



# STRATEGIC PLAN

MULTI-AWARD WINNING DEPARTMENT

2015-2020



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
CO-OPERATIVE GOVERNANCE,  
HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

## MEC's FOREWORD

The year 2015 is declared as a year of Freedom Charter to advance radical economic freedom and to change social landscape of our province. It is therefore incumbent upon the Department to dedicate its efforts in fulfilling the mandate provided to it by the ANC led Limpopo Provincial Government from its Medium-Term Strategic Framework, in the form of:

- **Outcome eight: “Create sustainable human settlements and improve the quality of household life” and**
- **Outcome nine: “A Responsive, Accountable, Effective and Efficient Local Government System”.**

### Human Settlements

Since 2009 significant advances have been recorded in the upgrading of slums, access to basic services, accreditation of key strategic municipalities and land acquisition for human settlements development. The wheel of service delivery has been turning and the dignity and pride of the people of Limpopo has been restored by reducing housing backlog by 80 000 by 2016. To this end we have in the past four years built not less than 63 000 quality houses. In the 2012/13 financial year only we built 12 017 quality housing units.

A key challenge in the development of human settlements is corruption. We must fight corruption whenever and wherever it raises its ugly head. We should do so in support of the manifesto's five priorities of the ANC led government's priority number five. When fighting corruption we instill confidence in the people of our province that government is clean and that it delivers fairly and equitably. To this end, the department had ensured that all the role players in the housing allocation are engaged and that roles are clarified. Moreover that the allocation is done according to the Housing Code; that priority will be given to elderly people, child-headed families and to people with disabilities. Accurate collection and management of housing demand information are cornerstones of the beneficiary selection process and essential for future planning.

### GAP Market

The provision of sites for people earning between R3 500 and R15 000 per month (GAP beneficiaries) is set to improve in the coming year. The Department has entered into an agreement with the National Housing Finance Corporation, which will enable it to plan for the provision of sites to be developed for GAP beneficiaries benefitting from the Finance Linked Individual Subsidies Programme in 2015/2016.

### **Social Housing**

The Department is also currently managing the development of a social housing pipeline within three districts in Limpopo, which is aimed at the development of new social rental housing projects through partnerships with accredited Social Housing Institutions and the private sector.

Some of the key focus areas for the year ahead include restoring the dignity and image of the Limpopo Provincial Government and ensure that the human settlement service delivery clock continues to tick.

### **Traditional Affairs**

The House of Traditional Leadership will remain a critical appendage to the success of the department. We deliver services in a locality, where our Traditional Leaders coexist with municipalities and we pride ourselves in the esteemed cooperation we have been enjoying from our Traditional Leaders. In 2014/2015 financial year, the initiation schools, both boys and girls schools, ran successfully. They had a total registration of 40 062 initiates with a total death toll of only four initiates. Planning for the 2015/16 financial year must start in earnest to ensure that we do not experience mushrooming of the illegal schools. It is the department's conviction that the improved systems employed will minimise the death toll further in the coming year's season, if not to completely register a death-free initiation season.

### **Financial management and excellence**

The department is on record for managing its finance with exceptional diligence. Equally there is a need to responsively and responsibly aid the 30 municipalities to also achieve Clean Audit Campaign objectives. We should do this with rigor and zeal but also appreciate great strides made by our municipalities in their journey to clean financial health. The department must sustain the clean audit status to serve as exemplary to our municipalities. Let us go Back to Basics to accelerate service delivery for our downtrodden communities.

CoGHSTA is reckoned with success and we need to keep the momentum.

I believe in a collective and therefore I commit to work with all stakeholders including the management and staff, for the benefit of the people of Limpopo.




---

EXECUTIVE AUTHORITY OF DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN  
SETTLEMENTS AND TRADITIONAL AFFAIRS: M.E.C. M. G. MAKHURUPETJE

**OFFICIAL SIGN-OFF****OFFICIAL SIGN-OFF**

It is hereby certified that this Annual Strategic Plan:

- Was developed by the management of the Department of Co-operative Governance, Human Settlement and Traditional Affairs under the guidance of **M. G. Makhurupetje**.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Co-operative Governance, Human Settlement and Traditional Affairs is responsible.
- Accurately reflects the strategic outcome goals and objectives which the Department of Co-operative Governance, Human Settlement and Traditional Affairs will endeavour to achieve over the period 2015 – 2020.

Chief Financial Officer

Signature:  \_\_\_\_\_

Head of Planning

Signature:  \_\_\_\_\_

Accounting Officer

Signature:  \_\_\_\_\_

Approved by  
Executive Authority

Signature:  \_\_\_\_\_  
M.E.C. M. G. MAKHURUPETJE

*Date of Tabling : 10 March 2015*

**Table of Contents**

1. Vision.....	6
2. Mission.....	6
3. Values.....	6
4. Legislative and other Mandates.....	8
4.1 Constitutional Mandates.....	8
4.2 Legislative Mandates.....	8
4.3 Policy Mandates.....	10
4.4 Relevant court rulings.....	12
4.5 Planned Policy Initiatives.....	12
5. SITUATIONAL ANALYSIS.....	13
5.1. Performance environment.....	<b>Error! Bookmark not defined.</b>
5.2. Organizational Environment.....	<b>Error! Bookmark not defined.</b>
6. STRATEGIC GOALS.....	26
PART B: STRATEGIC OBJECTIVES.....	27
7. Programme 1: Administration.....	27
8. Programme 2: Integrated Sustainable Human Settlement.....	33
9. Programme 3: Local Governance Support.....	36
Departmental Summary of Payments and Estimates.....	40
10. Conditional grants.....	43
11. Public Entities.....	43
ANNEXURE 2: LIST OF ACRONYMS.....	44
12. ANNEXURE 3: MUNICIPALITIES.....	46

## PART A: STRATEGIC OVERVIEW

### 1. Vision

Integrated Sustainable Human Settlements

### 2. Mission

To be an effective agent of change that delivers quality services to citizens of Limpopo through:

- Promoting developmental cooperative governance,
- Supporting municipalities and Traditional Leadership Institutions, and
- Optimally deliver integrated and sustainable human settlements.

### 3. Values

Our values are underpinned by the Batho Pele Principles.

- **Service Excellence:**

*We shall strive to attain recognised standards of service quality, and maintain continuous improvement in service delivery.*

- **Innovation:**

*We shall toil in the pursuit of excellence and innovation on the use of information and communication technology to enhance public service delivery.*

- **Integrity:**

*We shall conduct our business with integrity at all times to inculcate a culture of honesty and accountability among all our employees.*

- **Prudence:**

*We shall exercise prudence and economy in running the business of the department and in pursuance of its goals and the objectives of government.*

- **Transparency:**

*We shall always ensure transparency in everything we do in order to build trust and confidence with all our stakeholders.*

- **Fairness and consistency:**

*We shall treat all our beneficiaries, suppliers and employees with fairness and equity at all times.*

- **Professionalism**

*We shall ensure that employees demonstrate high level of professionalism when interacting with all stakeholders*

#### 4. Legislative and other Mandates

The list below provides legislative mandates that have informed the existence of the department and main responsibilities to be performed by the department.

##### 4.1 Constitutional Mandates

Section of the Constitution	Direct responsibility in ensuring compliance
Chapter 2, section 26	This section puts direct responsibility on the department in ensuring that everyone has access to adequate housing, a responsibility carried out through the ISHS sub-Department.
Chapter 7, section 154	This section directs the provincial government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

##### 4.2 Legislative Mandates

Relevant Act	Key Responsibilities
A. Public Service Act of 1994 (as amended) and Regulations	To provide for the organization and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.
B. Public Finance Management Act 1 of 1999 (as amended) and Regulations	To regulate financial management in the national government and provincial government, to ensure all revenue, expenditure, assets and liabilities of the government are managed efficiently.
C. Municipal Finance Management Act of 2003 (as amended)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government.
D. Division of Revenue Act of 2012 (as amended).	Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 278 municipalities. This budget process takes into account the powers and functions assigned to each sphere of government. The



Relevant Act	Key Responsibilities
	division of revenue process fosters transparency and is at the heart of constitutional cooperative governance.
E. Housing Act of 1997	The Department in consultation with provincial organization must do everything in its power to promote and facilitate the provision of adequate housing in its province within the framework of the national housing policy.
F. Local Government Municipal Structures Act of 1998	The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act.
G. Local Government Municipal Systems Act of 2000	The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review of its 5 year integrated development plan.
H. Disaster Management Act 2002	<p>To provide for- an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery;</p> <ul style="list-style-type: none"> <li>• the establishment of national, provincial and municipal disaster management centres;</li> <li>• disaster management volunteers; and</li> <li>• matters incidental thereto.</li> </ul>
I. Development Facilitation Act of 1995	To facilitate and speed up the implementation of reconstruction and development programmes and projects in relation to land; and in so doing, to lay down general principles governing land development throughout the Republic.
J. Municipal Systems Act of	The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review of its 5 year integrated development plan.
K. Municipal Structures Act of	The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act.
L. Spatial Planning and Land Use Management Act, 2013	To provide a framework for spatial planning and land use management in the Republic; and to specify the relationship between the spatial planning and the land use management system and other kinds of planning .

<b>Relevant Act</b>	<b>Key Responsibilities</b>
M. Traditional Leadership and Governance Framework Act No.41 of 2003.	To provide for the recognition of traditional communities; to provide for the establishment and recognition of traditional councils as well as providing for a statutory framework for leadership positions within institutions of traditional leadership.
N. Limpopo Traditional Leadership and Institutions Act No.6 of 2005	To provide for the recognition of traditional communities; the recognition of traditional councils, the election and appointment of members of traditional councils, recognition of traditional leaders, their removal from office, their roles and functions, recognition of acting traditional leaders and regents, to provide for funds of traditional councils and management thereof; to provide for payment of allowances for travelling expenses of members of traditional councils; to provide for meetings of royal family and traditional councils; to provide for code of conduct; and for matters connected therewith.

#### 4.3 Policy Mandates

<b>Policy</b>	<b>Key Responsibility</b>
1. National Development Plan	The NDP, which outlines a plan to address issues in the country, provides a road map to where government would like South Africa to be in 2030.
2. Community Residential Units Policy	Building and management of residential units for the beneficiaries of income up to R3500 per month. Mostly targets all hostels, old buildings and green field sites.
3. Housing Code	To provide an easy – to- understand overview of the various housing subsidy instruments available to assist low income households to access adequate housing. The detailed description of the policy principles, guidelines, qualification criteria and norms and standards are available in the National Housing Code.
3. Breaking New Ground	The state gives subsidy housing to qualifying beneficiaries to bring dignity to them. The policy emphasizes on the need to achieve a nonracial integrated society through the development of sustainable settlements and quality housing.
4. Provincial LED Strategy	Planned actions aimed at creating an impetus and a critical mass in the local economic environment in order to generate momentum in the economy.

Policy	Key Responsibility
5. Local Government Strategic Agenda	Roadmap that outlines what needs to be done by local government during the term 2006-2011, The roadmap outlines priority actions and proposes intervention to be implemented by critical stakeholders-municipalities, SALGA, traditional leaders etc.
6. Multi-year Housing Development Plan	To provide a strategic context for the implementation of housing development plan over the next five years. The plan is aimed at ensuring that the council's enabling role and its forward development programme help deliver against core council and housing priorities.
7. Integrated Development Plan	This is a plan which indicates how the municipality will spend its money for the next five years. It is a plan to help set budget priorities.
8. Provincial Growth Point Plan of Action	Identify economic growth points in all the district municipalities.
9. Provincial Municipal Capacity Building Strategy	Capacitating, monitoring and co-ordination of all efforts by the local government aimed at assisting municipalities to achieve optimal performance.
10. Limpopo Economic Growth Development Plan	<ul style="list-style-type: none"> <li>• It assists the province to be able to make strategic choices in terms of prioritizing catalytic and high impact initiatives as a way of responding to the MTSF strategic thrusts.</li> <li>• The LEGDP is designed to form a solid base line such that it is constructed as an Implementable plan which will culminate into a long term strategy. Therefore, the Plan will make every effort to move towards the development of the 2030 provincial growth and development strategy and The Limpopo Vision 2030.</li> </ul>

#### **4.4 Relevant court rulings**

There are no court rulings that have significant impact on the operations of the department.

#### **4.5 Planned Policy Initiatives**

- Policy on housing Co-operatives
- Leave of absence management policy

## 5. SITUATIONAL ANALYSIS

### 5.1. Performance Delivery Environment

The effectiveness of the department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) to building houses in the province is mandatory, but not only, dependent on the resources that makes available to realize the socio-economic rights contained in the constitution of South Africa. Building houses can provide South Africa with the necessary foundation for long term and sustainable socio-economic development. Monitoring funding by the government, as well as the maximum consumption of the allocated voted funds forms a critical part of oversight of state performance. The harmonization of government functions is regularly principled on combined planning and implementation, budget accountability which has a particular focus specific to the department. Alignment between the budget and the various plans compiled during the planning phase is imperative to ensure that sufficient financial resources are available to achieve the outcomes, outputs, activities and inputs relevant to strategic objectives within departmental programmes. Alignment between the allocation of financial resources and goal and strategic objectives to be achieved is fundamental.

#### Population dynamics

Limpopo is estimated to experience an out-migration of nearly 303 101 people. The 2011 Census results indicate that there is a total of 5 275 973 people in Limpopo and this represent 9% increase from the 2001 Census. It has further revealed that the population is dominated by young people below the age of 35 years. Generally the household size has declined in all the district municipalities in the province. Sekhukhune district municipality recorded the highest average household size than all districts even higher than the provincial average.

Table 1: Distribution of population and households per district municipality

	Census 1996			Census 2001			Census 2011		
	Population	Households	Average Household size	Population	Households	Average Household size	Population	Households	Average Household size
Vhembe	1,071,056	211,283	5.1	1,172,487	264,358	4.4	1,271,250	335,276	3.8
Capricorn	1,041,182	210,394	4.9	1,125,259	273,083	4.1	1,233,336	342,838	3.6
Mopani	936,035	201,219	4.7	1,014,646	239,209	4.2	1,076,891	296,320	3.6
Greater Sekhukhune	907,137	171,827	5.3	942,993	195,285	4.8	1,060,311	263,802	4
Waterberg	502,070	114,647	4.4	567,345	145,883	3.9	634,184	179,866	3.5
<b>LIMPOPO</b>	<b>4,457,480</b>	<b>909,371</b>	<b>4.9</b>	<b>4,822,730</b>	<b>1,117,818</b>	<b>4.3</b>	<b>5,275,973</b>	<b>1,418,102</b>	<b>3.7</b>

Source: STATSSA Census 2011

### Economic profile and indicators

Limpopo's rich mineral deposits include platinum group metals, iron ore, chromium high- and middle-grade coking coal, diamonds, antimony, phosphate and copper, as well as mineral reserves such as gold, emeralds, scheelite, magnetite, vermiculite, silicon and mica. Base commodities such as black granite, corundum and feldspar are also found. Mining contributes to more than a fifth of the provincial economy.

The province is a typical developing area, exporting primary products and importing manufactured goods and services. It has a high potential for development in Lephalale, Polokwane, Musina, Ba-Phalaborwa as well as Burgersfort areas, with resources such as tourism, rain-fed agriculture, minerals and abundant labour offering excellent investment opportunities. The following economic indicators also have impact on housing need;

- Main income and average income

According to Census 2011, the average annual household income for all households in South Africa was R103 204, up from R48 385 recorded in Census 2001.

- Poverty

The proportion of the population living below the upper-bound poverty line has decreased substantially from 2006 to 2011. In 2006, more than half (57,2%) of the population of South Africa were living in poverty. While there was a marginal decline in 2009 to 56,8%, by 2011 less than half (45,5%) of all South Africans were living below the poverty line. This reflects a 20% reduction in poverty from 2006 to 2011.

- Unemployment

Poverty levels in the country have dropped since 2006, reaching a low of 39.5% in 2011 when applying the upper-bound poverty line. The following table indicates unemployment levels 1996, 2001 and 2011

Year	Limpopo unemployment rate
1996	47.1%
2001	47,3%
2011	39,5

Trends in unemployment rate, as shown by above Figure, suggest an increase between 1996 and 2001, and thereafter a decline. This continues to put pressure on the state to intensify efforts for provision of housing to the unemployed individuals.

- Main sector economic opportunity

Limpopo economic growth and development is anchored around three major competitive advantages which are mining, agriculture and tourism. The province is also rich in mineral deposits such as platinum, chrome, coal, and diamond. Mining had been a major contributor to both provincial and national Gross Domestic Product (GDP); however, the challenge had been insufficient labour absorption capacity of this sector. There is therefore a need to explore further opportunities for public private partnerships in the delivery of housing in this particular sector of mining.

### Housing situation and delivery

For the successful implementation of human settlement programme the department had put in place the systems with the emphasis on coordination in the following areas:

- Alignment with the legislative and policy prescripts
- Alignment between the national, provincial and local mandates

- The required levels of transparency, coordination and cooperative governance between the three spheres of government and between the sector departments.
- Alignment of implementation internally within the department

Based on national delivery average, there is a visible slowdown in Housing Delivery after 2009/10. The average housing delivery between 2004/5 to 2009/10 was 241 616 housing opportunities, compared with an average delivery of 162 499 in 1994-2004 and an average delivery of 181 148 housing opportunities between 2010/11 to 2013/14. This decreasing trend occurs in the face of increasing housing demand as a result of new family formation and migration. Between 2009 and 2013, 63123 beneficiaries benefitted from the subsidy housing programme in Limpopo.

The province also shows a declining trend in the number of units delivered between 2009/10 and 2013/14 financial year. The delivery over the next 5 years can be expected to decline drastically given the increase in the subsidy quantum and the need to diversity housing subsidies in line with imperatives of the NDP and Outcome 8.

Stats SA, 2011 estimated a housing backlog of 155,375 units. This figure is projected to increase by 2045 units to 157,420 units over the next four years. The land needs to address housing needs was estimated at 5,885 hectares in 2011. This is estimated to increase by 7.8% to 6346 hectares.

The Multi Year Human Settlement Development Plan for 2014 -2019 would also be implemented through central planning and coordinated approach. There is also a provincial Human Settlements Forum and other fora that are coordinated by the Office of the Premier to promote integration and coordinated development.

In order to achieve the vision of sustainable human settlements and an improved quality of household life, the department will implement, amongst others, the following priorities within the MTSF period:

- Adequate housing and improved quality living environments, with approximately 75 000 more households living in new or improved housing conditions by 2019
- Informal settlement upgrading will be expanded to cover 18 informal settlements through township establishment ensuring access to secure tenure. 14 500 households will be provided with basic services and infrastructure. A number of informal settlements will also be assessed for development feasibility and will also be enumerated.
- A functional and equitable residential property market with a target of 2 300 new housing units delivered in the affordable gap market by 2019



- Enhanced institutional capabilities for effective coordination of spatial investment decisions, with a target of 3 municipalities accredited to perform housing function.

Inadequate bulk infrastructure remains a challenge in realizing the integrated developments in the province.

The households in different housing circumstances require specific housing interventions therefore, the development approach will differ and same as funding model.

### **Household dynamics**

According to census data the number of households in Limpopo has increased from 1,117,818 in 2001 to 1,418,102 in 2011. At the same time the total population has increased from 4,995,462 in 2001 to 5,404,868 in 2011. Households have grown faster than the individual population for households compared to 0.8% for individuals) and household sizes have continued to decline from 5.0 in 1996, to 4.5 in 2001, and 3.8 in 2014. Driving the growth in the trend towards smaller average household sizes is the noticeable increase in the proportion of one-person households. In 2001 16% of all households were comprised of one person living alone while in 2011 24% of all households were comprised of one person as cited in the report compiled by The Housing Development Agency (HDA), titled "Limpopo: Informal Settlement Status (2013). Therefore, human settlement programme need to be diversified.

One-person households are more common in farms than in urban or tribal or traditional areas. In 2011 in Limpopo 56% of households living in areas demarcated as farms were one-person households whereas in urban areas 32% of households and in tribal or traditional areas 19% of households were one-person households. These one-person households are in many cases attached to other households living elsewhere in and outside the province. According to the IES 29% of one person households in Limpopo either send or receive remittances indicating financial interdependency across dwelling-based households. How many of these households would reconstitute as multiple member households (including families) if suitable accommodation became available is a matter of conjecture.

Migration, presumably for economic reasons, has played a significant part in shaping the population distribution across the province.

### Planned Human Settlement developments

- The successful implementation of affordable housing is highly related to the availability of both land and availability of bulk infrastructure, which has been a challenge in the province. The Provincial Multi-Year Development Plan estimates that subsidized housing demand is just over hundred thousand per annum while the delivery rate has averaged 10 000 units per year over the past 10 years.
- Prime land acquisition for human settlement development has been stagnant.
- Informal settlement upgrading programme is implemented at a minimum compared to rural programme.

The demand for subsidised housing using Census 2011 data and the projected delivery rates has now estimated to fall from 149,951 units at the end of FY 12/13 to 110,901 units in FY 17/18. The implications are that, housing programmes have to be diversified in order to address housing demand, especially rental housing.

Table 2: Estimated demand for subsidised housing from FY 12/13 through to FY 17/18

	Estimated demand at start of year	Estimated demand at end year assuming no new units in financial year**	Number of units built in financial year***	Estimated demand at end of year less units built
FY 12/13*	146,921	152,679	12,079	140,600
FY 13/14	140,600	146,112	13,148	132,964
FY 14/15	132,964	138,175	13,342	124,833
FY 15/16	124,833	129,727	13,857	115,870
FY 16/17	115,870	120,411	14,325	106,086
FY 17/18	106,086	110,245	14,974	95,271

- Source: EY analysis with input data from census 2011 data and the 2011/16 MYHDP
- As per 2011/16 MYHDP, \*\* As per provincial 4 year annual household growth rate of 3.92%, \*\*\* As per FY 14/15 APP

### Cooperative Governance

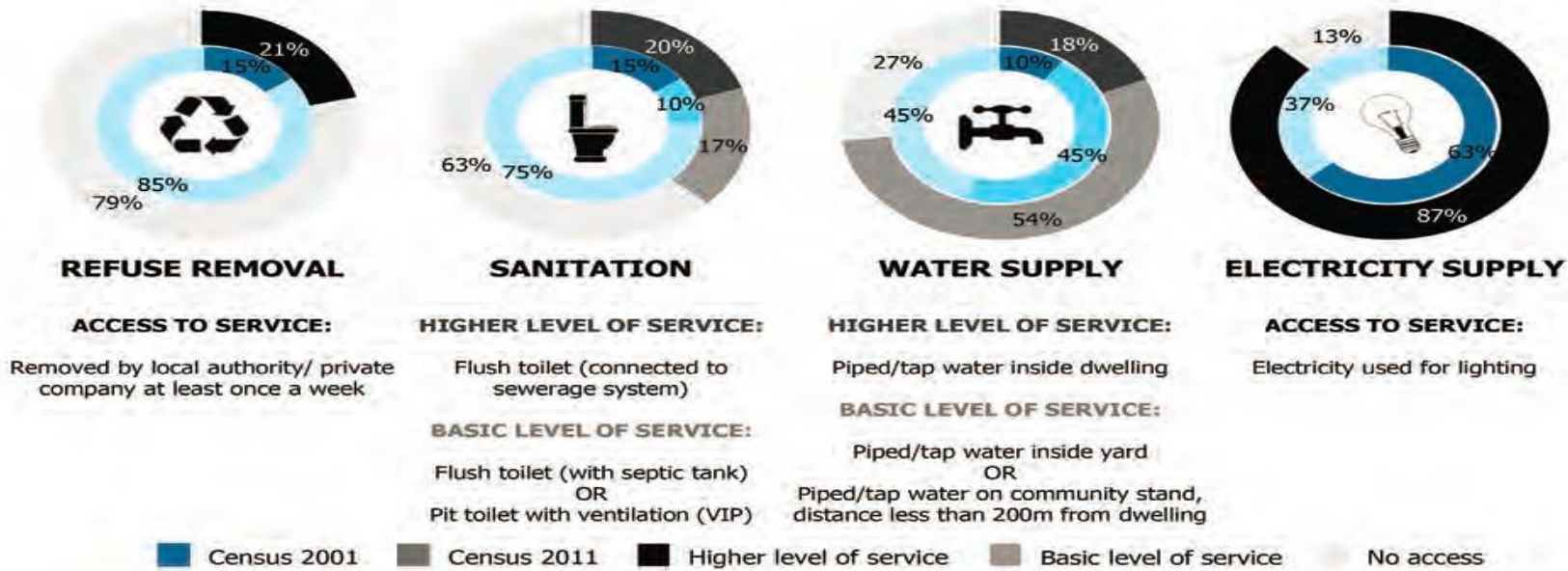
Limpopo municipalities have over the year's demonstrated great weakness in financial management, which may be attributed to high vacancy rate in budget and treasury offices as well as accountability on SCM procedures. Availability of bulk infrastructure and infrastructure maintenance has impacted negatively on delivery of basic services to communities

**Access to basic services**

The Stats SA General Household Survey of 2013 provides a picture of Limpopo Households as follows:

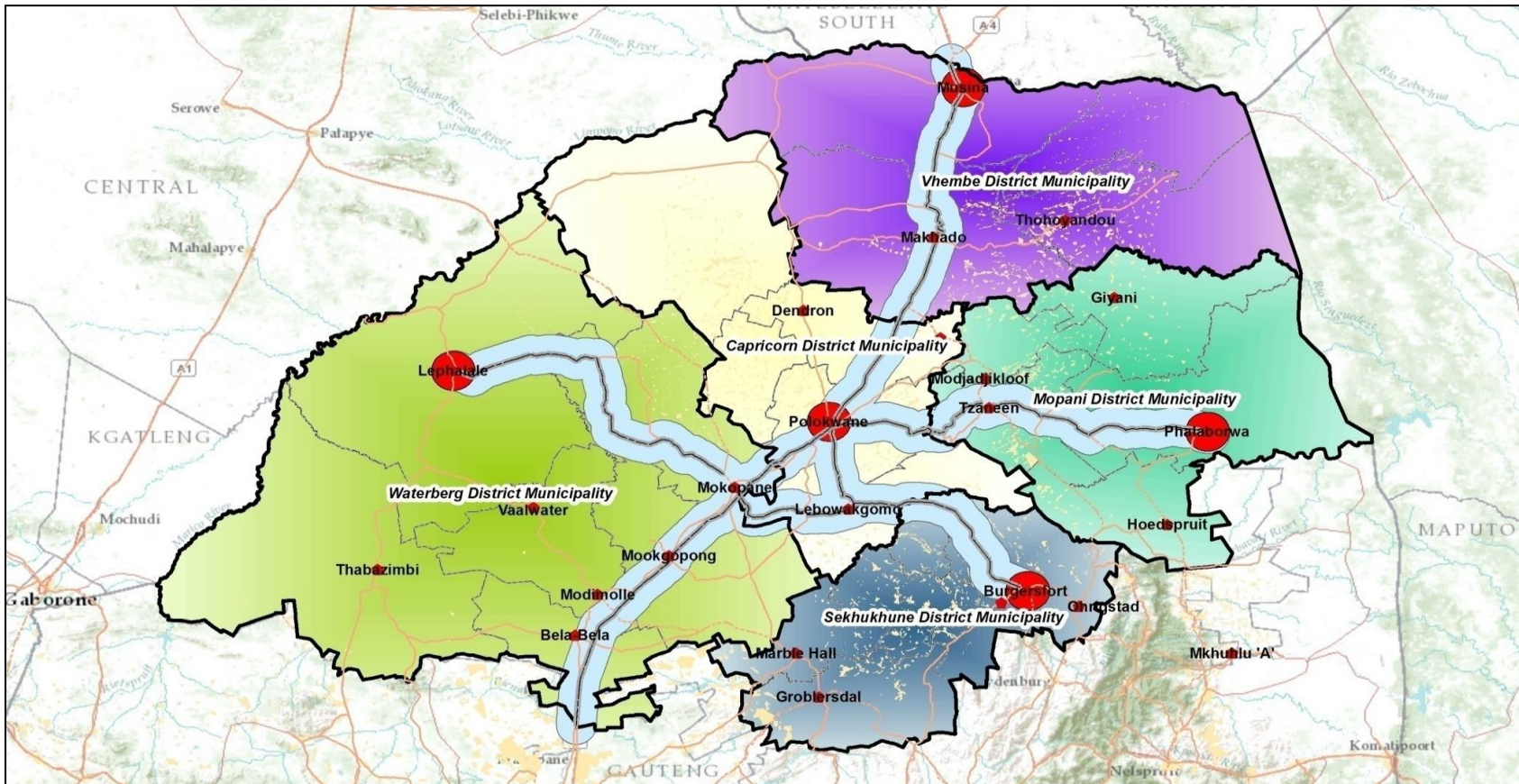
- 92,8% of households reside in formal dwellings
- 77,5% of households enjoyed access to water and use
- 50% of households had access to improved sanitation
- 44,9% of households still use wood and paraffin for cooking while electricity connection to households is at 90,3%
- An estimated 60,6% of households in Limpopo benefits from social grants and recorded such as source of income. As well 32,3% of households reported that social grant are main source of income.
- 46,6% of households are involved in agricultural activities which is in congruent with rural nature of the province

**ACCESS TO SERVICES LIMPOPO 2001 VS. 2011: ALL HOUSEHOLDS**



Source: Census 2001, Census 2011  
 Note: There is no indication as to the location of the toilet (in the dwelling, in the yard, and so on)

The map below illustrates the District Municipalities and Local municipalities



**Municipal income generation capacity and the poverty levels in the Province**

By providing basic services effectively, leveraging municipal spending to create local jobs, and facilitating local economic development (LED), rural municipalities can play a very important role in alleviating the worst forms of poverty and facilitating development in rural areas. However it needs to



be emphasized that municipalities are not solely responsible for addressing the enormous challenges of rural poverty and rural development. Indeed, the sustainability of rural municipalities themselves is dependent on overall government policy on rural areas, and the development of rural economies. Rural municipalities are not homogenous, and development strategies need to account for wide variations in demographic, social and economic contexts and needs as well as available institutional capacities. The province seems to be a more consumption area rather than an economic generation area, therefore successful rural development is critical for the long term sustainability of rural municipalities. Vibrant local economies generate both demands for basic municipal services and the resources to pay for them. Government has identified rural development as a key priority area and the Department of Rural Development and Land Affairs has been created to focus specifically on this issue. Rural development is a broad concept that engages agencies across the public and private sectors. Municipalities have two core responsibilities with respect to rural development: the effective provision of basic services, and associated support to local economic development (LED). Other agencies in national and provincial government, state-owned enterprises and the private sector also need to contribute.

The provision of basic services can be an important agent in the reduction of poverty and unemployment and strengthening of social capital. It can also be a factor in reviving agriculture, tourism and other rural non-farm enterprises. For instance: Road infrastructure connects rural areas to urban centres and facilitates the mobility of goods and people within the area. Roads provide the connections necessary for local markets to develop and facilitate the provision of public services, such as ambulances and policing. Good feeder roads (access roads) can allow the supply of perishable foods to high-value urban markets. Opportunities for job creation through labour based maintenance approaches can also support household income and retain resources in local areas. The lack of road infrastructure hinders development. The supply of water infrastructure, depending on the nature and scale of technology, has great potential for stimulating small and large scale agricultural activities. The importance of electricity infrastructure in rural areas cannot be over emphasized. Besides improving the lives of people, it can facilitate small business development. Government has emphasized the critical role that rural municipalities must play in reducing backlogs in access to basic services. Careful choices need to be made to match service levels to what households can afford. The use of appropriate technologies is important in ensuring available resources are used optimally to meet households' needs. Most rural local municipalities face a challenge in raising their own revenue. Although the majority of the households are indigent, there are those households and local businesses that can afford to pay for services. In many instances, rural municipalities do not levy property rates and service charges to non-poor households and businesses in their areas. These both undermines the finances of the municipality, and also breaks the revenue-service link between the municipality and the ratepayer/customer that entitles them to demand better quality services because they are paying for them.

In rural areas property taxes present a challenge in many developing countries, given the levels of poverty, and the difficulties of valuing properties and administering the tax. In many rural areas, municipalities need to find ways of working co-operatively with traditional authorities to facilitate appropriate land use management, the rollout of basic services and the collection of rates from non-poor households and businesses located on traditional land.

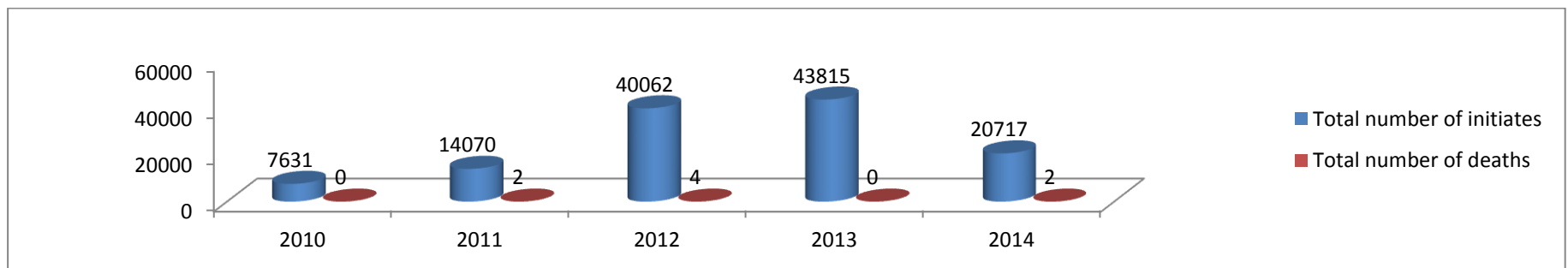
**Traditional institutions**

The province is hosting and supporting 184 Traditional Authorities, also there are 2 kings that are supported.

The role of Traditional Institution in Governance include the following

- Advisory role to government
- Upholding the values and administer the affairs of Limpopo communities
- Work with municipalities to identify the needs of Limpopo communities and be involved in municipal affairs *e.g. promoting public participation*
- Disaster management and the promotion of indigenous knowledge systems
- Need to reject tribalism, promote peace, foster social cohesion and contribute to the system of cooperative governance.

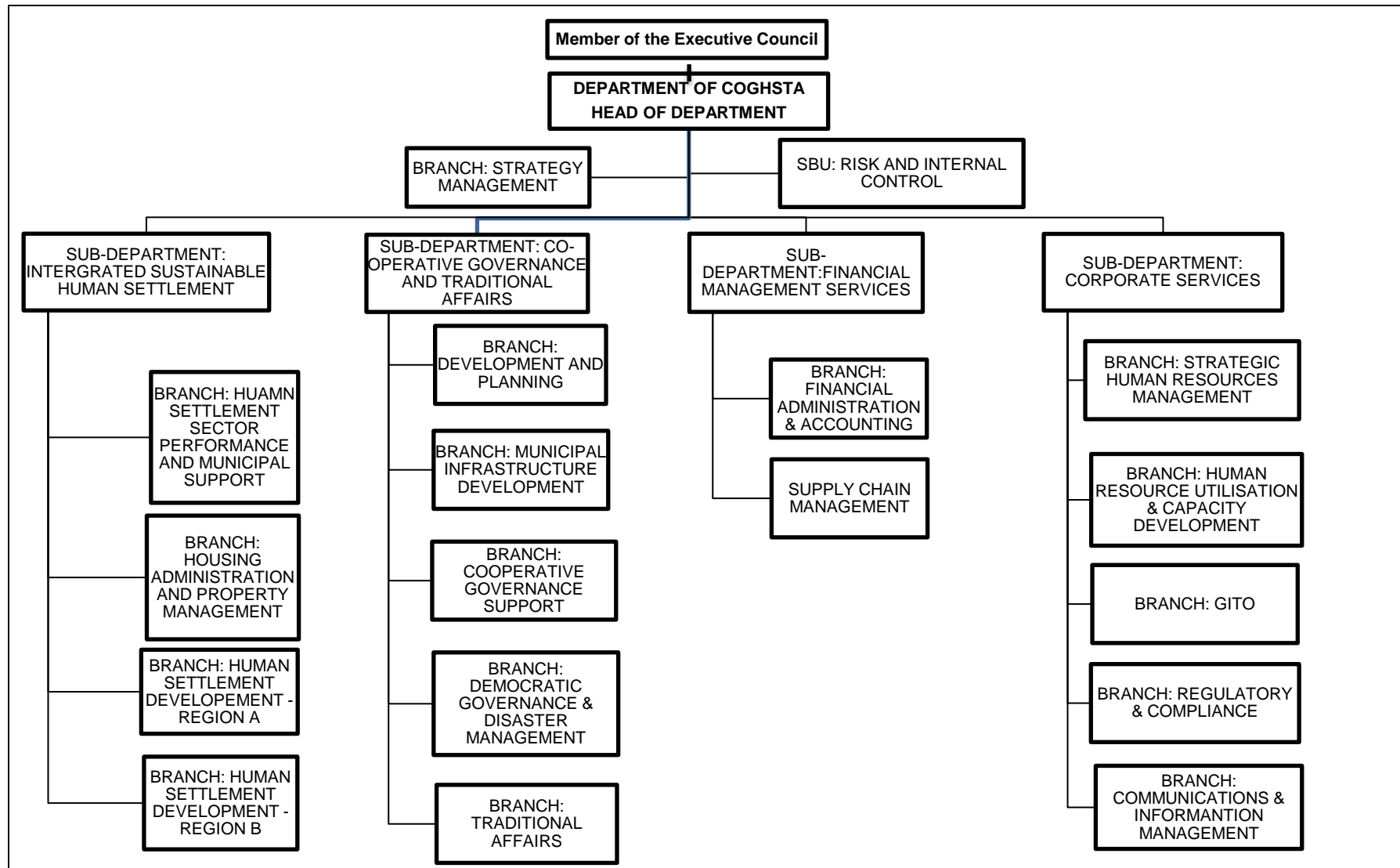
Management of initiation schools has been successful, with one of the lowest recorded deaths of initiates since 2010. This is attributed to cooperation by stakeholders in restoring the dignity of this ancient tradition. The figure below provides an overview management of initiation schools.



**Key constraints in services delivery**

- **Limitations in acquiring suitably land located in prime areas that promote integrated sustainable human settlement**
- **Bulk infrastructure and serviced sites**
  - Bulk infrastructure is inadequate and old
  - Sites not serviced by municipalities
- **Increased migration to economic growing towns**
  - Platinum and chrome mining cluster e.g. Sekhukhune district (Greater Tubatse)
  - Coal and petrochemical cluster (Lephalale Corridor)
  - Logistical cluster (Polokwane and Musina)
- **Incomplete houses**
  - More or less 2,000 housing units were unfinished due capacity of contractors limitation, national disaster, protracted community dynamics, rigid subsidy system, collision of some officials with contractors on fraud and corruption activities.

**5.2. Organizational Environment**  
**Organizational Structure**





The department has restructured the organizational structure, which was implemented in April 2013. The restructured process emanated from integration of two significant programmes i.e. Traditional Affairs and CDP. Since the restructure, significant number of posts has not been filled partially as an impact on the Section 100 (b) intervention as a reorganized certain functions of financial management.

The department has over the past electoral cycle improved significantly on financial management practices as validated by the external audit outcomes.

The department has commenced with the revision of the strategic plan for 2014-19, with significant changes on the consolidation of strategic objectives/outcome from 14 to 7. These will ensure focused activities to the realisation of the outcomes as pronounced nationally.

### **5.3. Description of the strategic planning process**

The Department conducted the first strategic planning session on which all stakeholders were invited to robustly discuss the issues surrounding the 2014-19 Strategic Plan and the 2015/16 APP, during the first quarter on the 29 and 30th July 2014 to review both the Strategic Plan and the APP. Much progress was made and finally the documents were completed and signed off. Submission was made timeously on the 31st July 2014 to Provincially Treasury and Office of the Premier. The Department of CoGHSTA followed its planning cycle framework in managing the process of developing its 2015/16 annual performance plan (APP). Specifically, the process entailed series of steps starting with the Executive Management Committee (EXCO) considering the approach and steps that would be undertaken in developing the APP. Once EXCO approved the approach and steps, the National Treasury outlines were identified and review of previous performance was done including the consideration of the 2014/15 second and third quarterly reports. The Departmental Programmes were then requested to think and contribute their inputs at the Extended EXCO that confirmed the second draft for submission to Provincial Treasury. A task team composed of cross-section of well-regarded managers was appointed to conduct a review on the departmental strategic planning process, situational analysis on issues that may hinder the implementation of the strategic goals. The task team met to analyse the information collected and identified major themes and concerns. Comments were consolidated and a draft APP was tabled at EXCO for consideration and recommendation to the MEC. EXCO's comments were considered and a revised APP was then submitted to the MEC for approval.

**6. STRATEGIC OUTCOME ORIENTED GOALS**

Strategic Goal	Goal statement
1. A professional public service that is proactive, responsive and geared towards the realisation of a developmental state	To ensure continuous professional support and an enabling environment for efficient and effective service delivery
2. Integrated human settlements with socio-economic opportunities.	Eradicate informal settlements and facilitate equitable access to adequate housing in an integrated and sustainable manner.
3. Sustainable Cooperative Governance system	<ul style="list-style-type: none"> <li>• Monitor and play oversight role in all municipalities in order to improve performance and good governance.</li> <li>• Co-ordinate and provide support to Traditional Leadership Institutions in order to enhance Local Governance.</li> </ul>

**PART B: STRATEGIC OBJECTIVES****7. Programme 1: Administration****Purpose of the Programme**

To provide effective leadership in strategic planning of the department, management and administrative support to core functions of the department. This will be ensured through continuous refinement of corporate policies, skills development, efficient and effective financial management, structures and systems that comply with legislation and best practice and championing Batho Pele principles and service delivery.

**7.1 Strategic objectives**

Strategic objective	Objective statement	Baseline
1. Efficient business processes and back office systems	Implemented Performance Management Systems in the department annually	<ul style="list-style-type: none"> <li>• 75% (98 of 130 ) targets met</li> <li>• Gender and disability representation (47% Males, 53% Females and 0.5% People with Disability)</li> <li>• 5% funded vacant posts</li> <li>• 98% of logged queries through hotlines resolved</li> </ul>
2. To render financial management support and advisory services	Financial management support and advisory services for effective accountability	<ul style="list-style-type: none"> <li>• Unqualified audit report with matters</li> <li>• 94% invoices paid within 30 days</li> <li>• 81,8% spent of the allocated budget.</li> </ul>

## 7.2 Resources Consideration

Table (a) and (b) below provide a summary of the vote's expenditure and budget estimates over the MTEF period by programme and economic classification respectively.

**Table (a): Summary of payments and estimates: Co-operative Governance, Human Settlements and Traditional Affairs**

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Programme 1: Administration	242,382	249,609	256,756	270,343	270,343	268,554	280,210	298,253	313,166
Programme 2: Human Settlements	1,254,235	1,278,275	394,695	1,322,528	1,322,528	1,323,035	1,396,907	1,428,911	1,485,713
Programme 3: Co-operative Governance	220,085	224,543	233,881	239,396	239,396	240,014	257,856	276,441	290,263
Programme 4: Traditional Institutional Development	200,408	372,101	301,306	325,766	325,766	335,425	336,870	351,941	368,995
<b>Total payments and estimates</b>	<b>1,917,110</b>	<b>2,124,528</b>	<b>1,186,638</b>	<b>2,158,033</b>	<b>2,158,033</b>	<b>2,167,028</b>	<b>2,271,843</b>	<b>2,355,546</b>	<b>2,458,137</b>
Less: Unauthorised expenditure	3,075	2,294	-	-	-	-	-	-	-
<b>Baseline available for spending</b>	<b>1,914,035</b>	<b>2,122,234</b>	<b>1,186,638</b>	<b>2,158,033</b>	<b>2,158,033</b>	<b>2,167,028</b>	<b>2,271,843</b>	<b>2,355,546</b>	<b>2,458,137</b>

Programme 1 includes MEC total remuneration package: R1,735m

Table (b): Summary of payments and estimates by econ class: Co-operative Governance, Human Settlements and Traditional Affairs

R thousand	OUTCOME			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>726,607</b>	<b>917,662</b>	<b>860,292</b>	<b>924,764</b>	<b>924,764</b>	<b>933,759</b>	<b>972,562</b>	<b>1,031,742</b>	<b>1,082,786</b>
Compensation of employees	565,859	751,125	698,382	763,429	763,429	772,424	809,026	856,155	898,420
Goods and services	160,748	166,537	161,910	161,335	161,335	161,335	163,536	175,587	184,366
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1,179,335</b>	<b>1,198,558</b>	<b>314,880</b>	<b>1,230,802</b>	<b>1,230,802</b>	<b>1,230,802</b>	<b>1,298,426</b>	<b>1,322,282</b>	<b>1,373,753</b>
Provinces and municipalities	4,022	1,529	3,713	1,983	1,983	1,169	1,228	729	765
Departmental agencies and accounts	-	6	-	-	-	1,070	1,120	1,966	2,064
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	3,512	2,614	4,096	4,096	4,096	4,317	4,483	4,707
Households	1,175,313	1,193,511	308,553	1,224,723	1,224,723	1,224,467	1,291,761	1,315,104	1,366,216
<b>Payments for capital assets</b>	<b>10,695</b>	<b>6,931</b>	<b>5,657</b>	<b>2,467</b>	<b>2,467</b>	<b>2,467</b>	<b>855</b>	<b>1,522</b>	<b>1,598</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10,695	6,931	5,657	2,467	2,467	2,467	855	1,522	1,598
Heritage assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>473</b>	<b>1,377</b>	<b>5,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>1,917,110</b>	<b>2,124,528</b>	<b>1,186,638</b>	<b>2,158,033</b>	<b>2,158,033</b>	<b>2,167,028</b>	<b>2,271,843</b>	<b>2,355,546</b>	<b>2,458,137</b>
Less: Unauthorised expenditure	3,075	2,294	-	-	-	-	-	-	-
<b>Baseline available for spending</b>	<b>1,914,035</b>	<b>2,122,234</b>	<b>1,186,638</b>	<b>2,158,033</b>	<b>2,158,033</b>	<b>2,167,028</b>	<b>2,271,843</b>	<b>2,355,546</b>	<b>2,458,136.85</b>

## Compensation of Employees

Salary increases of 5.8 per cent in 2015/16, 5.5 per cent in 2016/17 and 5.0 per cent in 2017/18 were implemented as per Treasury guideline.

Pay progression of approximately 1.5 per cent of the wage bill is included over the MTEF.

The full implication of personnel-related costs, including performance bonuses, changes in staff numbers, general salary adjustments, overtime, medical aid contributions, homeowner's allowance and other costs associated with personnel were also taken care of.

**Summary of expenditure trends within Programme 1: Administration**

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
<b>Subprogramme</b>									
Administration	-	-	-	-	-	-	-	-	-
Office of the MEC	1,508	1,652	1,668	1,735	1,735	1,735	1,735	1,735	1,822
Corporate Services	240,874	247,957	255,088	268,608	268,608	266,819	278,475	296,518	311,344
<b>Total payments and estimates</b>	<b>242,382</b>	<b>249,609</b>	<b>256,756</b>	<b>270,343</b>	<b>270,343</b>	<b>268,554</b>	<b>280,210</b>	<b>298,253</b>	<b>313,166</b>
Less: Unauthorised expenditure	-	-	-	-	-	-	-	-	-
<b>Baseline available for spending</b>	<b>242,382</b>	<b>249,609</b>	<b>256,756</b>	<b>270,343</b>	<b>270,343</b>	<b>268,554</b>	<b>280,210</b>	<b>298,253</b>	<b>313,166</b>

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

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
<b>Current payments</b>	<b>232,526</b>	<b>240,941</b>	<b>242,406</b>	<b>264,108</b>	<b>264,108</b>	<b>264,108</b>	<b>274,256</b>	<b>291,352</b>	<b>305,920</b>
Compensation of employees	139,414	144,253	146,374	156,827	156,827	156,827	165,764	171,723	180,309
Goods and services	93,112	96,688	96,032	107,281	107,281	107,281	108,492	119,629	125,610
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>5,060</b>	<b>2,540</b>	<b>4,846</b>	<b>4,860</b>	<b>4,860</b>	<b>3,071</b>	<b>5,099</b>	<b>5,379</b>	<b>5,648</b>
Provinces and municipalities	4,022	1,431	2,301	1,824	1,824	1,010	1,061	553	581
Departmental agencies and accounts	-	6	-	-	-	1,070	1,120	1,966	2,064
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,038	1,103	2,545	3,036	3,036	991	2,918	2,860	3,003
<b>Payments for capital assets</b>	<b>4,323</b>	<b>4,855</b>	<b>4,830</b>	<b>1,375</b>	<b>1,375</b>	<b>1,375</b>	<b>855</b>	<b>1,522</b>	<b>1,598</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,323	4,855	4,830	1,375	1,375	1,375	855	1,522	1,598
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>473</b>	<b>1,273</b>	<b>4,674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>242,382</b>	<b>249,609</b>	<b>256,756</b>	<b>270,343</b>	<b>270,343</b>	<b>268,554</b>	<b>280,210</b>	<b>298,253</b>	<b>313,166</b>
Less: Unauthorised expenditure	3,075	2,294	-	-	-	-	-	-	-
<b>Baseline available for spending</b>	<b>239,307</b>	<b>247,315</b>	<b>256,756</b>	<b>270,343</b>	<b>270,343</b>	<b>268,554</b>	<b>280,210</b>	<b>298,253</b>	<b>313,166</b>

**Compensation of Employees:** Compensation of Employees is mainly for salaries in respect of employees attached to the programme as well as stipends for interns.

**Goods and Services:** The main cost driver is property/office lease which currently amount to R2.8 million per month which at a 9per cent increase will amount to R39.274 million. Provision has also been made to maintain the unavoidable physical security to all Departmental offices. Audit fees, security and IT services are financed from Goods and Services.

**Transfer payments:** Rates and taxes leave gratuities and external bursaries are budgeted under transfer payments.

**Capital Assets:** Expenditure will include purchase of IT related equipment (IPS, Firewalls, ICT security) and Laptop/Desktop replacement as a result of asset ageing process.

## 7.3 Risk Management - Programme 1

Risks	Mitigations
High vacancy rate	Prioritisation of critical vacant posts
Loss of information Bad publicity	Development and implementation of proactive communication programmes Application of the record management policy
Prolonged systems downtime	<ul style="list-style-type: none"> <li>• Constant engagement with system owners to improve system availability</li> <li>• Implementation of business continuity, disaster recovery and emergency plans</li> <li>• Utilisation of off-site storage</li> </ul>
Fruitless and wasteful expenditure (incur interest, penalties, litigation)	<ul style="list-style-type: none"> <li>• Introduce the voluntary flexi- working time to officials</li> </ul>



## 8. Programme 2: Integrated Sustainable Human Settlement

### Sub-Programme 2.1: Housing Needs, Research and Planning

#### Purpose of the Programme

To ensure the provision of housing development, access to adequate accommodation in relevant well located areas, access to basic services, and access to social infrastructure and economic opportunities.

#### 8.1 Strategic Objectives

Strategic objective	Objective statement	Baseline
3. Planned Human Settlements Development	Housing development properly planned by October each year	Multiyear housing development plan in place(5 year plan)
4. Reduced housing backlog by 80 000 units by 2019	Housing backlog reduced by 80,000 units through implementation of different housing programmes by 2019	63 123 beneficiaries benefitted from subsidised houses from 2009 – 2014
5. Transferred 23 000 housing properties to beneficiaries annually	Security of tenure promoted through effecting transfer of 3,500 housing properties annually to qualifying beneficiaries	18 890 properties transferred

#### 8.4. Resources Consideration

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
<b>Subprogramme</b>									
Housing Needs, Research and Planning	22,153	26,963	22,384	17,714	17,714	34,281	15,418	17,236	17,985
Housing Development, Implementation, Planning & Target	1,200,391	1,219,632	338,014	1,259,410	1,259,410	1,254,801	1,334,239	1,361,674	1,415,845
Housing Asset Management & Property management	31,691	31,680	34,297	45,404	45,404	33,953	47,250	50,001	51,883
<b>Total payments and estimates</b>	<b>1,254,235</b>	<b>1,278,275</b>	<b>394,695</b>	<b>1,322,528</b>	<b>1,322,528</b>	<b>1,323,035</b>	<b>1,396,907</b>	<b>1,428,911</b>	<b>1,485,713</b>

**Table (f): Summary of payments and estimates by economic classification: Programme 2: Human Settlements**

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>81,095</b>	<b>87,697</b>	<b>88,369</b>	<b>100,690</b>	<b>100,690</b>	<b>100,690</b>	<b>108,317</b>	<b>116,996</b>	<b>122,846</b>
Compensation of employees	67,897	75,598	75,497	86,652	86,652	86,652	95,540	101,785	106,874
Goods and services	13,198	12,099	12,872	14,038	14,038	14,038	12,777	15,211	15,972
Interest and rent on land	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1,172,426</b>	<b>1,189,981</b>	<b>305,267</b>	<b>1,221,446</b>	<b>1,221,446</b>	<b>1,221,953</b>	<b>1,288,590</b>	<b>1,311,915</b>	<b>1,362,867</b>
Provinces and municipalities	-	98	1,412	159	159	159	167	176	185
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,172,426	1,189,883	303,855	1,221,287	1,221,287	1,221,794	1,288,423	1,311,739	1,362,683
	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>714</b>	<b>493</b>	<b>359</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	714	493	359	392	392	392	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>104</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>1,254,235</b>	<b>1,278,275</b>	<b>394,695</b>	<b>1,322,528</b>	<b>1,322,528</b>	<b>1,323,035</b>	<b>1,396,907</b>	<b>1,428,911</b>	<b>1,485,713</b>

### Summary of expenditure trends within Programme 2: ISHS

Expenditure outputs for the past three years (2011/12, 2012/13 and 2013/14) amounted to R1.254 billion, R1.278 billion and R394.694 million respectively. 92 per cent of the total budget of R1.3196 billion in the 2015/16 financial year consist of Human Settlement Development Grant (R1.288 billion).

Cost drivers on Goods and Services consist mainly of transport related cost which has to do with project managers responsible for monitoring and support services in the delivery of housing. Provision is also made for conveyance costs attached to the implementation of Enhanced Extended Discount Benefit Scheme as well as for municipal accreditation process.

**8.5 Risk Management Programme 2**

<b>Risks</b>	<b>Mitigations</b>
Lengthy Deeds office process of registration	Streamlining of control process with all stakeholders at all levels
Incomplete Township Registers at the Deeds Office	Engagement of Conveyancers
Illegal occupation / invasions	Extensive community consultation Consumer education
Hostile working environment	Conflict management training for officials
Excessive land price by private sector	Encourage municipalities to develop by-laws to regulate land prices
Protracted project evaluation processes by municipalities	Align Human settlement capacity building requirements with those of the municipalities.
Inaccessibility to credit to beneficiaries( GAP)	Engage with varies stakeholders to ensure that beneficiaries get funding
Inadequate bulk Infrastructure	Motivate funding from NDoHS and other stakeholders by relevant unit
Labour Unrest	Mediation by relevant unit
capacity constraints within Contractors	- All Contracts should include performance guarantee and penalty clause -Timeous enforcement of contracts
Inadequate OHS measures	Include OHS requirements in all contracts
Incomplete housing projects	Rectification program
Increased migration to economic growing towns	Implementation of PGP
Litigation	Ensure compliance

**9. Programme 3: Local Governance Support**

**Purpose of the programme**

Compensation of Employees in Programme 3 is largely influenced by Community Development Programme (CDP) which takes 55percent. Cost drivers on Goods and services in programme 3 are mainly for planning and survey services relating to demarcation of sites, development of infrastructure plans and deployment of accounting firms in municipalities.

**9.1 Strategic Objectives**

Strategic objective	Objective statement	Baseline
6. Improved support and oversight in all municipalities by 2019	Strengthened institutional capacity of all municipalities by monitoring compliance with local government legislations annually	<ul style="list-style-type: none"> <li>Two (2) municipalities have achieved clean and unqualified audit outcome respectively.</li> <li>Provincial Municipal Capacity Building Strategy developed</li> <li>Section 47 Report gazetted</li> <li>30 Municipalities with functional Performance Management System (PMS)</li> </ul>

**9.3. Resource Consideration**

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17
<b>Subprogramme</b>									
Local Governance	156,528	165,193	173,011	185,008	185,008	185,626	198,034	212,815	223,456
Development & Planning	63,557	59,350	60,870	54,388	54,388	54,388	59,822	63,626	66,807
<b>Total payments and estimates</b>	<b>220,085</b>	<b>224,543</b>	<b>233,881</b>	<b>239,396</b>	<b>239,396</b>	<b>240,014</b>	<b>257,856</b>	<b>276,441</b>	<b>290,263</b>

Table (h): Summary of payments and estimates: Programme 3:Co-operative Governance

R thousand	OUTCOME			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>214,302</b>	<b>221,956</b>	<b>231,903</b>	<b>238,396</b>	<b>238,396</b>	<b>238,396</b>	<b>257,541</b>	<b>276,110</b>	<b>289,916</b>
Compensation of employees	167,541	174,146	185,912	210,239	210,239	210,239	226,260	248,389	260,808
Goods and services	46,761	47,810	45,991	28,157	28,157	28,157	31,281	27,721	29,107
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1,552</b>	<b>1,866</b>	<b>1,689</b>	<b>300</b>	<b>300</b>	<b>918</b>	<b>315</b>	<b>331</b>	<b>348</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,552	1,866	1,689	300	300	918	315	331	348
<b>Payments for capital assets</b>	<b>4,231</b>	<b>721</b>	<b>229</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,231	721	229	700	700	700	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>220,085</b>	<b>224,543</b>	<b>233,881</b>	<b>239,396</b>	<b>239,396</b>	<b>240,014</b>	<b>257,856</b>	<b>276,441</b>	<b>290,263</b>

### Summary of expenditure trends within Programme 3: Co-operative governance

Compensation of Employees in Programme 3 is largely influenced by Community Development Programme (CDP) which takes 55 per cent. Cost drivers on Goods and Services in programme 3 are mainly for planning and survey services relating to demarcation of sites, development of infrastructure plans and residence accountant responsible for Financial Management capacity building in municipalities across the province.

#### 9.4. Risk Management Programme 3

Risks	Mitigations
Incomplete housing projects	Rectification program
Increased migration to economic growing towns	Implementation of PGP

### 10. PROGRAMME 4: TRADITIONAL AFFAIRS

#### PURPOSE OF THE PROGRAMME

The programme aims at capacitating municipalities to implement their legal mandates through the following sub-programmes: development planning, municipal infrastructure development, local governance support, IGR, public participation and governance, and the overall co-ordination of disaster management.

#### 10.1. Strategic Objectives

Strategic objective	Objective statement	Baseline
7. Supported all established Institutions of Traditional Leadership by 2019	Administrative support to the Institutions of Traditional Leadership in the Province provided annually	<ul style="list-style-type: none"> <li>• 184 Traditional Councils supported.</li> <li>• 10 sittings by Local Houses.</li> <li>• 2 Sittings by Provincial House.</li> </ul>

## 10.2. RESOURCE CONSIDERATIONS

### Departmental Summary of Payments and Estimates

Table (i): Summary of payments and estimates: Programme 4: Traditional Institutional Development

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
<b>Subprogramme</b>									
Traditional Institutional Admin	180,886	364,584	294,614	317,295	317,295	326,954	327,975	342,584	359,170
Administration of Houses of Traditional Leaders	19,522	7,517	6,692	8,471	8,471	8,471	8,895	9,357	9,825
<b>Total payments and estimates</b>	<b>200,408</b>	<b>372,101</b>	<b>301,306</b>	<b>325,766</b>	<b>325,766</b>	<b>335,425</b>	<b>336,870</b>	<b>351,941</b>	<b>368,995</b>

Table j): Summary of payments and estimates by economic classification: Programme 4: Traditional Institutional Development

R thousand	OUTCOME			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
<b>Current payments</b>	<b>198,684</b>	<b>367,068</b>	<b>297,614</b>	<b>321,570</b>	<b>321,570</b>	<b>330,565</b>	<b>332,448</b>	<b>347,284</b>	<b>364,105</b>
Compensation of employees	191,007	357,128	290,599	309,711	309,711	318,706	321,462	334,258	350,428
Goods and services	7,677	9,940	7,015	11,859	11,859	11,859	10,986	13,026	13,677
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>297</b>	<b>4,171</b>	<b>3,078</b>	<b>4,196</b>	<b>4,196</b>	<b>4,860</b>	<b>4,422</b>	<b>4,657</b>	<b>4,890</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	3,512	2,614	4,096	4,096	4,096	4,317	4,483	4,707
Households	297	659	464	100	100	764	105	174	183
<b>Payments for capital assets</b>	<b>1,427</b>	<b>862</b>	<b>239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,427	862	239	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>200,408</b>	<b>372,101</b>	<b>301,306</b>	<b>325,766</b>	<b>325,766</b>	<b>335,425</b>	<b>336,870</b>	<b>351,941</b>	<b>368,995</b>



### Performance and expenditure trends

Compensation of Employees in Programme 4 is largely influenced Traditional Leaders allowances which constitute 44per cent of the total budget in Traditional Institutional Development. Funding for MTEF impact of Traditional Royal allowance 2013/14 adjustment impact remains critical.

The decrease of 18 per cent on compensation of employees from the 2012/13 to 2013/14 was as a result of a once-off payment made on arrear salaries/allowances for Traditional leaders. An additional amount of R80million was provided over the MTEF to supplement the increase of salaries of Traditional Leaders which increased from R13 000.00 to R71 644.00. The provision for Kingship amounting to R10 million which was supposed to start during the 2013/14 could not be implemented due to funding constraints. The Department is funding the Kgatla Commission appointed during the 2012/13 to deal with traditional leadership disputes within the baseline. All Traditional Councils around the province depend largely on the Departmental support and the budget for this support has been reduced by 59 per cent. Maintenances of building and other administrative support cannot be sustained due to funding constraints.

The House of Traditional Leadership indicated that there are 630 headmen/women that are not recognized which require R44 million and this status will remain as such because of insufficient resources.

The services rendered by the Department are categorized into three programmes in line with sector specific structures of other provincial departments of Co-Operative Governance, Human Settlement and Traditional Affairs.

- Programme: 1 : Administration- provides a support function to the two core functions of the Department
- Programme: 2: Housing -for provision of an integrated human settlements
- Programme: 3: Local Government -for building a developmental local governance and Traditional Affairs.

The Budget for Vote 11 moved from R1.053billion to R2.380billion from 2007/08 to 2013/14 respectively. The budget is largely influenced by Housing grant which constitute 62percent and 73percent of the vote for 2007/08 and 2013/14 respectivel

**10.3. Risk Management Programme 3**

Risks	Mitigations
High number of disputes on traditional leadership	Kgatla commission processing all the disputes

## 10. Conditional grants

<b>Name of grant</b>	Human Settlement Development Grant
<b>Purpose</b>	To provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all spheres of government through the Division of Revenue Act.
<b>Expected Outputs</b>	<ul style="list-style-type: none"> <li>• Review of the Multiyear Housing plan</li> <li>• Acquiring of strategically located land for human settlements</li> <li>• Building housing units</li> <li>• Contribute to job creation</li> <li>• Installation of services on earmarked areas for development</li> </ul>
<b>Continuation</b>	Allocation on annual basis
<b>Motivation</b>	South African Housing Fund established to fund housing activities in terms of Housing Act.

## 11. Public Entities

<b>Name of public entity</b>	<b>Mandate</b>	<b>Outputs</b>	<b>Current annual budget (R thousand)</b>	<b>Date of next evaluation</b>
Polokwane Housing Association	Provision of social housing within Polokwane Municipality	492 units completed in 2009/10	R23 million transferred to PHA for Phase II of Ga-Rena rental	

**ANNEXURE 2: LIST OF ACRONYMS**

ACRONYMS & ABBREVIATIONS			
ABET	Adult Basic Education Training	LEGDP	Limpopo Employment Growth and Development Plan
AFS	Annual Financial Statements	LGSF	Local Government Support Fund
APP	Annual Performance Plan	KPAs	Key Performance Areas
BNG	Breaking New Ground	MCF	Marginalized Community Fund
CIP	Comprehensive Infrastructure Plan	MDG	Millennium Development Goals
CIO	Chief Information Officer	MEC	Member of the Executive Council
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CRU	Community Residential Unit	MIIF	Municipal Infrastructure Investment Framework
DMICS	Disaster Management Information Communication System	MOU	Memorandum of Understanding
DPLG	Department of Local Government and Housing	MPRA	Municipal Property Rate Act
EAP	Employee Assistance Programme	MISS	Management Information Security System
EEDBS	Enhanced Extended Discount Benefit Scheme	MPSS	Minimum Physical Security Standards
ECM	Enterprise Content Management	MTEF	Medium Term Expenditure Framework
EPWP	Expanded Public Works Programme	MTSF	Medium Term Strategic Framework
EEP	Employment Equity Pan	NGO	Non-Governmental Organization
EMDP	Executive Management Development Programme	NHBRC	National Home Builders Registration Council
FBE	Free Basic Electricity	NSDP	National Spatial Development Plan
FBW	Free Basic Water	NYS	National Youth Services
FBS	Free Basic Services	OTP	Office of the Premier
GAP	General Accounting Practices	PAIA	Promotion of Access to Information Act
GCCN	Government Common Core Network	PGDS	Provincial Growth & Development Strategy
GIS	Geographical Information System	PGP	Provincial Growth Points
GITO	Government Information Technology Office	PHP	People Housing Process

## ACRONYMS &amp; ABBREVIATIONS

<b>GM</b>	<b>General Manager</b>	<b>PMS</b>	<b>Performance Management System</b>
<b>GSDM</b>	<b>Greater Sekhukhune District Municipality</b>	<b>RM</b>	<b>Records Management</b>
<b>HDI</b>	<b>Historically Disadvantaged Individuals</b>	<b>SALGA</b>	<b>South African Local Government Association</b>
<b>ICT</b>	<b>Information Communication Technology</b>	<b>SDF</b>	<b>Spatial Development Framework</b>
<b>IDP</b>	<b>Integrated Development Plan</b>	<b>SDIP</b>	<b>Service Delivery Improvement Plan</b>
<b>IFMS</b>	<b>Integrated Financial Management System</b>	<b>SGM</b>	<b>Senior General Manager</b>
<b>IOD</b>	<b>Injury on Duty</b>	<b>SISP</b>	<b>Strategic Information System Plans</b>
<b>INEP</b>	<b>Integrated National Energy Programme</b>	<b>SM</b>	<b>Senior Manager</b>
<b>ISHS</b>	<b>Integrated Sustainable Human Settlement</b>	<b>SMS</b>	<b>Senior Management Service</b>
<b>IT</b>	<b>Information Technology</b>	<b>VDM</b>	<b>Vhembe District Municipality</b>
<b>LCF</b>	<b>Local Competitive Fund</b>	<b>WSA</b>	<b>Water Services Authority</b>
<b>LED</b>	<b>Local Economic Development</b>	<b>WSP</b>	<b>Workplace Skills Plan</b>

## 12. ANNEXURE 3: MUNICIPALITIES

District Municipality	Local Municipality	District Municipality	Local Municipality
Capricorn	Polokwane	Sekhukhune	Elias Motsoaledi
	Aganang		Makhuduthamaga
	Blouberg		Fetakgomo
	Molemole		Ephraim Mogale
	Lepelle-Nkumpi		Tubatse
Vhembe	Musina	Mopani	Giyani
	Thulamela		Letaba
	Makhado		Ba-Phalaborwa
	Mutale		Tzaneen
Waterberg	Lephalale		Maruleng
	Bela-Bela		
	Modimolle		
	Mookgopong		
	Thabazimbi		
	Mogalakwena		





**0800 NTSHEBELE**  
HOUSING CONSUMER CALL CENTRE

-  0800 687 432 (Housing enquiries)
-  0800 864 729 (Premier Hotline)
-  17737 (Presidential Hotline)
-  [www.coghsta.limpopo.gov.za](http://www.coghsta.limpopo.gov.za)