p>An operational PMU co-ordinating the implementation of 5 Year Local Government Strategic Agenda</p>

Strategic Objective No.3.3: To refine and strengthen the policy, regulatory and fiscal environment for Local Government and give greater attention to the enforcement measures

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To monitor the extent to which local government comply with legislation	Undertake a regulatory compliance audit with local government legislation (within municipalities)	25 municipalities complying with local government legislation 100% Implementation of a strategy to ensure compliance with Local Government Legislation.
To institutionalise intergovernmental planning with delivery focus at all levels in government	Build the planning capacity of municipalities Ensure that district and local municipalities IDP's are transformed into expressions of government-wide commitments through regulations and/or legislative amendments. Improve the regulatory framework for intergovernmental planning. Support Municipal Councils to prepare a 5-year perspective for concrete and realistic localised development and service delivery targets.	25 aligned municipal IDPs
To support the Two-Tier District System of Municipalities	Support facilitator and Co-ordinator role of District. Support proposal on a "District Shared Services model". Division of functional responsibilities between B's and C's.	5 operational and fully-functional District Municipalities 2 "District Shared Services Model" implemented
To provide guidance and support to municipalities towards implementing the Disaster Management Act	Provide information sessions as well as hands-on support to municipalities Conduct an audit to determine the extent of compliance within municipalities	100% compliance with the Act
To ensure the successful implementation of legislation, policies and guidelines within traditional leadership	Formulate and implement policy guidelines and legislation with regard to the following: Traditional Institutional Arrangements Traditional resource Administration Traditional Affairs Integration / Development Facilitation Traditional Land Administration	100% Policies, guidelines and legislation formulated and implemented with regard to the following: Traditional Institutional Arrangements Traditional Resource Administration Traditional Affairs Integration / Development Facilitation Traditional Land Administration

Strategic Objective No.3.4: To promote integrated spatial planning

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote land development within the Free State Province	Process and evaluate land development applications received:	All Land development applications processed and evaluated

Measurable Objectives	Performance measures	Performance Targets 2007/08
To promote land development within the Free State Province	<p>Ensure applications are in line with current policies and processes within said time frames and relevant legislation.</p> <p>Indicate affected parties for advertisements</p> <p>Evaluation of applications by Townships Board.</p> <p>Final approval, proclamation, and notification.</p>	90% of land development advice in line with current policies
	<p>SDF guidelines have to be in place so that proper documents can be compiled that will contribute to the credibility of IDPs as the SDF forms the backbone of the IDP.</p> <p>Finalize SDF guidelines and implement.</p> <p>Municipalities must guide the growth and form of their area. This is a very important element as it forms the basis of development.</p> <p>Assist municipalities to develop a land development policy regarding spatial growth and development.</p> <p>The existing legislation is outdated, in many ways; not providing for the changing circumstances and dynamics of planning.</p> <p>Develop new land use legislation.</p> <p>Implementation</p> <p>Edge to edge Land Use Management Schemes developed to control land uses in municipalities</p> <p>Finalize process of approval of LUMS.</p> <p>Support regarding implementation and enforcement of LUMS</p>	<p>Formulate and update guidelines policies and legislation on land development.</p> <p>100 Per cent implementation of Land Use Management Schemes.</p>
To ensure the development of SDFs and the availability of spatial information	<p>Providing spatial data of geographical areas:</p> <p>Print maps and provide information to municipalities and departments.</p> <p>Collect and process updated information.</p> <p>Update SG-data (erven and farms) once every month.</p> <p>Support and assist municipalities with the establishment of a working GIS and relevant GIS problems.</p> <p>Assist with the compilation of Spatial Development Frameworks on district level:</p> <p>Align and integrate 3 district SDFs and finalize Vredefort Dome SDF.</p> <p>Align and integrate 3 district SDFs</p> <p>Finalize Vredefort Dome SDF.</p> <p>Compile provincial SDF and align with reviewed FSGDS.</p>	<p>Credible spatial data of geographical areas available</p> <p>District spatial development framework developed and aligned to the PSDF</p> <p>District spatial development framework developed and aligned to the PSDF</p> <p>Update FS Provincial Spatial Development Framework</p>

Strategic Objective No.3.5: To enhance improved Municipal Infrastructure

Service Delivery Measures

Measurable Objectives	Performance measures	Performance Targets 2007/08
To facilitate the successful implementation of the Municipal Infrastructure Grant Programme in municipalities including bucket eradication (BEP)	<p>Facilitate all monthly PMU monitoring meetings</p> <p>Conduct MIG provincial quarterly- and PMITT quarterly meetings</p> <p>Ensure and assist municipalities to capture and maintain the MIG projects and processes on the MIS.</p> <p>Support and monitor Municipalities in capturing the KPI;s through the MIS.</p>	<p>8 MIG meetings held</p> <p>Capacitate all 20 Municipalities to capture all MIG project information on the Municipal Information system (MIS)</p>
	<p>Identify a areas of support</p> <p>Provide continuous admin support</p> <p>Identify projects on bi-annual basis to be evaluated</p> <p>Assist Municipalities in registering bucket eradication projects</p> <p>Monitoring the progress of bucket eradication projects</p> <p>Submit monthly and quarterly reports on bucket eradication in Free State</p>	<p>Capacitate all municipalities on DORA and MIG reporting</p> <p>An impact assessments report infrastructure projects developed</p> <p>4 reports on bucket eradication developed</p>
To ensure accurate and updated reporting on the Provincial MIG Programme status	<p>Submit monthly reports for the following:</p> <ul style="list-style-type: none"> -MIG -DORA -EPWP -PCC <p>Submit quarterly reports for the following:</p> <ul style="list-style-type: none"> -KPI -EPWP -PMITT (sector departments) 	12 monthly report on MIG developed
To monitor, support and report on the quality of drinking and wastewater within the Free State Province	<p>Monitor and report on the quality of the drinking and wastewater at all the Water Services Authorities (WSA's) in the Free State</p> <p>Submit and compile quarterly reports on drinking and waste water quality.</p> <p>Conduct site visits to all WSA's</p>	4 progress reports on f drinking and wastewater
To monitor the impact of and to sustain ISRDP/URP in the node	<p>Monitor implementation</p> <p>Coordinate the contribution of sector departments</p> <p>Implementation framework for ISRDP/URP developed 4 Capacity building programmes implemented</p> <p>Quarterly report</p>	4 monitoring reports developed
Implementation and monitoring of provincial infrastructure projects	<p>Conduct needs assessment</p> <p>Procure services and implement projects.</p> <p>Monitoring of progress on Provincial Municipal Infrastructure. Provide support to receiving Municipalities continuously</p>	100 % implementation of PIG

Measurable Objectives	Performance measures	Performance Targets 2007/08
Implementation and monitoring of provincial infrastructure projects	Submit monthly and quarterly progress reports on Provincial- and District funded projects. Submit KPI report quarterly. Conduct Impact Assessments	

6.4. Other programme information

6.4.1 Personnel numbers and costs

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

Personnel numbers	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	As at 31 March 2009	As at 31 March 2010
1: Administration	95	97	86	175	595	595	595
2: Housing	104	114	107	129	206	206	206
3: Local Government	172	278	122	164	273	273	273
Total personnel numbers:	371	489	315	468	1,074	1,074	1,074
Total personnel cost (R thousand)	50,215	60,462	64,541	85,812	114,301	124,552	135,030
Unit cost (R thousand)	135	124	205	183	106	116	126

Table 2.14: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Total for department									
Personnel numbers (head count)	371	489	315	468	468	468	1074	1074	1074
Personnel cost (R'000)	50,215	60,462	64,541	88,781	90,374	85,812	114,301	124,552	135,030
Human resources component									
Personnel numbers (head count)									
Personnel cost (R'000)									
Head count as % of total for department	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	
Personnel cost as % of total for department	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	
Finance component									
Personnel numbers (head count)				41	73	73	73	143	143
Personnel cost (R'000)				11,881	9,881	9,655	18,133	19,876	21,196
Head count as % of total for department	0.00%	0.00%	0.00%	8.76%	15.60%	15.60%	6.80%	13.31%	13.31%
Personnel cost as % of total for department	0.00%	0.00%	0.00%	13.38%	10.93%	11.25%	15.86%	15.96%	15.70%
Full time workers									
Personnel numbers (head count)	371	489	315	468	468	468	1074	1074	1074
Personnel cost (R'000)	50,215	60,462	64,541	88,781	90,374	85,812	114,301	124,552	135,030
Head count as % of total for department	100.00%	100.00%	0.00%	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%

6.4.2 Training

Table 2.15(a): Payments on training: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1: Administration	861	297	195	230	500	500	305	370	210
of which									
Subsistence and travel	344		78	92	200	200	122	148	84
Payments on tuition	517	297	117	138	300	300	183	222	126
2: Housing		95	203	249	450	450	319	320	320
of which									
Subsistence and travel			81	100	180	180	128	128	128
Payments on tuition		95	122	149	270	270	191	192	192
3: Local Government		26	1,986	472	1,487	1,487	523	529	541
of which									
Subsistence and travel			795	189	594	594	209	212	216
Payments on tuition		26	1,191	283	893	893	314	317	325
Total payments and estimates	861	418	2,384	951	2,437	2,437	1,147	1,219	1,071

ANNEXURE TO BUDGET STATEMENT 2

Table B.1: Specification of receipts: Local Government and Housing

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				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	955	1,448	2,022	1,425	1,977	1,994	2,254	2,367	2,485
Sales by market establishments									
Administrative fees									
Other sales									
<i>Of which</i>									
<i>Rental</i>		16	0	20	20	20	20	20	21
<i>Loan repayments (individual entities)</i>	7	30							
<i>Razoning fees</i>	701	752	1,858						
<i>Amendment fees</i>	19	20	14						
<i>Fees Establishment townships</i>	25	30	24	1,225	1,777	1,794	1,340	1,353	1,414
<i>Land consolidation</i>	52	60	73	30	30	30	30	30	31
<i>Other (Specify)</i>	151	540	53	150	150	150	864	964	1,019
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	35	43	23	-	20	71	-	-	-
Interest	35	43	23		20	71			
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities		177	888		150	82			
Total departmental receipts	990	1,668	2,933	1,425	2,147	2,147	2,254	2,367	2,485

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

R thousand	Outcome			Main appropriatio	Adjusted appropriatio 2006/07	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
	Current payments	99,934	107,802	121,979	157,629	174,992	168,487	193,309	210,772
Compensation of employees	50,215	60,462	64,541	88,781	90,374	85,812	114,301	124,552	135,030
Salaries and wages	30,131	52,340	56,725	78,683	76,793	72,231	103,998	112,138	122,993
Social contributions	20,084	8,122	7,816	10,098	13,581	13,581	10,303	12,414	12,037
Goods and services	49,719	47,267	57,047	68,848	84,618	82,519	79,008	86,220	89,807
of which									
Advertising			2,207	2,752	3,907	3,907	2,779	4,350	4,179
Communication			3,821	3,326	4,427	4,327	4,245	4,704	4,861
Computer Services			609	1,473	3,258	3,258	1,535	1,657	1,733
Consultants and Special Services			26,377	23,189	31,378	31,202	32,755	35,252	37,656
Audit fees and Legal fees			4,336	3,895	4,406	4,306	3,956	4,615	5,113
Printing and Stationery			2,201	2,891	3,204	3,204	3,809	4,157	4,333
Subsistence and Transport			6,608	11,219	12,824	12,724	14,942	15,870	17,630
Other	49,719	47,267	10,888	20,103	21,214	19,591	14,987	15,615	14,302
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		73	391			156			
Unauthorised expenditure									
Transfers and subsidies to¹:	390,104	522,997	401,437	552,676	565,529	565,199	676,122	796,201	917,781
Provinces and municipalities	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665
Municipalities	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons		1,099	1,085	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	561	824	4,324	4,085	3,175	3,175	3,200
Households	325,403	449,230	355,507	523,176	530,479	530,406	652,660	771,813	892,816
Social benefits		145	32	3,575	3,425	3,352	3,717	3,753	4,398
Other transfers to households	325,403	449,085	355,475	519,601	527,054	527,054	648,943	768,060	888,418
Payments for capital assets	3,708	1,209	3,803	7,757	5,349	4,924	8,597	7,844	9,223
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	3,708	1,209	3,803	7,757	5,349	4,924	8,597	7,844	9,223
Transport equipment									
Other machinery and equipment	3,708	1,209	3,110	7,757	5,349	4,924	8,597	7,844	9,223
Cultivated assets									
Software and other intangible assets			693						
Land and subsoil assets									
Total economic classification	493,746	632,008	527,219	718,062	745,870	738,610	878,028	1,014,817	1,151,841
<i>Of which: Capitalised compensation⁶</i>									

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07		
							2007/08	2008/09	2009/10
Current payments	31,507	31,999	36,306	50,393	44,185	43,109	70,360	76,862	81,206
Compensation of employees	13,628	18,246	17,321	25,512	21,312	20,653	44,305	48,180	52,191
Salaries and wages	8,177	15,843	15,228	22,449	18,171	17,512	40,299	42,673	47,432
Social contributions	5,451	2,403	2,093	3,063	3,141	3,141	4,006	5,507	4,759
Goods and services	17,879	13,680	18,594	24,881	22,873	22,300	26,055	28,682	29,015
<i>of which</i>									
Advertising			744	1,354	1,354	1,354	1,865	2,049	2,192
Communication			1,422	1,285	1,705	1,605	2,183	2,184	2,343
Computer Services			1	743	928	928	769	743	799
Consultants and Special Services			3,678	5,470	4,232	4,056	5,217	6,715	6,733
Audit fees and Legal fees			4,069	3,649	4,149	4,049	3,657	4,120	4,616
Printing and Stationery			1,295	1,698	1,758	1,758	2,192	2,358	2,363
Subsistence and Transport			1,642	2,938	3,693	3,693	4,637	4,782	5,188
Other	17,879	13,680	5,743	7,744	5,054	4,857	5,535	5,731	4,781
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		73	391			156			
Unauthorised expenditure									
Transfers and subsidies to¹:		139	63	3,337	6,779	6,761	3,435	3,575	4,008
Provinces and municipalities		53	51	72	14	13			
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³		53	51	72	14	13			
Municipalities									
<i>of which: Regional service council levies</i>		53	51	72	14	13			
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					3,500	3,500			
Households		86	12	3,265	3,265	3,248	3,435	3,575	4,008
Social benefits		86	12	3,265	3,265	3,248	3,435	3,575	4,008
Other transfers to households									
Payments for capital assets	921	384	1,181	3,543	2,009	1,851	5,865	5,505	6,613
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	921	384	1,181	3,543	2,009	1,851	5,865	5,505	6,613
Transport equipment									
Other machinery and equipment	921	384	488	3,543	2,009	1,851	5,865	5,505	6,613
Cultivated assets									
Software and other intangible assets			693						
Land and subsoil assets									
Total economic classification	32,428	32,522	37,550	57,273	52,973	51,721	79,660	85,942	91,827

Of which: Capitalised compensation⁶

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2006/07	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
	Current payments	23,380	29,157	30,488	43,516	56,256	54,367	49,328	53,211
Compensation of employees	14,551	17,840	18,327	23,366	22,027	20,703	24,235	26,444	28,233
Salaries and wages	8,731	15,192	15,853	20,066	18,254	16,930	21,394	23,459	25,131
Social contributions	5,820	2,648	2,474	3,300	3,773	3,773	2,841	2,985	3,102
Goods and services	8,829	11,317	12,161	20,150	34,229	33,664	25,093	26,767	28,614
<i>of which</i>									
Advertising			50	236	1,361	1,361	115	615	619
Communication			1,189	1,073	1,653	1,653	762	1,227	1,234
Computer Services			608	680	680	680	714	814	814
Consultants and Special Services			6,374	7,001	17,496	17,496	14,837	15,232	16,927
Audit fees and Legal fees			86	80	138	138	100	100	100
Printing and Stationery			216	323	538	538	448	719	740
Substance and Transport			1,713	4,106	3,540	3,440	3,168	3,421	3,480
Other	8,829	11,317	1,925	6,651	8,823	8,358	4,949	4,639	4,700
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to¹:	370,932	511,842	379,420	527,672	538,458	538,385	657,273	776,441	897,222
Provinces and municipalities	45,529	61,743	22,855	6,811	10,144	10,127	7,068	7,153	7,475
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	45,529	61,743	22,855	6,811	10,144	10,127	7,068	7,153	7,475
Municipalities	45,529	61,743	22,855	6,811	10,144	10,127	7,068	7,153	7,475
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons		1,099	1,085	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	325,403	449,000	355,480	519,761	527,214	527,158	649,105	768,188	888,647
Social benefits		50	4	160	160	104	162	128	229
Other transfers to households	325,403	448,950	355,476	519,601	527,054	527,054	648,943	768,060	888,418
Payments for capital assets	1,346	300	1,159	3,343	1,873	1,738	1,228	1,229	1,430
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,346	300	1,159	3,343	1,873	1,738	1,228	1,229	1,430
Transport equipment									
Other machinery and equipment	1,346	300	1,159	3,343	1,873	1,738	1,228	1,229	1,430
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	395,658	541,299	411,067	574,531	596,587	594,490	707,829	830,881	955,499

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2006/07	Estimated Actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	45,047	46,646	55,185	63,720	74,551	71,011	73,621	80,699	86,784
Compensation of employees	22,036	24,376	28,893	39,903	47,035	44,456	45,761	49,928	54,606
Salaries and wages	13,223	21,305	25,644	36,168	40,368	37,789	42,305	46,006	50,430
Social contributions	8,813	3,071	3,249	3,735	6,667	6,667	3,456	3,922	4,176
Goods and services	23,011	22,270	26,292	23,817	27,516	26,555	27,860	30,771	32,178
<i>of which</i>									
Advertising			1,413	1,162	1,192	1,192	799	1,686	1,368
Communication			1,210	968	1,069	1,069	1,300	1,293	1,284
Computer Services			0	50	1,650	1,650	52	100	120
Consultants and Special Services			16,325	10,718	9,650	9,650	12,701	13,305	13,996
Audit fees and Legal fees			181	166	119	119	199	395	397
Printing and Stationery			690	870	908	908	1,169	1,080	1,230
Subsistence and Transport			3,253	4,175	5,591	5,591	7,137	7,667	8,962
Other	23,011	22,270	3,220	5,708	7,337	6,376	4,503	5,245	4,821
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	21,954	21,667	20,292	20,053	15,414	16,185	16,551
Provinces and municipalities	19,172	10,328	21,378	20,693	19,468	19,468	12,119	12,960	13,190
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³	19,172	10,328	21,378	20,693	19,468	19,468	12,119	12,960	13,190
Municipalities	19,172	10,328	21,378	20,693	19,468	19,468	12,119	12,960	13,190
<i>of which: Regional service council levies</i>									
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	561	824	824	585	3,175	3,175	3,200
Households		144	15	150	0	0	120	50	161
Social benefits		9	15	150			120	50	161
Other transfers to households		135							
Payments for capital assets	1,441	525	1,463	871	1,467	1,335	1,504	1,110	1,180
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,441	525	1,463	871	1,467	1,335	1,504	1,110	1,180
Transport equipment									
Other machinery and equipment	1,441	525	1,463	871	1,467	1,335	1,504	1,110	1,180
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:	65,660	58,187	78,602	86,258	96,310	92,399	90,539	97,994	104,515

Of which: Capitalised compensation⁶

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 Hou

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Spatial Planning/Grant 1: Spatial Planning Support Programme									
Category A									
Category B	1,539	872	2,528	1,280	3,331	3,331	2,728	2,506	-
Letsemeng	81	58		64	140	140	70	88	
Kopanong	81		190	64	140	140	122	88	
Mohokare	81	58	310	64	80	80	70	88	
Naledi	81	58	310	64	80	80	70	88	
Mangaung	81		60	64	961	961	790	214	
Mantsopa		58	60	64	80	80	125	144	
Masilonyana	81	58		64	140	140	122	88	
Tokolog	81	58	250	64	140	140	70	88	
Twelopele	81	58	-	64	140	140	122	88	
Matjabeng	81		118	64	80	80	128	156	
Nala	81		-	64	355	355	70	144	
Setsoto	81	59	60	64	80	80	125	144	
Dihlabeng	81	58	60	64	80	80	128	156	
Nketoana	81	58	60	64	80	80	125	144	
Maluti a Phofung	81	58	60	64	80	80	128	156	
Phumelela	81		310	64	80	80	70	88	
Moqhaka	81	59	60	64	80	80	128	156	
Nqwathe	81	58	60	64	80	80	125	144	
Metsimaholo	81	58	500	64	140	140	70	156	
Mafube	81	58	60	64	295	295	70	88	
Category C	405	118	60	321	430	430	533	794	-
Xhariep	81			64	60	60	72	72	
Motheo	81	59		65	60	60	72	117	
Thabo Mofutsanyane	81			64	60	60	158	215	
Fezile Dabi	81	59	60	64	190	190	158	312	
Lejweletse	81			64	60	60	73	78	
Unallocated									3,448
Total transfers/grants	1,944	990	2,588	1,601	3,761	3,761	3,261	3,300	3,448
Spatial Planning/Grant 2: Establishment Town Planning									
Category A									
Municipality 1 (name)									
Municipality n (name)									
Category B	1,500	1,310	-	1,500	-	-	-	-	-
Kopanong				190					
Letsemeng	190								
Twelopele	190								
Mohokare									
Naledi									
Mangaung				880					
Tokologo									
Matjabeng	460								
Nala				215					
Dihlabeng	250								
Nketoana	210								
Moqhaka	200								
Mantsopa		205							
Masilonyana		190							
Setsoto		205							
Maluti a Phofung		460							
Phumelela									
Metsimaholo									
Mafube				215					
Nqwathe		250							
Category C									
Unallocated									
Total transfers/grants	1,500	1,310	-	1,500	-	-	-	-	-

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 2006/07	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	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	1,000						
Xhariep	350	1,000	1,000						
Thabo Mofutsanyane	2,004								
Fezile Dabi	1,337								
Unallocated									
Total Transfers/grant	15,722	7,948	1,000						
Municipal Infrastructure/Grant 1: Municipal Infrastructure									
Category A									
Category B	37,390	29,587	16,068						
Letsemeng	2,329	4,645	748						
Kopanong	49	1,686	533						
Mohokare		1,859	2,231						
Naledi		140							
Mantsopa	947	174							
Dihlabeng	2,323	1,582							
Mafube	46	431							
Masilonyana	1,165	888	105						
Tokologo		1,550							
Twelopele		326	15						
Mfube			469						
Nala		6,239	3,275						
Setsoto	5,085	141	195						
Mqhaka	1,498	1,353							
Nketoana	3,457	4,666	7,069						
Phumelela		379	1,111						
Maluti a Phofung	20,491	3,528	317						
Unallocated	2,694	2,908		17,496	15,682	15,682	8,858	9,660	9,742
Total transfers/grants	40,084	32,495	16,068	17,496	15,682	15,682	8,858	9,660	9,742

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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Housing Performance/Subsidies/grant 1: Planning and Surveying									
Category A									
Category B	3,546	5,770	5,328	6,731	10,112	10,112	7,068	7,153	0
Letsemeng		150	350		200	200	245	245	
Kopanong		57	238	284	284	284	284	300	
Mohokare		300	210	200	390	390	200	200	
Naledi		140	60	200	200	200	200		
Mangaung	1,615	375	821	900	1,470	1,470	1,902	1,510	
Mantsopa			300	300	300	300	263	262	
Masilonyana			200	200	200	200			
Tokologo		82	367	232	322	322	168		
Twelopele		138	221	300	200	200	150		
Matjhabeng	735	735	480	780	1,657	1,657	373	1,249	
Nala	116	84			175	175	175		
Setsoto	200	321	281		201	201	200		
Dihlabeng		100	100	400	769	769	200		
Nketoana		400		500	800	800	400		
Maluti a Phofung	850	150	250	1,500	250	250	533	1,667	
Phumelela			350	350	435	435			
Moqhaka			1,100	350	996	996			
Nqwathe	30	506		235	565	565	225	170	
Metsimaholo		2,000					1,250	1,250	
Mafube		232			698	698	300	300	
Category C									
Unallocated									7,475
Total transfers/grants	3,546	5,770	5,328	6,731	10,112	10,112	7,068	7,153	7,475
Housing Performance/Subsidies/grant 2: Human Settlement									
Category A									
Category B	1,905	15,444	14,655						
Mangaung	1,880	12,499	14,454						
Masilonyana	25	1,175							
Dihlabefng		1,770	201						
Category C									
Unallocated									
Total transfers/grants	1,905	15,444	14,655						
Housing Planning and Research/Grant 1: CMIP Capacity Building									
Category A									
Category B		5,547	1,573						
Kopanong		250							
Letsemeng		253							
Mafube			63						
Maluti a Phofung		425							
Masilonyana		250	64						
Mangaung		628							
Matjhabeng		936	119						
Setsoto		500							
Metsimaholo			70						
Mohokare		231	733						
Moqhaka		436	64						
Ngwathe		499	71						
Phumelela		639	103						
Tokologo		500	286						
Category C		2,427	1,239						
Xhariep		297	472						
Motheo		123	186						
Thabo Mofutsanyane		1,073	352						
Fezile Dabi		661							
Lejweleputswa		273	229						
Unallocated									
Total transfers/grants		7,974	2,812						

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 2003/04	Audited 2004/05	Audited 2005/06				2006/07		
LED/Grant 1:									
LED									
Category C		-	200	-	-	-	-	-	-
Motheo			40						
Lejweleputswa			40						
Thabo Mofutsanyana			40						
Fezile Dabi			40						
Xhariep			40						
Unallocated									
Total transfers/grants:LED		-	200	-	-	-	-	-	-
RSC Levy									
Category C		193	210	248	71	53	-	-	
Motheo		175	189	235	54	36			
Lejweleputswa		1	1	3	5	5			
Thabo Mofutsanyana		11	11	3	5	5			
Fezile Dabi		6	9	7	7	7			
Interprovincial transfers			1,423						
Total transfers/grants:RSC Levy		193	1,633	248	71	53	-	-	
Total Departmental transfer/gran	64,701	72,124	44,284	27,576	29,626	29,608	19,187	20,113	20,665