

Eastern Cape Department of Human Settlement

Strategic Plan Evaluation:

Annual Performance Plan 2009/10-2011/12

January 2010

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Key Findings and Recommendations

Finding

The policy priorities outlined in the Annual Performance Plan (APP) are clearly articulated and consistent with the strategic objectives and there is evidence of integration between the strategic objectives and macro-planning frameworks. However, the strategic plan fails to highlight the following changes: the Department's name change from the Department of Housing to the Department of Human Settlement, the 2007/08 revised Housing Code and the recent introduction of the new Housing Development Agency, partly because of repetition of forewords. There is also a failure to integrate one year plans into the three year plan and vice versa.

Recommendation

It is important that the Department highlight important changes that affect housing delivery and policy. The Department's change in name has huge implications on policy direction and mandate of the Department which need to be thoroughly and clearly explained. Strategic objectives and measurable objectives must be included in both the one year plan and the three year plan to ensure continuity of the various programme's activities.

Finding

Some strategic objectives and measurable objectives also appear to be missing from the Operational Plan (OP) and the APP. There appears to be a broad range of problems with the quality of measurable objectives. Some measurable objectives appear in the one year plan but are missing in the three year plan or vice versa. The quality of performance targets have somewhat improved. However, presentation of these is inconsistent: some appear as figures and some as percentages. Vague performance targets and indicators which are not specific and time bound are often used in the OP.

Recommendation

On-going clear measurable objectives build the profile and track record of the Department. Measurable objectives must comply with the SMART principle: specific, measurable, achievable, relevant and time bound. Integration and continuity between one year and three year plans is very important for the realisation of strategic goals set. The Department needs to improve the quality of measurable objectives from their current unclear format to a list of specific items that it intends to achieve. Measurable objectives must in the future be clearly linked to the Department's core activities. It is also important for the effective implementation of strategic plans that performance targets and indicators be made more quantifiable through the use of figures instead of percentages as well as be allocated a reasonable time frame.

Finding

The information on Eastern Cape demographics and the socio-economic dynamics provided in the APP is mostly a repetition of information used in previous APP's dating as far back as 2005. Disappointingly, the 2001 Statistics South Africa statistics on housing demand are still being used to compile the 2009/10 APP.

Recommendation

The Department must commission research to produce relevant information such as housing demand, demographics, and current needs of the vulnerable (such as military veterans and those residing in rural areas in the Eastern Cape) in order to achieve strategic goals. Updated information is also essential for budgeting purposes as well as setting objectives and targets.

Finding

The 2009/10 APP does not include any information on the Department's internal and external consultation processes. This means that, compared with previous APPs, there is no improvement in the provision of information on the consultation process. The only reference to a consultation process can be found in the Service Delivery Improvement plans document which provides only the names of stakeholders involved in the consultation process for each programme.

Recommendation

In addition to the names of stakeholders who participated, more information on the internal and external consultation processes is needed. The Department does provide some evidence of some consultation process occurring but this evidence is not sufficient. The consultation section should in the future include which issues were raised by the stakeholders during the consultation process and how the Department has incorporated the various voices and concerns of the stakeholders into the strategic plan.

Finding

The 2009/10 APP does not contain a revenue collection plan whatsoever. Although the plan includes an account of the Department's sub-programmes' Medium Term Expenditure Framework (MTEF) revenue, it excludes an account of the various sub-programmes' previous expenditure – unlike the previous APP. Not all the budget columns have figures for the various measurable objectives, and not all performance targets have been reconciled with a budget as some budget columns for some performance targets appear empty.

Recommendation

The absence of a section discussing the revenue collection plan in the APP has been a trend. This is a matter of concern taking into account that, according to the Treasury guidelines, APPs must include a section detailing the Department's revenue collection plan. The section is also important because the Department needs to produce a detailed and coherent plan on how it intends to raise more revenue and deal with revenue collection challenges. An overview of the medium term expenditure from the previous years has been removed from this year's Budget Reconciliation tables in the APP. This means that the APP is unable to provide a historical overview of the Programme's expenditure which would illustrate how well the Programme is performing and is being managed.

Finding

The 2009/10 APP lacks information on the conditional grant which funds up to 89% of the Department's strategic objectives and goals. Budget information on the conditional grant is not reported anywhere separately in the APP. Some conditional grant targets and budget information that appears in the Integrated Housing and Human Settlement Development Conditional Grant Business Plan are at odds with conditional grant targets and budget information that appears in the APP and OP. Consistency of the conditional grant figures and targets between the APP, OP and the conditional grant business plan targets and figures is essential for accountability and achieving goals.

Recommendation

The conditional grant plays a huge part in realising the strategic goals outlined in the plan. It is important that the APP dedicates a section under Programme 1 or as a separate section of its own, providing information on the purpose, structure and history of the conditional grant budget. Furthermore, a condensed version of the financial breakdown and allocation of conditional grant funds to the various programme objectives is needed. This section should also provide a list of constraints or challenges the Department is facing with regards to spending the conditional grant and provide a detailed plan to address these barriers and challenges to spending the grant. In the future, consistency of the conditional grant figures and targets between the APP, OP and the conditional grant business plan targets and figures is essential for accountability.

Finding

Information regarding the Department's partnerships with public entities, local government and the private sector is inadequate. The APP only provides a list of partnerships and public entities without describing the role, history, nature, purpose as well as future plans for each of the diverse partnerships.

Recommendation

The Department needs to strengthen this very important section of the APP. The realisation of the plans outlined in the APP is dependent on the Department's most important and vital partnerships with local government, National Home Builders Registration Council (NHBC), and national social housing institutions among others. The section also needs to outline the unique challenges of each partnership and the measures the Department plan to use in order to deal with the unique challenges of each partnership.

Introduction

The South African Constitution commits government departments to the progressive realisation of socio-economic rights, including the right to education, healthcare, housing and social welfare, within available resources. The PSAM defines social accountability as the obligation by public officials and private service providers to justify their performance in progressively addressing the above rights via the provision of effective public services.¹ To effectively realise these rights through the delivery of public services, state departments and private service providers responsible for the management of public resources must implement effective accountability and service delivery systems. These include: planning and resource allocation systems; expenditure management systems; performance monitoring systems; integrity systems; and, oversight systems. The effectiveness of these systems can be established by monitoring their information outputs. To evaluate these systems, the PSAM has developed a set of evidence-based tools for monitoring the information produced annually by each system.

The following report focuses on the reviewed department's strategic planning system. To fulfil its mandate to provide effective and efficient public services that progressively realise people's socio-economic rights, every government department must produce strategic plans for the upcoming financial year and Medium Term Expenditure Framework (MTEF) period. This report evaluates the strategic plans of government service delivery departments by asking a number of questions which identify the necessary requirements for effective and accountable strategic plans.

Strategic planning forms the foundation on which service delivery is built. The responsibility for drawing up clear strategic plans and for setting measurable objectives for provincial government departments rests with the MEC for the relevant department. Amongst other responsibilities, the MEC should identify the people to be served by their department, and their specific service delivery needs. The MEC must also ensure that the implementation of the strategic plan is properly monitored to make certain that services are provided efficiently and in a way that represents value for money. Strategic planning requirements are strictly regulated in terms of the Public Service Regulations, Public Finance Management Act (PFMA), the Division of Revenue Acts (DORA) and by National Treasury regulations which govern the development of strategic plans.

No budget can be allocated to government departments in the absence of a strategic plan. This is because without evidence of what the department intends to do with its budget, the respective Treasury is not authorised to apportion funds to the department. Strategic planning is intimately linked to the budgeting and reporting framework established by the PFMA. It is important to note that while strategic planning informs the budget to be allocated to departments, those undertaking planning should always develop their strategies taking the projected resource allocation for their department into account as indicated within the 3-year Medium Term Expenditure Framework.²

¹ "Constitution of the Republic of South Africa", Sections 26, 27 and 29

² "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010, and Annual Performance Plans for the 2005 financial year" National Treasury, 16 August 2004, section 2, 2.1.1, p. 21

Provincial government departments are expected to draw up two strategic plans, a five-year plan and an annual plan.

Five-year Strategic and Performance Plans -

The Five-year Strategic and Performance Plan, linked to the five-year election cycle, sets out the department's strategic policy priorities and plans for the coming five years. It serves as a "blueprint for what the provincial department plans to do over the next five years".³ The document focuses on setting specific strategic goals that will be prioritised, as well as identifying strategic objectives for each main service delivery area of the department.

Annual Performance Plans –

Each year, provincial departments are required to produce annual performance plans which set out what they intend doing in the upcoming MTEF period to implement their respective Five-year Strategic and Performance Plans. For this reason, annual performance plans focus on the creation of specific measurable objectives and performance targets which ensure that departments meet their longer term goals. The annual performance plan covers the upcoming financial year and the following two years of the MTEF period. It should also inform, and be informed by, the budget and MTEF indicative allocations.

The importance of drawing up accurate and realistic strategic plans cannot be overestimated. In the absence of coherent plans, departments cannot properly quantify the needs of those requiring their services or properly estimate costs; they cannot accurately track, control or report on expenditure. Consequently they cannot properly monitor the delivery of services to ensure the efficient and effective use of scarce public resources to address the human rights of those dependent on public services.

Operational Plans –

In addition to the annual performance plan, departments are expected to produce a detailed one-year operational plan. Both the annual performance plan and one-year plan (which gives effect to the first year of the three-year annual performance plan) are tabled annually. The operational plan must feed into performance agreements between executive authorities and accounting officers and should provide quarterly performance measures and targets, as well as quarterly budget information. According to Chapter 2 of the *Guidelines for Accounting Officers*, operational plans must specify measurable objectives and include service delivery indicators, total costs, timeframes and targets. Departments must report against the implementation of the one-year operational plan in their annual reports.

³ "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010", and "Annual Performance Plans" for the 2005 financial year, National Treasury, 16 August 2004, Section 1.4. "Overview of planning, budgeting and reporting documents", 1. Five-year Strategic and Performance Plans, p. 15.

Theme 1: Policy priorities and strategic objectives

Requirements

- Government departments prioritise plans to address the most pressing social needs of those dependent on public services and to respond to political priorities set by the government of the day. These policy priorities should be informed by constitutional commitments to address people's rights and should form guiding principles for planning. Policy priorities should be articulated by the executive authority responsible for the Department as he/she is ultimately accountable for the implementation of policy priorities and, therefore, the Department's planning.⁴
- Each year, the Department's strategic plan should set out any changes to the Department's strategic direction due to policy or programme shifts. This is to ensure that the Department is held accountable for its performance in relation to its new policy priorities/strategic direction. By identifying the most important performance targets, the administrative head of the Department undertakes to achieve these targets and makes him/herself accountable for doing so.⁵
- Strategic plans must be integrated into macro planning frameworks in order for departments to give effect to national and sub-national policy priorities, as well as the realisation of international undertakings (such as the UN Millennium Development Goals). As the site of service delivery, it is critical for sub-national strategic plans to be aligned with both broader and narrower planning frameworks if such frameworks are to be implemented.⁶
- Strategic objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy

⁴ The executive authority of the department should set out clearly at the beginning of the Annual Performance Plan what outputs the department is required to deliver given its budget for the upcoming financial year in pursuit of its overall goals and objectives as set out in its Five-year Strategic and Performance Plan. Ibid, Section 4, 'Foreword', p. 60. See also "Public Service Regulations", 2001, as amended, regulation B1(a).

⁵ In the Annual Performance Plan, the department's accounting officer should give an executive summary of any significant shifts in policy or programmes that have taken place over the past year that alter the direction of the Five-year Strategic and Performance Plan. The Accounting Officer should also identify the most important performance targets as set out in the Annual Performance Plan. "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year", National Treasury, 16 August 2004, Section 4, Part A.1 'Overview', p. 64. See also "Treasury Regulations", 2005, regulation 5.2.2(c).

⁶ The department should provide details of any change to its strategic direction as set out in its Five-year Strategic and Performance Plan. This should indicate which factors made any changes necessary, and how these changes will impact on the department's strategic goals and objectives. "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year" National Treasury, 16 August 2004, Section 4, Part A.2 'Strategic Plan Update Analysis', p. 64. According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole." In addition, all spheres of government must "cooperate with one another" by, amongst other things, coordinating their actions. 'South African Constitution', Chapter 3, Section 41(1)(c) and (h)(iv). See also 'Treasury Regulations', 2005, regulation 5.2.2(b).

priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources.

- For the Department to achieve its strategic goals, there must be a direct correlation between these goals and its objectives. In other words, if the Department achieved each objective, it should have achieved its strategic goals. Any disjuncture between goals and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.⁷
- One-year plans must be integrated into longer-term planning frameworks to give effect to long-term strategic goals. There should therefore be a clear relationship between a Department's one-year plan and the corresponding year in multi-year plans if longer-term goals are to be achieved.

Findings

The foreword by MEC explains the overall direction of the Eastern Cape Department of Human Settlement by indicating what the Department hopes to achieve in the current financial year and over the next three to five years. The MEC's foreword also indicates what specific policies and service delivery priorities will be supported by the budget and planning reflected in the Annual Performance Plan (APP) and Operational Plan (OP). The Accounting Officer's foreword is a reflection of what the MEC wants the Accounting Officer (AO) to deliver on to ensure that there is a clear link between broad policy priorities and the strategic plan. The 2009/10 MEC's and Accounting Officers forewords appear in both the APP and OP unlike in previous years where the forewords only appeared in the APP.⁸ The forewords that appear in both the APP and OP are identical. This year's forewords are more detailed providing in a bullet form a list of strategic goals that will inform and direct the next three to five years of the Department's housing delivery agenda.⁹

The Accounting Officer's foreword also provides an update of the previous financial year giving exact figures of houses constructed and also offering an assessment of their performance in relation to the achievement of targets set in the previous financial year.¹⁰ The Accounting Officer also provides more details and figures of the Department's achievements with regards to acquisition of land, projects and parcels, and auditing of housing units for rectification purposes. The Accounting Officer also explains the human resource challenges facing the Department by including the current number of posts filled in comparison to the total number of vacant posts in the Department. The foreword also provides percentages of staff who have undergone competency tests and leadership development programmes.¹¹

⁷ Public Service Regulations, 2001, Chapter 1, Part III, Regulation, B.1(b).

⁸ Eastern Cape Department of Housing, 2009/10 to 2011/12 Annual Performance Plan, p.7-10.

Eastern Cape Department of Housing 2009-2010 Operational Plan, p.5-9

⁹ Eastern Cape Department of Housing, 2009/10 to 2011/12 Annual Performance Plan, p.7.

Eastern Cape Department of Housing 2009-2010 Operational Plan, p.5

¹⁰ Eastern Cape Department of Housing 2009-2010 Operational Plan, p.9-7

¹¹ Eastern Cape Department of Housing 2009-2010 Operational Plan, p.9-7

There is also improved coherence between policies highlighted by the MEC's foreword, her policy speech and the Accounting Officer's foreword. The coherence between the Accounting Officer and the MEC's foreword is necessary for the Department to execute the broad policies outlined by the MEC. The Accounting Officer mentions in her foreword that the Department would focus on "building internal capacity through targeted recruitment initiatives as well as ensuring human resource development programmes that target strategic focus areas within the department."¹² The Accounting Officer plans to build internal capacity which in turn complements the MEC's goal to "establish and sustain a learning, service and customer oriented pro-poor department."¹³

Another improvement in this year's foreword is that the Accounting Officer (AO) explains how the Department is now operating separately from the Department of Local Government and Traditional Affairs.¹⁴ The forewords also recognise challenges facing the Department and incorporate these challenges in the planning and policy direction of the APP and OP. For example, the MEC's foreword begins by recognising that the current global financial challenges have negatively affected the Department.¹⁵ The AO also discusses the Department's financial management challenges relating to the 2008/09 conditional grant and the current human resource challenges facing the Department. The AO goes further to discuss what steps the Department will be taking in the current financial year and over the MTEF to address the human resource challenges by filling the majority of vacant posts and increasing the number of interns.¹⁶

Despite these improvements to the 2009/10 forewords of the MEC and AO there are still some problems. To begin with, certain figures provided in the respective forewords appear to be at odds with each other. For example in the AO's foreword in the APP under 'Highlights of the current financial year' it is stated that 5 463 sites¹⁷ have been serviced whereas the OP states 6 421 sites have been serviced.¹⁸ Another example is statistics relating to vacant posts in the Department. The AO's foreword in the APP states that 96% of vacant posts have been filled¹⁹ whereas the AO reports in the OP that 430 posts out of a total of 894 vacant posts have been filled,²⁰ meaning that only 48% of the vacant posts have been filled. Although the inclusion of forewords to the OP is welcome, in order to ensure consistency, clarity and proper oversight there must be consistency in statistics and information in the forewords that appear in both the APP and OP.

The MEC does not discuss the change in the Department's name, or policy differences resulting from the name change from the "Department of Housing" to the "Department of Human Settlements". The AP does mention the separation of the Department from the Department of Local Government and Traditional Affairs but does not mention the

¹² Eastern Cape Department of Housing 2009-2010 Operational Plan, p.9-7

¹³ Eastern Cape Department of Housing, 2009/10 to 2011/12 Annual Performance Plan, p.7

¹⁴ Ibid, p.10.

¹⁵ Eastern Cape Department of Housing, 2009/10 to 2011/12 Annual Performance Plan , p.7.

¹⁶ Ibid, p.9

¹⁷ Ibid, p.9

¹⁸ Eastern Cape Department of Housing 2009/10 Operational Plan, p.7

¹⁹ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.9

²⁰ Eastern Cape Department of Housing 2009/10 Operational Plan, p.7

subsequent change in the Department's name and any significant implications that this may have on future policy direction.²¹

Both the MEC and the AO refer to broader macro-planning frameworks such as Breaking New Ground (BNG) Policy, Accelerated Service Delivery Plan and the Provincial Growth and Development Plan (PGDP) set at the beginning of the 2004 electoral mandate as "the blue print for economic growth and development of the EC province".²² The MEC also expresses strong commitment to meet the targets set in the PGDP and international planning frameworks such as the Millennium Development Goals.²³

However, it is disappointing that neither the MEC nor the AO provide an update on significant events and changes that have occurred in housing on a national scale such as the 2007/08 policy revision of the Housing Code, or the introduction of the Housing Development Agency launched by erstwhile Minister of Housing, Lindiwe Sisulu, in March 2009. The Agency will work with municipalities, provincial governments and private sector developers who will assist the Department of Housing reach its targets.²⁴ The Social Housing Act of 2008 was passed in September 2009 and will soon come into operation with serious implications for housing delivery. These appear to be significant events which are likely to influence the policies, strategic goals, and objectives of the Department over the MTEF.

Section 4.5 in the APP, entitled 'Housing demand, changes in services and policy shifts',²⁵ does not explain in greater detail any possible changes. Although there is a dedicated section in the APP which is meant to deal with this, section 4.5 only focuses on changes occurring between 1994 and 2004. This is disappointing seeing that the MEC dedicated the entire introduction of the 2009/10 housing policy speech to discussing the change in the Department's name and the shift in mandate from merely providing housing to "Human settlements" and "building sustainable livelihoods",²⁶ stating that "this rebirth represents at the highest policymaking level, a conscious effort to redefine that which we exist for and thus a renewed vision...".²⁷ The MEC's failure to highlight these policy changes within the APP is unfortunate.

There are no inconsistencies or disjunctures between the strategic objectives listed in section 6 of the APP and the strategic goals and policy priorities as outlined in the MEC's foreword and 2009/10 Housing policy speech. In section 3.2, although there are no inconsistencies between the strategic goals and objectives listed, the strategic objectives in the APP are not clearly labelled as strategic objectives but as strategic "priorities". Meanwhile, other bullet lists in the APP are labelled as "broad platforms"²⁸ and "special focus".²⁹ The only strategic objectives labelled as such are programme specific. The Department needs to label and categorise all their bullet lists as either

²¹ Eastern Cape Department of Housing 2009/10 Operational Plan, p.7, p.10

²² Ibid

²³ Ibid, p.31

²⁴ "Housing Minister L. Sisulu and all Housing MEC's launches the HDA" in South African Government Information at <http://www.info.gov.za/speeches/2009/09021115151003.htm>

²⁵ Eastern Cape Department of Housing Annual Performance Plan 2009-2011/12, p.22

²⁶ 2009/10 Housing Policy speech delivered by MEC N. Mabandla on 18 June 2009

²⁷ Ibid

²⁸ Eastern Cape Department of Housing 2009/10-11/12 Annual Performance Plan, p.20, p.28, p.7

²⁹ Ibid, p.29

three year strategic objectives, goals, policy priorities or any other appropriate strategic planning term as provided by National Treasury. Where broad and vague terms such as "special focus" or "broad platforms" are used, it is likely to result in a lack of clarity, hinder effective oversight and limit the ability to use plans as performance management tools.

Although the programme strategic objectives that appear in the APP and OP are similar, those that appear in the OP are at times worded differently from those that appear in the APP. When a strategic objective is re-worded differently, often the meaning or mandate of the objective is lost or changed. This in turn affects the measurable objectives in the sense that the measurable objectives are weakened due to the re-wording. This may result in performance measures no longer identifying with the objectives or they no longer suit the needs of the objective. It is recommended that the Department maintain the same phrasing of strategic objectives to avoid measurable objectives from being weakened or cause them not to identify with performance measures that suit their needs.

For example, one of the strategic objectives in the APP for the sub-programme Corporate services under Programme 1 is "to build and run a modern Human Capital and Talent management component as a key enabler to creating capacity to deliver on the mandate".³⁰ In the OP, the same strategic objective is re-worded to say "political, strategic and operational support is provided for the effective and efficient administration of the department".³¹

Some of the important measurable objectives that appear in the APP do not appear in the OP. This is worrisome considering that three year plans must also be integrated into one year plans. For example in Programme 1, one of the measurable objectives under the Head of Department sub-programme is listed in the APP as "to provide the attainment of sustainable human settlements in the province"³² and the performance indicators are "80% of informal settlements achieved and a certain % of BNG projects carried out".³³ In the OP both the strategic objective and the measurable objective are omitted.³⁴ Strategic and measurable objectives especially those that are linked to the Department's core activities need to be included in both documents and the performance indicators clearly outlined. Some measurable objectives in the OP have not been incorporated into the three year plan or are not included in the APP. Such measurable objectives missing from the APP include "to develop an attraction and retention strategy"³⁵ and "to ensure that that the PERSAL system has accurate, reliable and up-to date information annually"³⁶ under the Corporate services sub-programme in Programme 1.

When measurable objectives are excluded from either the one year plan or three year plan there is a lack of continuity for some of the programme's activities and this causes a disjuncture between the strategic objectives and performance targets in both documents.

³⁰ Eastern Cape Department of Housing 2009/10-11/12 Annual Performance Plan , p.55

³¹ Eastern Cape Department of Housing 2009/10 Operational Plan, p.43

³² Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.45

³³ Ibid

³⁴ Eastern Cape Department of Housing 2009/10 Operational Plan, p.45

³⁵ Ibid, p.44

³⁶ Ibid

Some strategic objectives and measurable objectives also appear to be missing in the OP. The strategic objective to "establish and manage equipped functional regional offices" as well as implement the rectification of 2 500 pre-1994 houses by the end of the 2009/10 financial year in the Project management and quality assurance sub-programme under Programme 3,³⁷ does not appear in the OP.³⁸ Another example appears in the APP which contains a measurable objective to "implement military veterans programme"³⁹, with a target of completing 87 units for military veterans⁴⁰ yet this is not elaborated upon or contained in the OP. These are just a few examples where objectives contained in the APP are not included or elaborated upon in detail within the OP.

The performance indicator in the APP⁴¹ for the Sale and transfer of housing properties sub-programme uses a different performance indicator and target to the OP.⁴² In the OP, the strategic objective is also used as the performance indicator.⁴³ The sub-programme in the OP uses rental revenue and a target of R1.6 million in collection of rental revenue to measure the provision for effective management and transfer of housing assets.⁴⁴ In the APP, however, the measurable objective and performance indicator is to maintain 400 units of rental stock.⁴⁵ There must not only be consistency between the strategic objectives, measurable objectives and performance indicators but a clear difference between strategic objectives and performance indicators as they each play different and important roles necessary for strategic planning.

³⁷ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.78-79

³⁸ Eastern Cape Department of Housing 2009/10 Operational Plan, p.74

³⁹ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.79

⁴⁰ Ibid

⁴¹ Ibid, p.84

⁴² Eastern Cape Department of Housing 2009/10 Operational Plan, p.75

⁴³ Ibid

⁴⁴ Ibid

⁴⁵ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.84

Theme 2: Performance and monitoring

Requirements

- By indicating both progress and what still needs to be done to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.⁴⁶
- It is important that the Department identify in its strategic plans specific measures it will take in order to improve the quality of service delivery, including improved access to services, improved standards and improved service delivery systems. This is particularly important for departments that did not meet their strategic objectives in previous financial years, or did not meet satisfactory service standards.⁴⁷
- Performance targets for each strategic objective must be included in the Department's strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.⁴⁸
- To address weaknesses identified by the Auditor-General, the Department must include a detailed strategy to address queries raised in previous financial years. The human and financial resources necessary to give effect to this strategy should also be included in the strategic plan.⁴⁹
- For the Department to achieve its strategic objectives, there must be a direct correlation between these objectives and its planned activities. In other words, if the Department achieved each activity, it should have achieved its strategic objectives. Any disjuncture between activities and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.⁵⁰

⁴⁶ "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year," National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also 'Treasury Regulations', 2005, regulation, 5.2.2(d)

⁴⁷ "Public Service Regulations", 2001, Chapter 1, Part III, Regulation C.1 (a) – (f).

⁴⁸ "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010", and Annual Performance Plans for the 2005 financial year, National Treasury, 16 August 2004, Section Four, Part B, 3.5.5. See also "Treasury Regulations", 2005, regulation 5.2.2(d).

⁴⁹ "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010", and Annual Performance Plans for the 2005 financial year, National Treasury, 16 August 2004, Section 4, Part B, subsection 8.1 and 8.2, p. 72.

⁵⁰ Public Service Regulations of 2001, Chapter 1, Part III B(1)(b)

- To monitor the implementation of its strategic plan, the Department must ensure that planned activities are specific enough to know when they have been completed. Activities must also have in-year time-frames; this enables the Department to monitor progress in implementing activities and to introduce in-year corrective measures where problems occur. In addition, activities must be individually costed in order to ensure accurate expenditure tracking. Specific, time-bound and costed activities are necessary for expenditure tracking and performance monitoring, as well as risk management and accurate reporting.
- Performance targets for each strategic objective and activity must be included in the Department's strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.⁵¹
- To ensure that strategic objectives are realised, departments should assign responsible officials to strategic objectives. Performance agreements entered into by public officials should correspond to the relevant department's strategic plan. For Department officials to be held accountable for their performance during a particular financial year, it is imperative that the strategic plan identifies an official responsible for each strategic objective.⁵²

Findings

A significant improvement to the planning documents is the inclusion of an "expected outcome/output" column in the OP which makes the targets and indicators all the more measurable and clear. For example in Programme 1, under the Corporate Services sub-programme, the strategic objective is "to provide political, strategic and operational support for the effective and efficient administration of the Department".⁵³ The measurable objective is the implementation of an integrated wellness programme, the performance measure/indicator is the effective HIV management programme.⁵⁴ The target is 50% of staff members to undergo HIV related programmes. The measurable objectives identify with the strategic objectives in the sense that an effective HIV management programme provides support for the well-being of employees which in turn contributes to realising the strategic goal of building an effective and efficient administration. To make the performance indicators and targets all the more clear and measurable, the expected outcome/output column tells us that seven HIV sessions should be held at district level by the end of the financial year in order to meet the specific objective and target outlined.⁵⁵ Measurable objectives and performance targets

⁵¹ Treasury Regulations, 2005, 5.2.3(d)

⁵² Because an accounting officer may delegate responsibilities to an official, in terms of section 44(1)(a) and 2(c) of the PFMA, it is important that the strategic plan identify all officials responsible for strategic objectives. Any official who wilfully or negligently fails to exercise the power or perform the duty delegated to him/her commits an act of financial misconduct in terms of section 81(2) of the PFMA.

⁵³ Eastern Cape Department of Housing 2009/10 Operational Plan, p.43

⁵⁴ Ibid, p.46

⁵⁵ Ibid

are the vehicles by which the Department's goals are realised and it is essential that measurable objectives comply with the SMART principle. The new column in the OP is welcomed and will assist in making the measurable objectives column comply with this principle..

In contrast, performance indicators such as "80% of informal settlements achieved"⁵⁶ and "% of BNG projects carried out"⁵⁷ are not measurable or quantifiable. The Department needs to improve these performance indicators as they are a vital management and oversight tool. While the measurable objectives appear costed in the OP, the performance indicators and targets need to be more detailed and specific to assist with the attainment of goals and the assessment of performance. The use of specific numbers (i.e. actual number of posts still vacant) as a target instead of using percentages such as "90% of vacant funded posts filled"⁵⁸ will improve the relevance of performance indicators and targets. The problem with using percentages as performance indicators is that the percentages themselves need to be measured. The Department needs a further indicator to measure if they have reached their goal of 90% by providing actual figures. Another problem with the use of percentages is that they do not always accord. For example the percentage indicator to recruit and retain high quality staff for 2009/10 is "85% of vacant posts filled"⁵⁹ according to the APP but the OP states the target as 90%.⁶⁰ Some programmes such as Programme 2 have measurable objectives and targets that are outlined in detail and comply with the SMART principle. For example, in the Housing Planning sub-programme under Programme 2, the measurable objective is to "develop and review annual Municipal Housing Sector Plans ...with IDP's",⁶¹ the performance indicator for this measurable objective is "the development of Housing sector plans in 39 municipalities" by the end of the financial year.⁶² Such a measurable objective, performance indicator and target is specific, measurable, achievable, relevant and time bound.

Another problematic issue is the use of multiple performance indicators which could result in confusion when conducting oversight and tracking performance. For example, the Individual housing subsidies and rural intervention sub-programme under Programme 3, where multiple indicators are used to measure the provision of emergency housing assistance grants to qualifying beneficiaries. The performance indicator column uses the number of "1 800 beneficiaries assisted" as an indicator and the target column uses the number of projects approved. The quarterly targets and expected output column uses the number of shelters erected as the performance indicators. In the end we have a confusing total of "1800 beneficiaries", "14 projects" and "600 shelters" as multiple performance indicators for one measurable objective.⁶³

There is some improvement in the setting of performance indicators and targets for some sub-programmes. The Informal settlement upgrading sub-programme of

⁵⁶ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.45

⁵⁷ Ibid

⁵⁸ Ibid, p.55, Eastern Cape Department of Housing 2009/10 Operational Plan, p.43

⁵⁹ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.55

⁶⁰ Eastern Cape Department of Housing 2009/10 Operational Plan, p.43.

⁶¹ Ibid, p.61

⁶² Eastern Cape Department of Housing 2009/10 Operational Plan, p.61

⁶³ Ibid, p.65

Programme 3,⁶⁴ for instance, uses actual figures instead of percentages – it has targeted “to construct 3 409 housing units and service 4 155 sites”.⁶⁵ While this use of figures as targets clearly supports the sub-programme aim “to facilitate the eradication of informal settlements in the Province by 2014”,⁶⁶ there is room to improve this performance indicator by including the targeted informal settlement areas where the upgrading and eradication of informal settlements will take place.⁶⁷

The budget column next to the target column should also contain a budget to support the expected outcome. Although there is a slight improvement in some programmes (such as Programme 2) in the setting of SMART targets and indicators, the sub-programmes must also strengthen other supporting sub-programmes and contain performance indicators and targets to ensure that they meet this year’s targets. An example would be to strengthen “the training programmes for municipalities and other relevant stakeholders” in the Capacity building and municipal accreditation sub-programme by setting a target of having more than two training programmes for housing officials in municipalities and traditional leaders.⁶⁸ The Department plans to hold only two housing training programmes this financial year, one for municipalities and one for traditional leaders. The training is meant to capacitate municipalities in housing development. Increasing the number of training programmes would strengthen other measurable objectives such as “the development and review of Municipal Housing sector plans for 39 municipalities” in the Housing Planning sub-programme⁶⁹ that will later inform the Department’s business plan and equip the municipal housing officials on housing development. Another example would be strengthening the Organisational and Human Resource Development Services in the Corporate sub-programme under Programme 1.⁷⁰ The programme aims to enhance Departmental skills and knowledge by conducting a skills audit of the Department. This programme could be strengthened in such a way that it also supports the Capacity building and municipal accreditation sub-programme in Programme 2⁷¹ by also conducting housing planning and development skills audit of municipal employees.

It would appear that the policy priorities outlined in the strategic document are aligned with the constraints and measures planned to overcome them. For example one of the constraints facing the Department is “the limited capacity of the majority of contractors to meet targets in terms of scale, pace and quality of delivery.”⁷² Programme 3 will be implementing an on-site emerging contractor development and empowerment programme which emphasises mentorship of contractors.⁷³ Other policies include “strengthening partnerships with municipalities, financial institutions, other government departments and housing stakeholders.”⁷⁴ The facilitation and designing of collaborative

⁶⁵ Ibid

⁶⁶ Ibid

⁶⁷ Eastern Cape Department of Housing 2009/10 Operational Plan, p.61

⁶⁸ Ibid, p.57

⁶⁹ Eastern Cape Department of Housing 2009/10 Operational Plan , p.57, p.60

⁷⁰ Ibid, p.48

⁷¹ Ibid, p.56

⁷² Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.27

⁷³ Ibid, p.71

⁷⁴ Ibid, p.10

programmes to foster working relations with other divisions such as departments and municipalities are among Programme 2's plans to overcome them.⁷⁵

In some instances the Department does not articulate clearly what is being done to improve service delivery within the various programmes. For example Programme 2 does not outline what research plans have been put in place to deal with the rural housing priorities as well as to assist vulnerable groups and military veterans identified by the MEC.⁷⁶ Programme 2 does not seem to create space for a proper evaluation of military veterans or for the development and review of the rural housing framework. If the Department is to be successful in the implementation of these priorities, research into socio-economic needs and the current status quo of these groups is needed.

Another major improvement to the APP is the introduction of two new sections in Section A. These are section 5 (Review of the current financial year)⁷⁷ and section 6 (Outlook for the 2009/10 financial year).⁷⁸ Section 5 discusses in depth the current service delivery environment and challenges that have informed planning over the MTEF.⁷⁹ The section is, however, weak on providing a clear and updated picture of the current service delivery environment. In fact this section discusses at length what the Department's action plan is to address housing development challenges. This section must be improved as it will provide vital information on the current service delivery environment which should in turn inform the Department's strategic goals, objectives and policy priorities going forward so that housing rights may be progressively realised and responded to.

The second part of section 5, which deals with the challenges of the service delivery environment, is more useful in terms of articulating the rationale behind the Department's policy priorities and strategic direction. There is a direct correlation between the policy priorities and strategic direction given by the MEC which has informed the planning of the APP and the OP and the service delivery environment challenges. The policy priorities and the strategic objectives for each programme are a response to the service delivery challenges. For example the MEC lists "supporting emerging contractors"⁸⁰ as a response to some of the main challenges of the service delivery environment listed in section 5.⁸¹

The strategic objective for Programme 2 is to design and manage a reliable provincial housing demand and supply database⁸² in response to "limited capacity (reliable demand and supply statistics) to inform inward planning".⁸³ Section 6 focuses on service delivery outlook for the 2009/10 financial year and lists the Department's strategic focus areas that will influence planning over the MTEF in areas such as improved client intelligence, potential housing impacts and lessons learnt from experience.⁸⁴ This section focuses on improving other concerns that influence housing delivery such as

⁷⁵ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12,p.62

⁷⁶ Ibid, p.7

⁷⁷ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.25

⁷⁸ Ibid, p.29

⁷⁹ Ibid, p.25

⁸⁰ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.7

⁸¹ Ibid, p.28

⁸² Ibid, p.62

⁸³ Ibid, p.27

⁸⁴ Ibid, p.30

human resource development and intergovernmental co-operation. One of the lessons learnt in this section is "a need for good monitoring and evaluation systems".⁸⁵ Section 6 is an interesting and important addition to the APP structure but the section can be improved by not only listing areas of strategic focus but also by connecting the key strategic focus areas for the Department with the various programmes responsible for meeting these key strategic areas. It is recommended that the Department shows that the strategic areas have been incorporated into long term planning.

The Department has been facing the following long-standing problems with regards to service delivery: (1) a lack of sound data and information about social housing demand and supply; (2) a high vacancy rate; (3) under-expenditure of the conditional grant; (4) lack of municipal capacity for housing development; (4) poor housing product by emerging contractors; and (5) inadequate project monitoring and evaluation capacity.⁸⁶ In Part B of "Key service delivery challenges" in the 'Service Delivery Improvement Plans' document, the Department does not clearly state the challenges listed above. But it does highlight various programmes and services that would focus on improving these key service delivery areas.⁸⁷ The quality of information provided for each programme in the "Current Standard (2008/09) vs Desired standard (2009/10)"⁸⁸ columns in the service delivery improvement plans document does not provide detailed information on the current status of the key service delivery challenges outlined. See, for instance, the current number of accredited municipalities and the desired target of accrediting a certain number of municipalities at the various levels. The Human Resources section does not provide the number of employees per programme nor the desired number of employees per programme – unlike the previous year's service delivery improvement plan.⁸⁹ This information must be included in the plan to ensure improved service delivery planning and accountability to oversight bodies.

Furthermore, to improve service delivery and accountability, the planning documents must indicate which officials are responsible for each strategic objective. Neither the 2009/10 Operational Plan nor the 2009/10-2011/12 Annual Performance Plan include information about which officials are responsible for specific objectives. Only the 2009/10 Service Delivery Improvement Plan has contact details of officials in charge of the various programmes – although this meagre information is an improvement on the previous year's strategic plans which did not include any Departmental contacts whatsoever.

An important part of improving service delivery is a Departmental strategy on how to address audit queries and improve compliance with the Public Finance Management Act (PFMA). While there was no reference to such a strategy in the 2008/09 APP, the 2009/10 Operational Plan and APP rectify this omission. However, reference to such a strategy appears only as a measurable objective in the Chief Financial Officer sub-programme and is headed "Full compliance with pre-audit prescripts and Treasury

⁸⁵ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.30

⁸⁶ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12 p.27-32

⁸⁷ Eastern Cape Department of Housing Service Delivery Charter and Service Delivery Improvement Plans 2009-2010, p.18

⁸⁸ Ibid, p.18-27

⁸⁹ Eastern Cape Department of Housing Service Delivery Charter and Service Delivery Improvement Plans 2008/09-2010/11, p.12

regulations” in the APP and OP.⁹⁰ It is commendable that implementation of the Auditor General’s (AG) plans is incorporated into budget planning meant to support the audit intervention strategy. Unfortunately no further information on addressing audit queries is provided elsewhere in the strategic plans. The Department has a poor audit record but has recently improved, receiving a qualified audit opinion in 2007/08 and an unqualified audit opinion in 2008/09.⁹¹ It is essential for the Department to maintain its recent audit achievements by detailing what queries were raised by the AG in 2008/09, and then plans to address these. In doing so, the Department would go a long way towards improving and sustaining its financial management and overall performance.

Theme 3: The context of planning

Requirements

- The Department’s ability to implement its strategic plan is determined, to a large extent, by its human resource capacity. It is therefore critical for the Department to provide an account of its internal organisational environment in its strategic plan, and to indicate how organisational capacity or constraints were factored into its strategic plan.⁹²
- Strategic plans should be informed by rigorous needs analysis if they are to respond to the most pressing socio-economic needs of those they serve. Departments should demonstrate in their strategic plans how proposed targets give effect to service delivery commitments *in relation to* socio-economic needs. Only then can both performance targets and undertakings be properly evaluated. In addition, departments should clearly articulate service delivery constraints caused by the external service delivery environment and demonstrate how these constraints were factored into the drawing up of strategic objectives and targets.⁹³

⁹⁰ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.47; Eastern Cape Department of Housing Operational Plan, p.17

⁹¹ Eastern Cape Department of Housing Annual Report 2008/09, p.107

⁹² The department should provide an account of changes in its internal and external service delivery environment, which updates the detailed needs analysis contained in its Five-year Strategic and Performance Plan. This should include an account of how these changes affect the department’s objectives and organisational structure in its Annual Performance Plan. “Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year”, National Treasury, 16 August 2004, Section 2, 3.2.1. ‘Aim and Focus of Part A of the Annual Performance Plan, p. 27. See also ‘Public Service Regulations’, 2001, Chapter 1, Part III B.2 (a) – (d) and ‘Treasury Regulations’, 2005, regulation 5.2.2(b).

⁹³ Section 195(1)(e) of the *South African Constitution* states that ‘People’s needs must be responded to.’ Section 2 of the *Public Finance Management Act Implementation Guideline*, 2000, notes that departmental Accounting Officers ‘must have regard for the usefulness and appropriateness of planned outputs,’ (p. 8). It is clear that the department cannot comply with these legislative and constitutional requirements, nor be accountable for failing to do so, without providing an account of its external service delivery environment. See also *Public Service Regulation*, 2001, regulation C.1(a).

- The usefulness of the Department's strategic plan is largely determined by the extent and depth of consultation with staff in its development. Staff who have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation.⁹⁴
- Strategic Objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources. By indicating both progress and what still needs to be done in order to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.⁹⁵

Findings

The situational analysis prior to each sub-programme gives detailed information about the service delivery environment. The policy priorities show to a certain extent that they have informed the strategic objectives and the performance indicators as they speak to the very issues raised in the situational analysis.

However, there is room for improvement. For example, section 4.5 on Housing demand, changes in services and policy shifts, which is a new and important section, provides only a rough estimate of the national backlog and fails to mention the provincial backlog which is so critical for provincial planning. Section 1.1 provides for figures referring to housing demand in the province under the heading "Sectoral situational analysis".⁹⁶ This section seeks to provide a broad overview of the service delivery environment in the Eastern Cape but is on the whole disappointing in that it restates prior information supplied and which dates back to 2005.⁹⁷ The only new information introduced are statistics on education levels. The copy-and-paste repetition of statistics is extremely

⁹⁴ According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole." In addition, all spheres of government must "cooperate with one another" by, amongst other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). Section 195(1)(e) of the *Constitution* states that 'People's needs must be responded to, and the public must be encouraged to participate in policy-making.' In addition, 195(1)(g) states that 'transparency must be fostered by providing the public with timely, accessible and accurate information'. See also *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation C.1(b).

⁹⁵ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also *Treasury Regulations*, 2005, regulation, 5.2.2(d).

⁹⁶ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12. p15

⁹⁷ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan , p.14; Eastern Cape Department of Housing 2005-2010 Amended Strategic Plan and 2007-2010 Annual Performance Plan, p. 8-11

worrying particularly where statistics on housing demand and distribution of housing in the province produced between 1996 and 2001 continue to inform this year's planning and planning over the MTEF.⁹⁸ It is encouraging, however, to see that the Department has not only recognised the need but has planned to update and acquire their own data and information about current needs and targets of vulnerable groups starting this financial year and over the MTEF.⁹⁹

Unfortunately, the situational analysis in Programme 2 is weak on giving the background on the programme's priorities, failing to identify sufficiently current constraints and challenges facing this programme.¹⁰⁰ The analysis of constraints table does not give enough detail of how these constraints came about and how exactly the Department plans to overcome them. For example, "limited policy analysis, monitoring and evaluation and research capacity is identified as a constraint within the programme."¹⁰¹ Details about the programme's vacancy rate and what skills the programme is in critical need of could have been provided as well as details about the constraints which have been preventing the Programme from acquiring or establishing a housing demand database. The Department should consider expanding the sections on "analysis of constraints" and "measures planned to overcome them" because the strategic plans should be informed by rigorous needs analysis and should offer justifications and explanations for the Department's policies and strategic plans.

When essential details are weak or excluded (Programme 3 is an example),¹⁰² the situational analysis does not provide us with information on challenges and is therefore unable to analyse whether the list of plans and measures to overcome constraint is effective.

The introduction to the purpose and programme structure of Programme 3 is weak on explaining the purpose and focal areas of the programme by simply stating "the purpose and the focal areas of this programme is ...to address the housing development needs of the communities of the province of the Eastern Cape".¹⁰³ The purpose of the programme given is too broad, one that can be applied to all the programmes in the Housing Department and tells us nothing specific about the programme. Strategic plans should be informed by rigorous needs analysis if they are to respond to the most pressing socio-economic needs of those they serve.¹⁰⁴ A situational analysis reveals the pressing socio-economic needs and shows how the programme's objectives and

⁹⁸ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan , p.14

⁹⁹ Ibid, p.15

¹⁰⁰ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.61-62

¹⁰¹ Ibid, p.71

¹⁰² Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.61- 62, p.70

¹⁰³ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan , p.69

¹⁰⁴ Section 195(1)(e) of the 'South African Constitution' states that 'People's needs must be responded to.' Section 2 of the 'Public Finance Management Act Implementation Guideline', 2000, notes that departmental Accounting Officers 'must have regard for the usefulness and appropriateness of planned outputs,' (p. 8). It is clear that the department cannot comply with these legislative and constitutional requirements, nor be accountable for failing to do so, without providing an account of its external service delivery environment. See also 'Public Service Regulation', 2001, regulation C.1(a).

activities are linked to the socio-economic needs.¹⁰⁵ Yet Programme 3's situational analysis lacks important needs analysis and information that explains and justifies the strategic objectives and is too thin in detail to provide meaningful information on the current status of the various sub-programmes in the programme. The situational analysis is merely a list of BNG principles and partnerships which says little about the current situation or status of the programme.¹⁰⁶ The needs analysis should have provided accurate, up-to-date statistically relevant data quantifying number of informal settlements in the province and what the programme has done thus far in terms of addressing this objective.

One exception is the situational analysis under Programme 3.1. Although, while It discusses the number of people estimated to be in need of housing and informs us about an estimated 105 informal settlements in the province,¹⁰⁷ this information is gathered from an outdated source, namely Census 2001. It is encouraging to note that there are plans for the establishment of a housing demand database. The analysis of constraints and measures planned to overcome them for Programme 3.1 raises some good points and discusses its challenges openly such as the Province's battle with resources to build houses of 40m² as opposed to the national norm of 30m² and the need for the Province to source extra funds.¹⁰⁸ There is a failure, however, to integrate some of the constraints being faced by the Programmes into the various sub-programmes' activities. An example would be the development of a booklet on norms and standards and the appointment of additional external technical resources as planned measures to respond to the inadequate building quality control capacity within Programme 3¹⁰⁹ while there are no measurable objectives or planned activities meant to deal with the above. Planned measures meant to overcome constraints facing the Department must be included in the APP in order for them to be realised over the MTEF.

The "Analysis of Constraints" section should not merely give a list of constraints without a proper breakdown of what exactly these constraints are. Measures planned to overcome them must be integrated into the programme's strategic and measurable objectives. For example, Programme 3 simply lists "Emerging Contractor Capacity shortfalls" under analysis of constraints but this does not explain exactly where the shortfalls lie which makes it difficult to assess whether the measures planned to overcome them are indeed adequate. The APP seeks to facilitate and develop the emerging contractors by training and mentoring 34 emerging contractors¹¹⁰ by the end of the 2009/10 financial year but the OP reduces the target to 25 contractors.¹¹¹ The document emphasises mentorship of emerging contractors by established contractors more than it does training. This exclusion, coupled with the reduction in targets, is disappointing considering that training of emerging contractors can also be identified as one of the most important and useful measures that could be used to overcome emerging contractor shortfalls.

¹⁰⁵ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan

¹⁰⁶ Ibid, p.70

¹⁰⁷ Ibid, p.76

¹⁰⁸ Ibid, p.77

¹⁰⁹ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.77

¹¹⁰ Ibid, p.78

¹¹¹ Eastern Cape Department of Housing 2009/10 Operational Plan, p.70

The situational analysis for Programme 4, discussing the past and present service delivery environment on rental housing stock, is an improvement from previous years. However the programme fails to discuss the current situation on land procurement and fails to provide further information which reflects on the lack of suitably available land.¹¹² Programme 4 identifies the lack of capacity for most social housing institutions and a high default rate on rentals.¹¹³ The programme lists the accreditation of social housing institutions and consumer education programmes as measures to deal with these constraints but none of these measures have been included in the Department's three year plan or one year plan.

Section 6 also speaks to the environmental and organisational challenges facing the Department such as "to improve...capacity to build and manage partnerships"¹¹⁴ and "the capacity to set objectives based on...sound data and information about current needs".¹¹⁵ Housing delivery targets are outlined as: (1) providing housing to the vulnerable communities and military veterans; (2) provision of alternative housing such as rental stock; (3) interventions in housing industry; (4) rural housing; and (5) informal settlements.¹¹⁶ The information regarding the service delivery environment and challenges in sections 5 and 6 is aligned and relevant to the policy direction outlined by the MEC in her 2009/10 Housing speech and foreword.

What is encouraging about these new sections (in particular section 6) is that they discuss specific measures the Department intends to undertake in order to achieve the goals listed by the MEC. These include the Department undertaking to meet the following targets this year: (1) proper research to provide accurate and up to date information on the situation analysis and challenges to ensure the provision of housing and vulnerable communities and military veterans¹¹⁷ and (2) to develop appropriate provincial legislation to prevent the mushrooming of informal settlements as a way to eliminate informal settlements by 2014.¹¹⁸

The Department began operating as a new department in April 2008 with the following organisational challenges 1) Human resources 2) Office space 3) Information communication technology infrastructure and tools.¹¹⁹ The section on Organisational environment in the APP discusses solutions to the above, maintaining that the Department is dealing with the human resource challenge by increasing personnel numbers.¹²⁰ Currently, however, there is confusing information about vacancy rates in the strategic planning documents.

The APP states that 96%¹²¹ of the vacant posts have been filled, while the OPP states that 430 vacant posts have been filled out of 894 posts, which is a rate of only 48%.¹²² This anomaly needs to be clarified urgently. The Department's human resource

¹¹² Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan, p.80

¹¹³ Ibid

¹¹⁴ Ibid, p.31

¹¹⁵ Ibid

¹¹⁶ Ibid

¹¹⁷ Eastern Cape Department of Housing 2009/10-2011/12 Annual Performance Plan , p.31

¹¹⁸ Ibid

¹¹⁹ Eastern Cape Department of Housing Annual Report 2008/09, p.101

¹²⁰ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.27

¹²¹ Ibid, p.9

¹²² Eastern Cape Department of Housing Operational Plan 2009/10, p.7

development plan intends increasing the number of senior and managerial positions. According to the Department this is an opportunity “to build on the foundation of a strong provincial housing team and a management team that will take the Department to greater heights for the next decade or so.”¹²³ The section on ‘Organisational environment’ in the APP does not discuss the current human resource status of the Department and neither does it include details about how the Department intends to retain staff. It is important that this section is improved so that it can provide detailed and accurate information on the current status of human resources. It is however encouraging to see that the Department has incorporated plans for a human resource recruitment and retention strategy into the strategic programme under Programme 1.¹²⁴

When the Department separated from Local Government and Traditional Affairs, it not only lost human resources but Departmental infrastructure, office space and furniture.¹²⁵ The APP mentions that the Department is restructuring and installing its own ICT infrastructure. According to the APP, the Department has moved to new offices in East London and there are plans seeing to the refurbishment of their new office space.¹²⁶ The strategic plan does provide a detailed account of its internal environment and there are plans in place to overcome these challenges identified in the Corporate services sub-programme, under Programme 1 as “Human Resource Management” and “Departmental Information Technology”.¹²⁷ It is encouraging to see that the Department has provided more information about its organisational capacity compared to the previous year’s strategic plan, showing that the challenges have been taken into account during the planning. However, section 5.2 (“Organisational environment”) can improve by providing information about its challenges in more detail and with more coherence.

Consultation with various stakeholders – such as the community, staff members, municipalities, construction industry and so on – is a critical and essential part of developing a better understanding of the service delivery environment which in turn will enhance the accuracy and relevancy of a strategic plan. The 2009/10 APP does not include any information on the Department’s internal and external consultation processes. The only reference to a consultation process can be found in the Service Delivery Improvement Plans document which lists the stakeholders involved in the consultation process for each programme.¹²⁸ Unfortunately, no other information is provided about the consultation process besides the names of the stakeholders who participated. The Department does provide some evidence of some consultation process occurring but this evidence is not sufficient. The consultation section should in the future include what issues were raised by the stakeholders during the consultation process and how the Department has incorporated the voices and concerns of the stakeholders into the strategic planning process.

¹²³ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.26

¹²⁴ Eastern Cape Department of Housing Operational Plan 2009/10, p.43

¹²⁵ Eastern Cape Department of Housing Annual Report 2008/09, p.102

¹²⁶ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.26-27

¹²⁷ Eastern Cape Department of Housing Operational Plan 2009/10, p.43-54

¹²⁸ Eastern Cape Department of Housing Service Delivery Charter and Service Delivery Improvement Plans, p.18-27

Theme 4: Costing and expenditure

Requirements

Draft strategic plans, consisting of costed activities, should form the basis of the Department's request for funding in upcoming financial years. However, once the Department knows its actual budget allocation for the upcoming financial year, it must reconcile its performance targets to its budget. The Department must reflect on previous and likely spending pressures and take these into account to ensure that strategic objectives are met. To this end, it must show expenditure by programme and sub-programme, and compare spending in previous years to MTEF projections and corresponding service delivery targets.¹²⁹

- Infrastructure plays an important role in the effective and efficient delivery of public services. The Department's plans should include current and upcoming building projects, up-grading of existing facilities and plans to deal with maintenance backlogs. Capital expenditure and maintenance projects should be listed in detail and should include timeframes and costs in order to ensure effective expenditure tracking, performance monitoring, reporting and risk management.¹³⁰
- The Department must reflect on its previous financial performance when approaching the upcoming MTEF period. The strategic plan should include an overview of its medium term revenues and expenditure from the previous three financial years, as well as its budget allocation for the upcoming financial year and the proposed budget for the two outer years of the MTEF. The Department should distinguish between its main budget allocation and other sources of revenue.¹³¹
- Departments should provide a summary of the revenue which they are responsible for collecting. Departments must describe in detail plans to ensure that all revenue for which they are responsible will be collected in the upcoming financial year. Departments must be accountable for the revenue they collect in

¹²⁹ "Part B must also reconcile the department's performance targets to the budget—analysing what pressures the department expects to emerge and what it intends doing to ensure that it, nevertheless, achieves its service delivery objectives." *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004 Section 4, Part B, 3.7 and 4.7, pp. 67-8.

¹³⁰ The Department must illustrate what it is doing to implement its capital investment, maintenance and asset management plans as set out in its Five-year Strategic and Performance Plan. This information should be provided for the coming year, and the two outer years of the MTEF period. Ibid, Section 4, Part B, subsection 5, pp. 68 - 69. See also *Treasury Regulation, 2005*, regulation 5.2.3(e).

¹³¹ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.1, p. 69.

order to ensure that it is (a) actually collected and accounted for and (b) transferred to the relevant fund for redistribution.¹³²

Findings

The budget information provided in the APP appears at the end of each programme under the “Reconciliation of Budget with Plan” section. This item provides the Programme and sub-programme expenditure of the previous year, the budget for the current financial year and the MTEF budget. An overview of expenditure from previous years has been removed from this year’s APP. It is important that this information be included going forward as it assists in identifying spending pressure which impacts on service delivery targets.

The “Reconciliation of Budget with Plan” also appears at the end of each of the Programme in the OP. There don’t appear to be any inconsistencies with the figures cited in the OP and the APP. However, there is at least one troubling discrepancy. In the “Reconciliation of the budget” tables for Programmes 2 and 3, the list of sub-programmes provided in these tables differs from the list of sub-programmes provided in the APP under sections 9.2 and 10.2 entitled Programme Structure.¹³³ Programme 2 shows a budget for five sub-programmes but both the OP¹³⁴ and APP list six sub-programmes, the additional one being the Capacity building and municipal accreditation sub-programme.¹³⁵

Unlike previous OPs, the budget reconciliation tables do not break down the budget into different line items such as compensation of employees or goods and services. It is recommended that the Department provides budget breakdowns for the various programmes. This is important as budget information about other important aspects of the programmes such as human resources also require an appropriate budget in order to realise performance targets.

Budget information provided in the OP appears in the “Budget” column, between the “Performance indicator” and the “Target” columns. It is strategically placed here to assist in determining whether the measurable objectives listed are not merely measurable but affordable and attainable. The budget column in the OP shows that the performance targets have been reconciled with available budget although some budget columns for performance targets are empty. An example is the Capacity building and municipal accreditation sub-programme, a new sub-programme that has been introduced to strengthen and support Programme 2 in meeting its strategic objectives and targets.¹³⁶ Very little budget information is given on the different measurable objectives and targets in this sub-programme. In the OP, only two out of the seven measurable objectives reflect a budget allocation for their activities.¹³⁷ The only budget information given in the

¹³² *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.2, p.70.

¹³³ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.60, 69 &

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¹³⁴ Eastern Cape Department of Housing Operational Plan 2009/10 p.56

¹³⁵ *Ibid*, p.60

¹³⁶ *Ibid*, p.68

¹³⁷ Eastern Cape Department of Housing Operational Plan 2009/10, p.56-57

APP regarding this sub-programme, is that the "main operating and capital budget is based on the Conditional Grant".¹³⁸ Furthermore, there is little breakdown of the conditional grant budget in the OP for the different measurable objectives and performance indicators.

To add to the confusion, the budget column in the OP at times provides two figures. For example, the target of providing 1 800 beneficiaries with emergency housing assistance grants under the 'Individual Housing Subsidies' sub-programme under Programme 3 appears to have two budgets: R63 500 and another figure of R 8 648 000 Conditional Grant Funding which appears bracketed below the first budget amount.¹³⁹ Having two budget figures for one performance target and another for the conditional grant appears to be a trend in the OP and is at times confusing. The Department is encouraged instead to provide a section in the APP or OP with tables depicting the entire budget for the Department as a whole and another separate table depicting a breakdown of the entire conditional grant budget. A different section that provides detailed information about the distribution of the conditional grant budget to various programmes will help avoid any confusion. This is equally important for oversight as the conditional grant contributes 89% of the Department's entire budget.

The quarterly breakdown of targets in the OP does not add up to the total in the final target column. One example is under the Social and rental intervention sub-programme where the target is to provide social housing units to 1 152 beneficiaries. However, the quarterly targets total 1 497 beneficiaries.¹⁴⁰ Discrepancies like this appear to be a trend, particularly in Programme 3. It is important that there be no discrepancies between the quarterly targets and final target for 2009/10 to ensure that adequate resources are allocated to meet the targets.

The plan and costing for capital expenditure and maintenance is a core priority for the Department as most of the organisational challenges facing the Department are primarily the refinement and improvement of human resources and physical infrastructure.¹⁴¹ There is currently a need to furnish new departmental office space and upgrade technological equipment after the Department split from the Department of Local Governance and Traditional Affairs.¹⁴² Although the APP lists the need for infrastructure, the APP does not provide a detailed costing plan for these infrastructural challenges.

Within the OP, the only costing provided relates to the purchasing of technological equipment within Programme 1 under the Corporate Services sub-programme.¹⁴³ No other costing plan is provided for other infrastructural needs that will contribute to a better working environment.

¹³⁸ Eastern Cape Department of Housing Operational Plan 2009/10, p.56-57

¹³⁹ Ibid, p.65

¹⁴⁰ Eastern Cape Department of Housing 2009/10 Operational Plan, p.71

¹⁴¹ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12, p.26-27

¹⁴² Ibid

¹⁴³ Eastern Cape Department of Housing 2009/10 Operational Plan, p.26-27

According to the Treasury guidelines, APPs must include a section detailing the Department's revenue collection plan.¹⁴⁴ In previous years, no such section was included in the APP until 2008/09 when section C, entitled "Capital Investment, Maintenance and Asset Management", was introduced, and consisted of a table which had unfortunately been left blank. In this year's APP, this section is absent altogether. This is concerning considering that the Department collects millions in revenue through rental stock and sale of capital assets. In 2008/09 the Department collected R11.4 million in revenue.¹⁴⁵ The absence of this section in the strategic plan means the Department fails to provide details on how the collection of this money will be coordinated. The section is also important because the Department needs to produce a detailed and coherent plan on how it intends to raise more revenue, use revenue as well as deal with revenue collection challenges such as rental defaults which, according to last year's annual report, has been problematic.¹⁴⁶

¹⁴⁴ Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.1, p. 69.

¹⁴⁵ Eastern Cape Department of Housing Annual Report 2008/09, p.33

¹⁴⁶ Eastern Cape Department of Housing Annual Report 2008/09, p.34

Theme 5: Conditional grants

Requirements

- It is critical that departments set plans for the use of funds received additional to the equitable share (whether through additional allocations or from donors) in order to ensure they are not wasted. This is especially true of supplementary funds given to departments to address specific, high-priority needs. To be accountable for the use of these funds, departments should include separate planned and costed activities for conditional grant and/or donor funds in their strategic plans.¹⁴⁷

Findings

To be accountable for the use of these funds, departments should include separate planned and costed activities for conditional grant and/or donor funds in their strategic plans.¹⁴⁸ This is to ensure that departments make use of the supplementary funds given to departments in order to address specific high priority needs. For the Eastern Cape Department of Housing, the conditional grant is used to fund 89% of the Department's activities including the unblocking of blocked housing projects, upgrading informal settlements, rectification, providing individual subsidies and more.¹⁴⁹ The Department has been under-spending the conditional grant for the past four financial years. Although expenditure for 2008/09 has improved, R270 million of the R1.2 billion conditional grant was subsequently returned by the Eastern Cape Department of Housing in December 2008.¹⁵⁰ The Department has since been changing the various programme structures in order to improve the management and expenditure of the grant. In 2008/09 the conditional grant was moved from Programme 3 to Programme 1.¹⁵¹ This financial year a new sub-programme, Office of the Chief Financial Officer, was introduced under Programme 1 specifically to manage and oversee the administration of the grant.¹⁵² The APP does not include detailed information on where and how the conditional grant will be spent.

Given the Department's poor conditional grant expenditure history, it is important that the OP dedicates a section under Programme 1, or a separate section of its own, providing information on the purpose, structure and history of the conditional grant budget. Furthermore, a condensed version of the financial breakdown and allocation of

¹⁴⁷ "Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year," National Treasury, 16 August 2004, Section 4, Part B, subsection 6.3 and 6.4, p. 70.

¹⁴⁸ Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.3 and 6.4, p. 70.

¹⁴⁹ Eastern Cape 2009/10 Integrated Housing and Human Settlement Development Conditional Grant (IHSDG) Business Plan p.5-13

¹⁵⁰ Government Gazette No. 31708 of 18 December 2008. Eastern Cape Department of Housing, Local Government and Traditional Affairs 2007/08 Annual Report p. 124; Eastern Cape 2009/10 Budget Statement II, p. 466

¹⁵¹ Eastern Cape Department Provincial Treasury Budget Statement II, p.467

¹⁵² Ibid

conditional grant funds to the various programme objectives is needed. According to the National Treasury template, information on conditional grants is expected to be included in a department's Operational Plan.¹⁵³ This section should also provide a list of constraints or challenges the Department is facing with regards to spending the conditional grant and provide a detailed plan to address these barriers and challenges to spending the grant. It is strongly recommended that the Department meet this standard by making the relevant changes to the OP to provide much needed detail which will assist in oversight and holding the Department accountable for the improved expenditure of the grant.

Consistency of the conditional grant figures and targets between the APP, OP and the conditional grant business plan targets and figures is essential. The information regarding conditional grant figures and targets in the 2009/10 APP and OP is at odds with itself as well as at odds with the business plan. An example would be the Rectification programme in the conditional grant business plan, which has set a target to rectify a total of 3 712 pre- and post-1994 RDP houses during this financial year and a total of 12 875 pre-and post-RDP houses over the MTEF¹⁵⁴ The APP, on the other hand, has set a target to rectify a total of 3 682 pre- and post-1994 RDP houses during this financial year and set a target to rectify a total of 11 607 RDP houses over the MTEF.¹⁵⁵ To further confuse matters, the Operational Plan reflects a different rectification target of 1 182 post-1994 RDP houses during this financial year.¹⁵⁶ A lack of consistency in targets and conditional grant budget appears to be a trend between these three important documents (APP,OP and IHSDG Business plan). In order to improve accountability and achieve strategic goals, the Department must ensure that all planned and costed activities for conditional grants are consistent throughout all planning documents.

¹⁵³ Section 4, National Treasury Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010 and Annual Performance Plans for the 2005 financial year, August 2004, p79

¹⁵⁴ Eastern Cape Department of Housing Integrated Housing and Human Settlement Development Conditional Grant (IHSDG) Business Plan 2009/10, p.6

¹⁵⁵ Eastern Cape Department of Housing Annual Performance Plan 2009/10-11/12, p.78

¹⁵⁶ Eastern Cape Department of Housing Operational Plan 2009/10, p.73

Theme 6: Partnerships

This Department's strategic plan provides very little information about its important partnerships with local government, the NHBRC, and national social housing institutions among others.¹⁵⁷ A section entitled "The Co-ordination, co-operation and Out sourcing plans" merely lists the number of entities and organisations involved with the Department without describing the role, history, nature, and purpose for each of the diverse partnerships. In addition, the section fails to outline the unique challenges of each partnership and the measures the Department plans to take in order to deal with these. The Department relies heavily on municipalities for quality assurance in the provision of housing therefore detailed information explaining details surrounding this crucial partnership in the APP is vital.¹⁵⁸ The economic crisis could potentially see an increase in demand for social housing as home loans get increasingly difficult to access. Thus the MEC's decision to enhance the Department's partnerships with various housing stakeholders such as municipalities and the banking associations during this financial year and over the MTEF, comes as no surprise.¹⁵⁹ The MEC notes that "for these initiatives (Department's strategic goals) to succeed we need to enhance our internal capacity in the Department and its partners in order for us to honor the promise of delivering housing to our communities."¹⁶⁰

The MEC maintains that the Department intends to consolidate a Memorandum of Understanding between the Department, the banking associations and the national Minister of Housing but no further details regarding this memorandum or other memorandums is provided.¹⁶¹ The Department needs to be more transparent about the agreements it signs with private parties particularly when it involves the transfer of funds to any public or private entity. SERVCON has been commissioned to conduct a regularisation and rectification programme consisting of occupancy audits and technical analysis of defects¹⁶² but no information regarding the financial transactions or a report of SERVCON's findings – particularly where occupancy audits are concerned – is provided for in the APP.

The NHBRC is an organisation that verifies and ensures the suitability and safety of the ground where the housing structures will be built which reduces the chances of building unsafe structures that will later deteriorate rapidly. In accordance with the Housing Consumer Protection Measures (Act No. 95 of 1998) the Department of Housing must register all its housing projects with the NHBRC. The Director General of Housing, Mr I. Kotsoane, recently conceded that there were challenges regarding registration of projects with the NHBRC.¹⁶³ Given the important role that certain stakeholders such as

¹⁵⁷ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12 p.86

¹⁵⁸ Housing Act, 107 of 1997, Part 4, Section 9 (1)(a)

¹⁵⁹ Eastern Cape Department of Housing Annual Performance Plan 2009/10-2011/12 p. p.7

¹⁶⁰ Ibid

¹⁶¹ Ibid

¹⁶² Ibid, p.9

¹⁶³ Mr I. Kotsoane speaking at the National Portfolio Committee Department of Human Settlements on Budget and Strategic Plan 2009/10 & the Status of Thubelisha, Servcon and Social Housing Foundation on June 11 2009. Available at

municipalities, SERVCON and the NHBRC play in the provision of housing, vague and general references about these partnerships in the APP is not enough. It is essential that the Department provide detailed information on current and future relations and the Department's plans to improve these partnerships.

The Department does however commit to producing a detailed document about the public-private partnerships (PPPs) that the Department is involved in over the MTEF.¹⁶⁴ A critical review of the Department's PPPs should be included in the strategic plans so that this may inform the planning process.

<http://www.pmg.org.za/report/20090611-department-human-settlements-strategic-plan-budget-200910-status-thub>

¹⁶⁴ Ibid, p.37