

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT

FIVE YEAR STRATEGIC PLAN

2010/2011 – 2014/2015

FREE STATE PROVINCE



public works & rural development
Department of
Public Works and Rural Development
FREE STATE PROVINCE

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FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL



This Strategic Plan is based on the electoral mandate of working together to do more and better. The 4th democratic elections ushered in a new electoral mandate which defines the strategic objectives and targets of government for the period 2009 – 2014. This strategic plan therefore builds on the success of the past fifteen years of democracy. It is a statement of intent outlining the medium-term strategy for improvements in the conditions of life in the Free State, particularly as it relates to our mandate of Public Works and Rural Development. The Rural development programme will unfold during 2010/2011 and beyond.

We are conscious of the strategic mandate entrusted to our newly reconfigured Department of Public Works and Rural Development. We now have two portfolio branches that have a huge bearing to the current mandate for the next five years. Public works will be very central in the priority of economic development and transformation for employment and sustainable livelihoods. Rural development is a national priority that will require even more attention from our Provincial Government given the large portion of our province that is rural.

A well developed infrastructure is a sound basis for higher rates of growth and sustainable development in the economy. Infrastructure development must lower the cost of doing business and facilitate social development.

Properly executed, infrastructure development can contribute towards labour-absorbing industrial growth and competitiveness in the main industries of the provincial economy, namely mining, agriculture, manufacturing, tourism and the petrochemical industry.

Our electoral mandate enjoins us to treat rural development with more urgency and as one of government main five priorities. We will therefore work to build vibrant and sustainable livelihoods in rural areas. In the medium to long term, we will develop the economic and social infrastructure, agro-industries, cooperatives and vibrant local markets in rural areas. We will also in conjunction with our strategies give more attention to the issue of a synergy between land reform and sustainable livelihoods in the rural areas.

This Strategic Plan therefore seeks to translate our mandate into a clear set of goals for the next five years.

Together let's do more and better for infrastructure delivery and rural development.

A handwritten signature in black ink, appearing to read 'Fundiswa Ngubentombi', written over a horizontal line.

Ms. Fundiswa Ngubentombi

MEC for Public Works and Rural Development

Date: 05 March 2010

OFFICIAL SIGN-OFF

It is hereby certified that the 2010/2011 – 2014/2015 Strategic Plan:

- Was developed by the management of the Department of Public Works and Rural Development under the guidance of MEC Me F. Ngubentombi.
- Takes into account all the relevant policies, legislation and other mandates for which the Department is responsible.
- Accurately reflects the strategic goals and objectives which the Department will endeavour to achieve over the period of five years.

Mr. J. Liebenberg:

Chief Financial Officer.



Signature: _____

Mr. S. Mtolo:

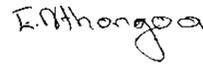
Head Official responsible for Planning.



Signature: _____

Me M.M. E. Nthongoa:

Accounting Officer.



Signature: _____

Approved by:

Me. F. Ngubentombi

Executive Authority.



Signature: _____

1. PART A: STRATEGIC OVERVIEW

1.1. Vision

A prosperous Free State with sustainable infrastructure and rural development.

1.2. Mission

Coordination, provision, promotion of infrastructure and sound management of assets aimed at sustainable urban and rural livelihoods.

1.3. Values

The core values below will guide the team's behaviour in realizing the Department's vision:

Core Values	Description
Commitment	We will perform tasks purposefully within available resources to deliver quality service.
People-Centered	Putting "People First" will be our priority aimed at improving service delivery to citizens.
Teamwork	We will collaborate as a team and together assist with the realization of government priorities.
Responsiveness	All tasks will be attended to timeously and diligently.
Fairness	The Department will implement its strategy as planned and serve the citizens without bias and prejudice.
Transparency	We will provide the citizens with reliable information about decisions and performance of the department.
Integrity and Honesty	The Department will be frank in implementing its priorities and will also be accountable for failing to meet the stated performance objectives.
Respect	The department will consistently treat citizens with dignity, whilst ensuring that quality service is rendered at all times. .

1.4. Core functions of the Department

To realise its mandate, the functions of Department as custodians of infrastructure include:

- Construction and maintenance of social and economic infrastructure.
- Management of provincial owned and rented property.
- Provision of Provincial Government office accommodation.
- Coordination and monitoring of the Expanded Public Works Programme.
- Monitoring, coordination and the implementation of Rural Development and
- Security management for interdepartmental buildings.

1.5. Constitutional, Legislative and other Policy Mandates

The tables below outline specific constitutional, legislative and policy mandates of the Department.

1.5.1. Constitutional Mandates

Chapter 10 (Section 195) of the Constitution deals with the basic values and principles governing public administration. The following values are specific to the Department of Public Works and Rural Development:

Constitution	Constitutional Mandate	Departments compliance
Constitution of the Republic of South Africa (Act 108 of 1996).	A high standard of professional ethics must be promoted and maintained.	<ul style="list-style-type: none"> The Department has measures in place to foster and enhance professionalism and ethical behaviour.
	Efficient, economic and effective use of resources must be promoted.	<ul style="list-style-type: none"> Strategic objectives are aligned with policy imperatives against the budget.
	Public administration must be development-oriented.	<ul style="list-style-type: none"> The Department initiates and implements empowerment projects.
	Services must be provided impartially, fairly, equitably and without bias.	<ul style="list-style-type: none"> Fair/unbiased service delivery practices are fostered.
	People's needs must be responded to, and the public must be encouraged to participate in policy-making.	<ul style="list-style-type: none"> A departmental communication strategy is in place to facilitate active public participation.
	Public administration must be accountable.	<ul style="list-style-type: none"> Policies and procedures are in place to guide departmental operations. Fraud prevention plan based on thorough risk assessments is in place and implemented.
	Transparency must be fostered by providing the public with timely, accessible and accurate information.	<ul style="list-style-type: none"> Transparency is promoted by providing the public with information through annual and other reports.
	Good human-resources management and career-development practices to maximise human potential, must be cultivated.	<ul style="list-style-type: none"> Human Resource Plan is in place to manage human resource processes. The Department complies with the provisions of the Skills Development Act.
	Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.	<ul style="list-style-type: none"> Employment equity targets are implemented as planned in the Annual Performance Plan. Diversity management measures are in place. Gender mainstreaming being introduced.

1.5.2. Legislative mandates

The legislative mandates that guide the functions of the Department of Public Works and Rural Development include:

Legislative Mandate	Relevance to the Department
Transversal Legislative Framework	
Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended by Public Finance Management Amendment Act, 1999 (Act No. 29 of 1999).	Aims to improve financial management and accountability and adopts result-oriented or performance based budgeting process with more emphasis being placed on service delivery outputs.
Public Service Act and Regulations 2001 (as amended).	Sets out the employment terms and conditions of all Public servants and is supported by detailed regulations.
Division of Revenue Act 12 of 2009.	Provides guidance on utilisation of grants.
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).	The Act allows the public access to information held by either the State or another body if that information is needed to protect one's rights.
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).	Sets out clear rules and guidelines that administrators must follow when making decisions.
Skills Development Act, 2003 (Act No. 31 of 2003).	This Act amends the Skills Development Act, 1998 (Act No. 97 of 1998) by providing for the budgeting process in relation of training.
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).	Provides for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery.
Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).	Provides for a legislative framework for the implementation of the preferential procurement policy.
Broad Based Black Economic Empowerment Act 2003, (Act No. 53 of 2003).	Aims to facilitate broad-based black economic empowerment and establish a legislative framework for the promotion thereof. The goal of this Act is to distribute wealth across a broad spectrum of the South African society as possible.
Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993).	Provides for compensation for disability or death caused by occupational injuries or diseases sustained by employees in the course and scope of the employment.
Works Design, Construction and Maintenance Specific Legislation	
Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).	Seeks to transform the role of industry and stakeholders for sustainable growth, improved delivery, performance and value to public and private sector clients, and investors through strategic partnerships.
Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000).	Provides for the registration of professionals in the project and construction management fields.
Property Management Specific Legislation	
Free State Land Administration Act, 1998 (Act No. 1 of 1998).	Regulates the acquisition and disposal of state assets and also determines the appropriate delegations for officials to deal with property transactions.
The Expropriation Act, 1975 (Act No. 63 of 1975).	The Act determines the expropriation process, as well as the calculation, determination and payment of compensation for any and all immovable properties acquired.
Government Wide Immovable Asset Management Act, 2007 (Act No. 19 of 2007).	Provides a uniform framework for the management of an immovable asset that is held or used by a National or Provincial Department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a National or Provincial Department, the issuing of guidelines and minimum standards in respect of immovable asset management by a National or Provincial Department.
State Land Disposal Act, 1961 (Act No. 48 of 1961).	Provides for the disposal of certain State Land and matters incidental thereto and to prohibit the acquisition of State Land by prescription.

Legislative Mandate	Relevance to the Department
Security Administration Specific Legislation	
Protection of Information Act, 1982 (Act No. 84 of 1982).	This Act deals with the prohibition for obtaining and disclosure of certain information which may be prejudicial to the security or interests of the State (RSA)
Private Security Industry Regulations Act, 2001 (Act No. 56 of 2001).	The Act determines that no security provider (department/company) and/or security officer should render any security service without being registered with the Private Security Industry Regulations Authority (PSIRA).
Control of Access Control to Public Premises and Vehicles Act, 1985 (Act No. 53 1985)	The Act regulates access control of vehicles, government officials, visitors and all entering the Government Buildings/Premises.
The Criminal Procedure Act, 1977 (Act 51 of 1977)	The Act regulates the detection, combating and investigation of reported criminal cases and the investigation thereof.

1.5.3. Policy Mandates

The policy directives that drive the operations of the Department include the following:

Policy Mandates	Key responsibilities for the Department
Programme 1: Administration	
White Paper on Training and Development in the Public Service, 1997.	Equip departmental officials with necessary skills and knowledge to execute their work and improve service delivery.
White Paper on Affirmative Action in the Public Service, 1998.	Refers to policies that take race, ethnicity or gender into consideration in an attempt to promote equal opportunity.
National Skills Development Strategy towards 2010.	This policy spells out national priority areas to which the projected incomes from the skills development levy will be allocated over the next five years.
Recruitment and Retention Strategy, 2008.	Effective human resource provision, induction and proper remuneration strategy.
Assessment of professional ethics in the Free State, 2007.	Ensure adherence to code of good practice and ethical conduct.
Human Resources Development Strategy, 2006.	This strategy aims at contributing to the establishment of equal access to an effective and efficient public service.
Free State Provincial Growth and Development Strategy, 2005 – 2014.	Enhance economic development and job creation as well as providing and facilitating sustainable infrastructure development.
Monitoring and Evaluation Report: Public Service Commission, 2007.	Ensure adherence to the 9 principles of good administration in service delivery.
South African National Policy Framework on Women's Empowerment and Gender Equality, 1995.	Broaden ownership of property and productive assets by women to address past imbalances.
National Youth Development Policy Framework, 2002 – 2007.	Target unemployed youth with the aim of training and capacitating them towards relevant career paths.
Integrated National Disability Strategy, 1997.	Ensure the participation of disabled people in the construction and property industry.
Preferential Procurement Policy - Using targeted procurement procedures, 2000.	Ensure that the awarding of contracts is in line with the framework as enshrined in section 217 (3) of the Constitution.
Code of Good Practices on Key Aspects of HIV and AIDS, Disability and Employment 1998.	Deal with discrimination on the basis of HIV status and disability in the work place.
Departmental HIV and AIDS and Employee Assistance Programme Policy, 2005.	Provide adequate and formal awareness and assistance to employees affected by HIV/AIDS.
Draft Employee Health and Wellness Strategic Framework for the public service, 2008	Recognises the importance of linking individual health, safety and wellness, organisational, environmental sustainability, quality management to productivity and improved service delivery outcomes.
Public Service Code of Conduct, 1999.	Ensure adherence to the departmental Code of Conduct.
Government Communicator's Hand Book: GCIS, 2004 and 2007.	Provide for the overall management of the department and also conduct communication research to provide communication advice on governance and monitor the development and implementation of government programmes from a communication perspective.

Policy Mandates	Key responsibilities for the Department
Programme 1: Administration	
Departmental Information Communication Technology Policy, 2007.	Accelerate the use of Information Communication Technology in the department in getting across information to all employees other stakeholders.
Treasury Regulations, 2007.	Ensure effective and efficient usage of public funds in accordance to the Public Finance Management Act.
Policy to Guide Uniformity in Procurement Reform Processes in Government, 2003.	To provide a public, competitive and fair tendering system which allows for participation by all South Africans, while creating accelerated opportunities for target groups.
A Strategy for Broad-Based Black Economic Empowerment, 2003.	Facilitate broad-based black economic empowerment and establishing a legislative framework for the promotion thereof.
Supply Chain Management – A guide for Accounting Officers/Authorities, 2004.	Ensure that procurement practises are fair, equitable, transparent, competitive and cost effective and that accounting officers comply with the Public Finance Management Act, 1999, as well as Preferential Procurement Policy Framework Act, 2000.
Free State Department of Public Works and Rural Development Supply Chain Management Policy, 2010.	To regulate all Supply Chain Management Practices within the Free State department by applying acceptable principles of good cooperate governance in Supply Chain Management and also to ensure a system that is fair, equitable, competitive, transparent and cost effective.
Supply Chain Management Practice Notes.	To ensure that uniformity and values exist in the bidding process when procuring goods and services.
Institute of Internal Auditors SA Standards, 2007.	Emphasises that all internal audits must be conducted in accordance with the standards set by the Institute of Internal Auditors.
King III Report , 2009	Prescribes principles of good governance by promoting sound business practices, ethics, morals and awareness of risk management issues. Its core philosophy revolves around leadership, sustainability and corporate citizenship.
Collective Agreements and Ministerial Directives	Prescribe Human Resources norms and standards.
Security Administration	
Minimum Information Security Standards, 1996.	This Policy determines minimum security standards that each Department and/or State-owned Entity must comply with and the necessary measures and procedures to protect certain information from being disclosed by any person who are in possession such information.
Programme 2: Public Works – Design, Construction and Design	
Construction Charter Version 6 Final, 2006.	Aim to achieve a substantial change in the racial and gender composition of ownership, control and management within construction industry.
Policy document on the Statutory Regulation of the Built Environment Professionals, 1999.	The purpose of this policy is to ensure that professional functions are performed only by persons with the necessary competence.
White Paper: Public Works towards the 21 st Century, 1997.	Reflects the National Department of Public Works' (DPW's) intention to establish a durable strategy that demonstrates how South Africa's broader socio – economic objectives will be met, in part through expanded investments in public works and dynamic changes in the DPW's approach to public works programmes, property investments, property and facilities management and project management.
Programme 2: Public Works – Property Management	
Property Sector Transformation Charter.	Actively promote vibrant, transformed, and growing property sector that provides adequate services to the domestic economy, reflects the South African nation as a whole and contributes to the establishment of an equitable society.
White Paper: Public Works towards the 21 st Century, 1997.	Reflects the National Department of Public Works' (DPW's) intention to establish a durable strategy that demonstrates how South Africa's broader socio – economic objectives will be met, in part through expanded investments in public works and dynamic changes in the DPW's approach to public works programmes, property investments, property and facilities management and project management.
Programme 3: Expanded Public Works Programme	
EPWP Phase 2 Consolidated Programme Overview, 2009.	The goal is to create 4, 5 million (short and ongoing) work opportunities for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014, through the delivery of public and community services.
Accelerated Shared Growth Initiative for South Africa, 2006.	To half poverty and unemployment by 2014. Ensuring the environment and opportunities for more labour, absorbing economic activity.
Department of Public Works, Roads and Transport Contractor Development Programme, 2007.	Provide strategic intervention by the Department of Public Works Roads and Transport intended to redress the intentional and the systematic exclusion the historically disadvantaged individuals from participating in the economic mainstream by the apartheid regime to eradicate the legacy it created.
National Youth Service Project on Public Works Maintenance, 2004.	Labour- intensive Programme aimed at promoting economic growth and sustainable development by offering people part-time job while gaining various skills. The creation of employment opportunities in Government funded infrastructure projects.

Policy Mandates	Key responsibilities for the Department
Programme 4: Rural Development	
Rural Development Strategy of the Government of National Unity, 1995.	Describes the instrument for efficient speedy and accountable Rural Development where priorities have been set by rural people. It is also committed to eliminate poverty and create full employment by the year 2020.
Integrated Sustainable Rural Development Strategy, 2000.	Describe how government, aims to achieve a rapid and sustained reduction in absolute rural poverty.
Rural Development Framework, 1997.	Proposed that government leads in the consolidation, formulation, implementation, monitoring and evaluation of a well coordinated programme and projects which will allow for participation of all spheres of government and civil society.
Human Sciences Research Council Position Paper on Rural Development - The Provision of Basic Infrastructure Services, 2004.	Regulates all Supply Chain Management Practices within the Free State department by applying acceptable principles of good cooperate governance in Supply Chain Management and also to ensure a system that is fair, equitable, competitive, transparent and cost effective.
Comprehensive Rural Development Programme Framework, 2009.	Aim to create vibrant, equitable and sustainable rural communities

1.5.4. Relevant Court Rulings

Specific court rulings that have a significant, ongoing impact on the operations of the Department:

Name of Court Cases	Impact on Departments service delivery and obligations
Wolmarans and Fourie	The Department paid the following two claims from Property Management for leased properties: an original claim amount of R166 674.08 was reduced to R150 000.00 and saved the department R16,674.08.
Various cases consulted	Consultation of cases of state attorneys to the total claim of R3, 887,882.22.
Shawshank Construction v MEC: Public Works and Roads	The department of Sports, Arts and Culture paid the amount claimed and the department of Public Works paid the interest to the amount of R870,983.75

1.5.5. Planned Policy Initiatives

Important policy initiatives that the Department plans to implement during 2010/2011 – 2014/2015 include:

Works Design, Construction and Maintenance

- Accelerated infrastructure delivery.
- Transformation of construction industry.
- Capacity building within the built environment
- Devolution of Public Works mandate from provincial department

Property Management

- Transformation of the Property Industry including Property Incubation Programme.
- Management of disposal and acquisition of properties
- Implementation of the Government – wide Immovable Asset Management Act (User Asset Management Plan and Custodian Asset Management Plan)
- Maintenance of property portfolio
- Improvement of property management
- Utilities management services (payment of rent, rates and taxes, electricity and others).

- Revenue collection maximised from properties
- Decentralisation of office accommodation to Districts

Security Administration

- Improve security capacity in government buildings.

Expanded Public Works Programme

- Massification of the Expanded Public Works Programme.
- Innovation and Empowerment in relation to:
 - Intensifying National Youth Service programme
 - Facilitation of Contractor Development Programme
 - Creation of Learnership

Rural development

- Coordination and mobilisation of resources to stimulate sustainable rural development.
- Facilitate the provision of socio-economic infrastructure and public amenities.
- Facilitate land redistribution to meet the needs of rural communities
- Monitor and evaluate the implementation of rural development initiatives.

Administration - Corporate Support

- Align departmental structure and business processes in line with Medium Term Strategic Framework and Outcomes Based Plan of government.
- Targeted recruitment, retention, and development of human capital inclusive of recognition of prior learning, mentoring, succession planning and professional registration.
- Promote gender mainstreaming within the workplace
- Extensive communication with stakeholders to inform and consult on government priorities.
- Customise Information Communication Technology to meet Departmental needs
- Improve controls within the Department
- Maximise collection of revenue from all sources.
- Monitoring and evaluation to support the achievement of strategic objectives

1.6. Situation Analysis

The situation analysis below reflects the service delivery/performance environment, the demand for services and the challenges that need to be addressed in relation to implementation of legislative and policy imperatives:

1.6.1. Service Delivery/Performance Environment

a). External environmental factors

The discussion below describes the external environmental factors that hinder the department's endeavours towards delivering on its mandate per programme and sub-programme.

Works Design, Construction and Maintenance Sub-programme

Public works has been central in the government's economic strategy in the past five due to the centrality of the infrastructure development drive for growing and developing the economy. The financial year 2008/09 was the closing year for the five year term that begun in 2004 with the programmatic slogan of: 'A people's contract to create work and fight poverty.'

The theme for 2008/2009 financial year was *business unusual: all Hands on deck to speed up infrastructure delivery for faster development.* The goal of government in this second decade is to halve poverty and unemployment by the year 2014.

Escalation of material, labour and fuel due to exogenous factors locally and internationally. Material supply varies according to local and global needs as per the construction industry (for example, a huge demand for bricks would lead to a shortage, which in turn leads to increase of material prices and the shortage thereof.)

Limited number of contractors at higher CONSTRUCTION INDUSTRY DEVELOPMENT BOARD grading makes that the Free State based contractors not competitive with regard to projects to the value of R60m plus. Economic recession seriously affected labour tendencies and contractor financial positions.

There is high staff turnover in respect of experienced key technical personnel (engineering related fields, architects, artisans, quantity surveyors, etc). This is also a national challenge experienced in all the infrastructure sectors. Fully Professionally Registered staff in sufficient quantities in all disciplines is a challenge the Department is currently addressing. It is anticipated that it will be addressed by the introduction of Occupation Specific Dispensation. In order to enhance capacity; the Department recruited three Cuban Engineers, one each in the discipline of mechanical, civil and electrical engineering. During the past three years, full time bursary students that completed studies in quantity surveying, architecture, and B Tech Degrees and National Diplomas in engineering related fields specific to the built environment have been recruited. Technical/Professional staff is expected to register with the professional council applicable to their profession.

Property Management Sub-programme

Maintenance of government property

During previous years, limited budget was reprioritised in relation to property maintenance. This resulted in many properties slipping into some state of disrepair and some beyond restoration. As part of government priorities, the Department identified maintenance of its property as a vehicle to address unemployment in the province as well as economic emancipation of the historically disadvantaged whilst preserving the value of its assets.

Implementation of National Infrastructure Maintenance Strategy will also afford the Department an opportunity to train the targeted groups (Property Incubator Programme, National Youth Service, In-house re-skilling) of the province in technical skills and thus address the technical skills shortage in the province and thus, curbing unemployment.

Preliminary condition assessments have been conducted to determine the extent of maintenance required in a few strategic buildings. The results show that more than R1 billion is needed to restore government buildings to an acceptable state. It is clear that this amount cannot be afforded in one year, but should be prioritized and budgeted over the Medium Term Strategic Framework period. Although somewhat costly, comprehensive condition assessments are to follow in the 2010/2011 financial year which will assist with prioritizing projects and developing the Infrastructure Maintenance Plan for the Medium Term Expenditure Framework.

Revitalization of Government Assets

The current economic climate and the consequent social pressure have led to cuts in the budget allocation for infrastructure development and refurbishment. It has therefore become necessary for the department to seek innovative ways to realize this objective. Despite the budgetary constraints, the department managed to enter into a partnership with the private sector to renovate the buildings for use as office accommodation. The Department will then rent from this joint venture over a long term.

Property Industry Transformation

Property transformation seeks to:

- Address the imbalances of the past in the property sector.
- Guarantee entry and growth of black owned enterprises into the property market.
- Promote strategic intervention by government in all sectors of the property industry.
- Create an environment where targeted property related businesses are able to acquire empowerment opportunities, related skills and competencies in order to compete independently for opportunities in the industry.

The transformation process will address a number of enterprises which share a range of services within the property industry. These will include amongst others:

- Facilities management
- Property ownership
- Property broking/real estate
- Property research
- Property management
- Property valuations, etc

The Provincial Government's property portfolio is not sufficient to accommodate all departments to render efficient service delivery in relation to office accommodation. In the 2009/2010 financial year the Department rented office space to the tune of R138,672,488 on behalf of client departments. Of this amount, R27m was paid to government entities, while R29m was paid to Historically Disadvantaged Individuals. The amount paid to History Disadvantage Individuals is increasing each year since the Department undertook to transform the patterns of property ownership in the province by utilizing its position as a major single consumer of office space in the

province. More and more Historically Disadvantaged Individuals are becoming property owners in the Central Business District of Bloemfontein.

Payment of Municipal Utilities, Rates and Taxes

The Province is one of the poorest in the country. In addition to this, the province has the high unemployment rate. Very few citizens are able to service their municipal accounts. This has a direct impact on municipalities' ability to provide basic services to its communities. Government as a major property owner in the province should ensure timely payment of all utilities, rates and taxes accounts. As custodian of government properties the department has a responsibility to contribute towards municipality financial viability and sustainability. The Department developed a rollout Implementation Plan with regard to payments of utilities, rates and taxes.

During the 2009/2010 financial year a grant of R140,144m was allocated and later in the financial year a rollover of R44,960m was approved. The Department is projecting a shortfall of R51,787m for the 2009/2010 financial year despite the approval of the roll over.

Expanded Public Works Programme

National Youth Service

The objective of the programme is to ensure participation of initial 5000 participants in the Expanded Public Works Programme National Youth Service through service activities in the Built Environment;

- Ensure that youth develop understanding, skills and aspiration for working in the Built Environment;
- Exit strategies:
 - Recruit 10% into the structure of the Department;
 - Ensure the remaining youth enter into employment with private sector, other spheres of government, or entrepreneur or cooperative development.
 - Grant bursaries to further studies (universities or technikons).

The Department of Public Works and Rural Development recruited 500 young people to participate in the Second Phase of the EPWP – NYS in the built Environment, but due to budgetary constraints the department only trained 107 young people from Motheo and Xhariep Districts. The department is making plans to accommodate the remainder of the participants.

Currently the programme has 75 learners who have all undergone theoretical training with Motheo FET College on a variety of trades for a period of twelve (12) months. Learners also undertook practical training on the low cost housing built by the Mangaung Local Municipality in the Thaba Nchu area, except for electrical learners who only did theory while at college. All learners' experiential training came to an end on the 15th of March 2009, with the exception of the electrical learners who could not immediately be placed for experiential training. This number also excludes 9 Welding learners absorbed by Transnet.

Initial Intake Statistics

Trade	Number	Number of learners still on programme
Plumbing	28	25
Electrical	24	18
Welding	19	08
Carpentry	19	14
Bricklaying	17	10
TOTAL	107	75

There were plans to have a dedicated budget for the training programmes of the department, in particular, the National Youth Service. This plan was scuttled by the budget constraints. The department continues to seek innovative ways of setting aside projects for the practical training of these learners. Through some good efforts, some were accommodated by various institutions, for instance, Centlec took learners who were being trained in the electrical field, welding learners were absorbed by Transnet, etc.

The Department will insert a clause in the advertisements and contracts for all projects being implemented by the department, where these learners can be trained, to ensure they are accommodated as such.

Creation of work opportunities

The Provincial job creation target for the first five years of Expanded Public Works Programme was set at 73,636 by the National Department of Public Works based on the Municipal Infrastructure Grant and Provincial Infrastructure Grant allocations. To date the Provincial Expanded Public Works Programme has created 79,701 job opportunities in the first phase of the implementation of Expanded Public Works Programme.

The Expanded Public Works Programme Phase 2 was launched in April 2009 at the University of the Western Cape. The goal of Expanded Public Works Programme phase 2 is to create 4, 5million work opportunities for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014. This is envisaged to scale up from 500,000 per year in 2009/2010 to 1.5m in 2013/2014.

The Provincial work opportunity target set by the National Department of Public Works is 150,295 over a period of five years, of which 18,115 is for the 2009/2010 financial year. The above mentioned targets include national departments, provincial departments and municipalities. The provincial government has put more emphasis on the active participation of all municipalities with a view to improve on their contribution towards exceeding the provincial targets. Their involvement and cooperation has shown that more can be achieved. Other departments have

taken a keen interest in how they can also participate and accelerate performance of the province in this regard. With more integration of the work of government more will be achieved.

The programme has been successful as the department continues to surpass the targets set. The Department is planning to do more in collaboration with all the stakeholders.

Contractor Development Programme

The objective is to provide opportunities to existing contractors as well as new entrepreneurs in the building and construction industry in order for them to become successful and independent contractors. To date, 200 contractors have been admitted into the programme and 188 are still on the programme, of which 79 has moved to the Department of Police, Roads and Transport.

The remaining 132 contractors are assisted by the department in various ways. Notwithstanding the budget constraints of the department and the recent economic meltdown which has had unintended consequences on our ability to pursue this programme, the department is using the implementation of rural development projects to drive contractor development.

The department continues to look into alternative ways of providing for the training of learner contractors. Provision for their theoretical training was made difficult by the limited resources at the disposal of the department. As it is, the learner contractors are being accommodated on already existing projects that are being implemented by the department.

Administration – Corporate Support Sub-programme

Technical/professional staff

With regards to technical/professional staff, the limited availability in the labour market of registered and experienced professionals. Technical and professional staffing equates to only 2.4% of the total workforce. In order to strengthen project management on infrastructure projects, works inspectors need to be translated in rank to project managers (construction) and register at a relevant council. It is anticipated that twelve bursary holders in engineering (civil, mechanical and electrical) as well as related disciplines will complete studies and assume duties during March 2010. Their appointment will address entry level skills gap. The national Occupation Specific Dispensation for professional/technical staff has been approved nationally. Uniformity in salary levels with career progression opportunities is the anticipated result; coupled with a reduction in staff turnover and the loss of staff to the private sector.

Transfer of support staff

The transfer of the Transport and the Traffic functions as well as the Roads function to the Department of Police, Roads and Transport which is inclusive of corporate support staff from all the disciplines, namely: Finance, Supply Chain Management, Human Resources, Communication, Strategic Planning, Information Communication Technology, Internal Audit and Legal Services has weakened the support structures of the department. The skills gaps will be addressed through targeted recruitment, interventions in terms of the workplace skills plan, staff rotation and amendment of job descriptions of support staff.

Employment Equity Targets

When the workforce profile of the department is compared to the economically active population of the Free State, the following areas of under-representation become apparent:

- African women are under-represented at all levels except the unskilled employment category.
- African men are slightly under-represented at the professional level.
- Coloured men are under-represented at all levels except the semi-skilled level.
- White women are under-represented at top and senior management levels, as well as the unskilled level.
- Coloured women are under-represented at top and senior management levels.

Employment equity efforts will be focused on the employment of women at top and senior management levels. African women are under-represented at almost all occupational levels and employment equity strategies focusing on the following drivers will be developed and implemented:

- Targeted recruitment and selection
- Training and Development
- Performance management, remuneration and reward

In this term of government, the department will prioritize targeted appointment of women and people living with disabilities. Women will be encouraged to study in the currently male dominated fields of engineering and related professions as well as Artisans.

Preference will also be given to lower skilled employees' relation to recruitment and training. Recognition of prior learning will be instituted in respect of staff occupying positions as tradesman aids for possible preparation as tradesman whilst accreditation from relevant Sector Training Education Authority will be acquired to provide accredited security training in-house.

Disabled

The Department is still grossly under-represented despite further efforts to include more people living with disabilities. With effect from 01 April 2009 the Department employed seventeen staff members with disabilities (constituting 0,07% of the employee base in the Department.)

b). Demand for services

Indicators that reflect the demand for services are discussed below:

Administration Corporate Support Sub programme

- Restructuring of the department to appropriately and adequately discharge its mandate.
- Appropriate skills development programme to meet departmental training needs.

Works Design, Construction and Maintenance Sub programme

- Provincial infrastructure plan.
- Construction, maintenance, and upgrading of a sustainable social infrastructure.
- Develop and sustain small and emerging contractors.
- Empowerment of the targeted groups.

Property Management Sub programme

- The demand for integrated accommodation for all provincial government departments.
- Attainment of government's broad socio economic objectives: property incubator programme.
- Need for the development of norms and standards for spatial allocation/utilization of office space.
- Sound integrated facilities' information systems
- Need for increased revenue generation
- Rental payments

Security Administration Sub sub programme

- Incidence of theft
- Safety in relation to staff and assets.

Expanded Public Works Programme

- Labour intensive methods of construction on infrastructure projects.
- Reports on EPWP targets.
- National Youth Service opportunities.
- Contractor Development Programme.
- Learnership Programme

Rural Development Programme

- Development of rural areas.
- Need for economic sustainability of rural development projects
- Demand for access to social amenities in rural areas.

c). The nature of the challenges to be addressed

Works Design, construction and Maintenance Sub programme

- The introduction of the Construction Industry Development Board in construction resulted in less numbers of Historically Disadvantaged Individuals' companies being awarded big projects. This is due to the small number of Historically Disadvantaged Individuals' companies registered for higher Construction Industry Development Board grading levels of 7 – 9.
- Mainly due to a lack of project management skills from certain emerging contractors, a number of projects have been terminated due to poor performance.

- Lack of access to finance by Historically Disadvantaged Individuals' companies from financial institutions result in a number of cessations when the appointed company is unable to buy building material.
- The existence of a suppliers' cartel in the building material industry prohibit companies to compete fairly.
- Many Historically Disadvantaged Individuals are not necessarily entrepreneurs but middle men.
- Historically Advantaged Individuals refuse to either partner or dispose to the Historically Disadvantaged Individuals' and as such this objective is realized slower than anticipated.
- The historical challenge of creditworthiness as required by financing institutions also has been another stumbling block – the National Credit Act has amplified the problem in that it is even more difficult to acquire credit/loan.

Property Management Sub programme

- Budget shortfalls for Rates and Taxes payments, municipal services with regard to water, electricity, sanitation and refuse removal.
- Maintenance backlog in all buildings
- Buildings lacking access compliance for people living with disabilities.
- Occupational, Health and Safety standards in buildings

Expanded Public Works Programme

- No budget for the implementation of the National Youth Service programme
- High staff turnover in municipalities affects the coordination of the programme
- Commitment to implementation of EPWP compliant projects by Public Bodies

1.6.2. Organisational Environment

The discussion below provides information on the Departmental capacity factors that impact negatively on service delivery. Also issues of the Departmental structure are highlighted:

Works Design, construction and Maintenance

- Limited resources for the implementation of a sustainable contractor development strategy.
- Restrictive payment cycle limits improvement of payments to contractors in relation to public works construction and maintenance projects.
- Limited opportunities for graduates to gain practical experience and professionals to gain continuous professional development.

Property Management

- Lack of skilled staff (property valuers) and delays in filling of key vacant posts.
- Slow and ineffective computer networks hampered progress on the asset register

Expanded Public Works Programme

- Limited resources and under reporting by some public bodies.
- Lack of resources and commitment of all public bodies to create employment opportunities through implementation of expanded public works programme.

Security Administration

- Lack of resources (e.g. equipment, security guard house)

Administrative factors

- Limited financial resources to implement proposed training interventions
- Sufficient number of diverse suppliers registered on the available database affects the utilisation of suppliers for quotation based procurement in their local areas.
- Ageing workforce inclusive of artisans.

Departmental Structure – Background

Transfer of Public Transport, Traffic Management and Road Infrastructure

Budget Programmes 4 and 5 (namely, Public Transport and Traffic Management) were formally transferred to the Department of Police, Roads and Transport) from September 2008 as per EXCO resolution 38/2008. On 2 February 2009, the Premier determined that in terms of section 3A (b) of the Public Service Act, 1994 (as amended), the function of road infrastructure and fleet was also transferred to Police, Roads and Transport according to provincial treasury communiqué of 02 July 2009. Only the information security unit is remaining. The Department, has also outlined mutual agreement with Police, Roads and Transport to transfer 117 staff

New Departmental Mandate

Rural Development as a function was added from the beginning of 2009/10 financial year to the remaining Department of Public Works to form the Department of Public Works and Rural Development. The department now strategically leads, coordinates, monitors, and evaluates the impact on Rural Development throughout the Province.

In accordance with the 2009/2010 State of the province address: Information Communication Technology, government communications, legal services and government procurement will during the course of the financial year form part of the shared service centre in the Premier's office.

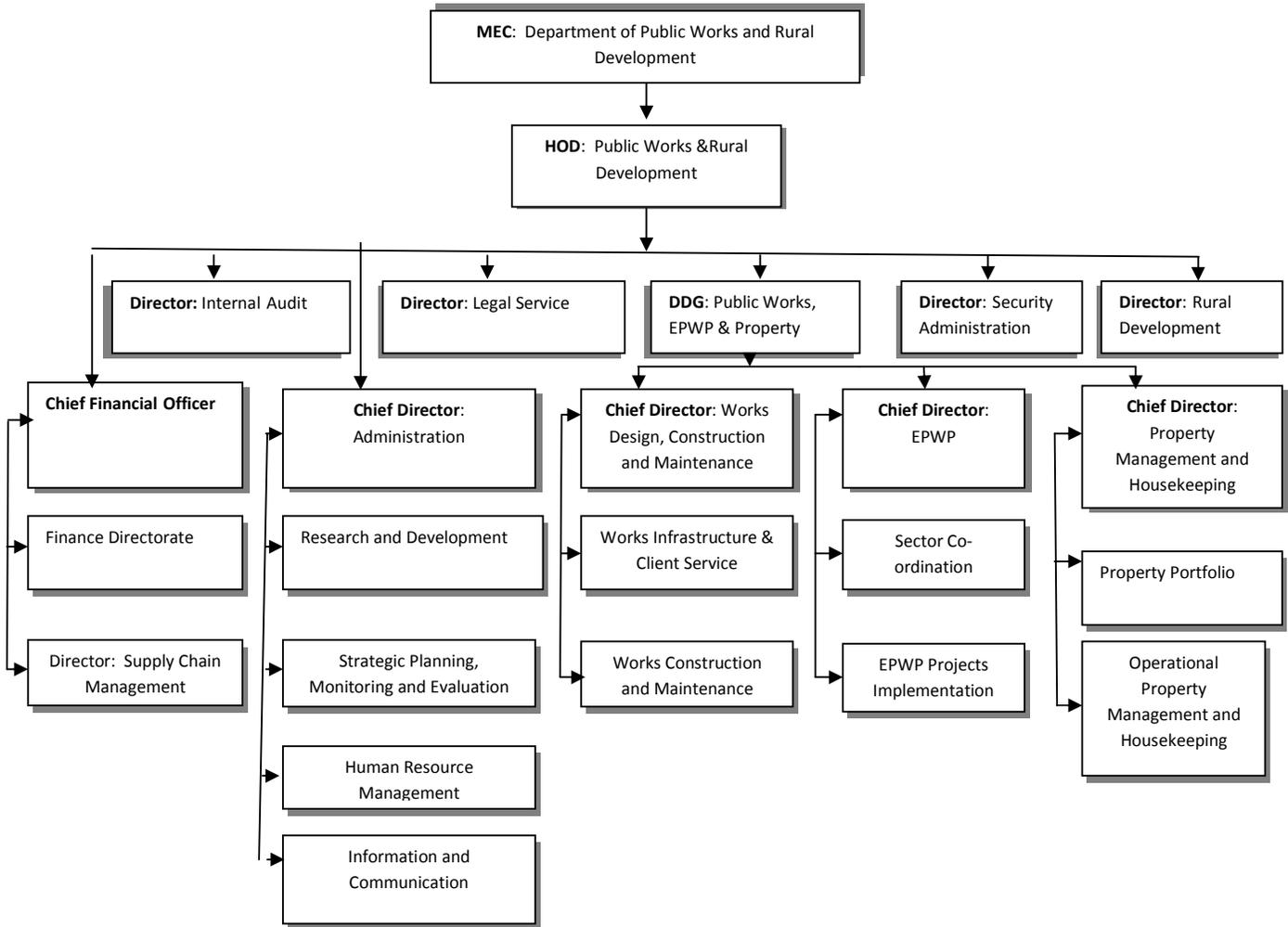
Interim Structure

A Provincial approach was followed, namely the Free State Provincial Government alignment project where the macro organizational structures of all provincial departments were addressed. This alignment project encompassed the following:

- Human Resource Strategy and Plan
- Organizational Design

- Business process re-design
- Skills profiling
- Risk management
- The department has an approved interim structure, which provides for four programmes.

The figure below illustrates the interim structure:



Overall Departmental Budget Programme Structure

The department's functions have been organised within the 2009 National Treasury budget programme structure. The sub-programmes are detailed below:

Budget Programmes	Sub-Programmes and Sub-sub-programmes
1. Administration	<ul style="list-style-type: none"> • Office of the MEC • Management of Department • Corporate Support Sub sub-programmes: <ul style="list-style-type: none"> ○ Sub-sub-programme Corporate Services ○ Sub-sub-programme Finance ○ Sub-sub-programme Research, Monitoring and Evaluation ○ Sub-sub-programme Internal Audit ○ Sub-sub-programme Legal Services
2. Public Works	<ul style="list-style-type: none"> • Programme Support. • Works Design, Construction and Maintenance • Property Management • Security Administration
3. Expanded Public Works Programme	<ul style="list-style-type: none"> • Programme Support • Community Development • Innovation and Empowerment. • Expanded Public Works Programme Coordination and Monitoring.
4. Rural Development	<ul style="list-style-type: none"> • Programme Support • Policy Development and Coordination. • Project Development

1.6.3. Description of the Strategic Planning Process

The strategic planning process within the department has followed an in-house consultation within directorates to explain the new strategic planning framework. Employees from salary levels 7 upwards participated in the planning sessions. The purpose for including junior and middle managers was aimed at ensuring that the strategy implementers influence the development of the strategic objectives, which in turn will facilitate strategy implementation.

Consultations included public bodies i.e. municipalities and provincial departments. Contractors' views were also solicited through meetings that were driven by the Member of the Executive Council held during the construction week.

Medium Term Strategic Framework, State of the Nation Address, State of the Province Address, National and Provincial budget speeches, Comprehensive Rural Development Framework as well as the Outcome Based Plan were considered and formed the basis for the Departmental Five-Year Strategic Plan's strategic goals and strategic objectives.

The table below illustrates the linkage of the Department to government priorities and outcome:

Government Priorities	Medium Term Strategic Framework Priorities	Outcomes
1. Creation of decent work and sustainable livelihoods	Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	Strategic Priority 2: Massive programme to build economic and social infrastructure	6. An efficient, competitive and responsive economic infrastructure network
4. Rural development, food security and land reform	Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
2. Education	Priority 4: Strengthen the skills and human resources base	5. Skilled and capable workforce to support an inclusive growth path
	10. Build a developmental state, including improving of public services and strengthening democratic institutions	12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

A two day workshop was held from 13 – 14 February 2010 to align the Department to the Rural Development's Comprehensive Rural Development Framework wherein representatives from National, Provincial departments, municipalities and traditional leaders participated

1.7. Departmental Strategic Goals

Budget Programmes	Strategic Goals	Goal Statement	Justification	Links to National/ Provincial Policies
Programme 1: Administration	Strategic Goal 1: A working environment geared towards improved service delivery	The creation of a working environment that aims to ensure that the workforce has the requisite skills and competencies that are supported with the systems, policies and tools for improved service delivery.	Improved service delivery is enhanced by employees with the right competencies and effective systems and tools	Employment of skilled professionals to assist in the development of infrastructure is key as stated in the State of the Province Address 2009. The Constitution also states that good human resource management and career development practices, to maximise human potential, must be cultivated.
Programme 2: Public Works - Works Design, Construction and Maintenance	Strategic Goal 2: A transformed and effective construction industry that promotes government's objectives.	The goal aims to use government infrastructure initiatives to: - develop emerging Historically Disadvantaged Individuals and companies in the construction industry; uplift the existing contractors in relation to Construction Industry Development Board transformation expectations in the areas of construction, maintenance and upgrading of all infrastructure projects	The need to transform and develop the construction and maintenance industry and ensure provision of sustainable infrastructure growth and development through various government interventions is the key strategic intention of the Public Works function.	Transform construction industry in line with Construction Charter requirements to achieve a substantial change in the racial and gender composition of the ownership, control and management within construction industry. A Strategy for Broad-Based Black Economic Empowerment facilitates economic empowerment and establishing a legislative framework for the promotion of black economic empowerment.
- Property Management	Strategic Goal 3 Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.	Develop and implement maintenance, user and custodian plans for property portfolio. Improve access to emerging and existing Historically Disadvantaged Individuals in the property industry	Ensure the efficient management of government immovable assets and accelerate the development of emerging entrepreneurs in the property industry to achieve the provincial target of 50% lease expenditure to Historically Disadvantaged Individuals. Ensure that the properties in the Free State are managed and client departments are satisfied with the service.	Property Transformation Charter emphasises on promoting vibrant, transformed, and growing property sector that provides adequate services to the domestic economy, reflects the South African nation as a whole, and contributes to the establishment of an equitable society. Property Incubator Programme aims at creating the entrepreneurs in the property industry.

Budget Programmes	Strategic Goals	Goal Statement	Justification	Links to National/ Provincial Policies
Programme 3: Expanded Public Works Programme	Strategic Goal 4: Massification of Expanded Public Works Programme to create jobs.	Drive the development and creation of work opportunities that are considered as key drivers to the alleviation of poverty.	The programme is aimed at job creation and poverty alleviation in communities.	With regard to the Joint Initiative on Priority Skills Acquisition, there is a need to ensure training and skills development through government programmes, e.g. National Youth Service Programme. The EPWP programme is key to job creation and poverty alleviation and as such forms part of the initiatives to contribute towards the achievement of the millennium goals of halving poverty and unemployment by 2014. EPWP Business Plan for Phase 2 serves as a guide document for the implementation of the EPWP 2 nd phase and requires the creation of 4.5 million jobs in the next five years.
Programme 4: Rural Development	Strategic Goal 5: Creation of sustainable economic growth and social development programmes in rural areas.	Ensure integrated and sustainable growth and development in rural areas through the initiation of social and economic infrastructure.	The development of rural communities is aimed at: <ul style="list-style-type: none"> - improving economic and social infrastructure. - providing social amenities and facilities - improved stakeholder engagement and empowerment. 	Government's Comprehensive Rural Development Strategy of 2009 aims to eliminate poverty and put more emphasis on Agrarian Transformation, Rural Development & Land Reform.

2. PART B: STRATEGIC OBJECTIVES

Part B involves the discussion of the above-mentioned strategic objectives aimed at achieving the set strategic goals. The discussion below will demonstrate the linkage of these strategic objectives to each programme, resources, and risks.

2.1. Programme 1: Administration: Corporate Support

Purpose

The aim of the Administration Programme is to provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner. The programme consists of the following Sub-Programmes and sub sub-programmes:

- Office of the MEC
- Management of Department
- Corporate Support
 - Sub-sub-programme Corporate Services
 - Sub-sub-programme Finance
 - Sub-sub-programme Research, Monitoring and Evaluation
 - Sub-sub-programme Internal Audit
 - Sub-sub-programme Legal Services

Policy Initiatives

- Align departmental structure and business processes in line with Medium Term Strategic Framework and Outcomes Based Plan of government.
- Targeted recruitment, retention, and development of human capital inclusive of recognition of prior learning, mentoring, succession planning and professional registration.
- Promote gender mainstreaming within the workplace
- Extensive communication with stakeholders to inform and consult on government priorities.
- Customise Information Communication Technology to meet Departmental needs
- Improve controls within the Department
- Maximise collection of revenue from all sources.
- Monitoring and evaluation to support the achievement of strategic objectives

Strategic Goal 1: A working environment geared towards improved service delivery

Strategic Objectives – Programme 1: Administration

The strategic objectives below focus mainly on sub programmes under Corporate Support in Programme 1:

Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
1.1 Create and sustain a working environment conducive to improved service delivery	Recruit candidates with requisite skills for all funded vacancies in line with composite requirements.	132 core skills appointed	Requisite skills are necessary to achieve service delivery targets	Public Service Act determines criteria for recruitment. One of the priorities in the Provincial Operation Hlasela Framework is to prioritise the filling of all funded vacancies across all levels of government
	Communicate departmental strategic objectives and successes to all stakeholders to ensure accountability and delivery against strategic goals.	Construction week to interact with contractors and Communities. Distribution of Annual Report and Annual Performance Plan	The two principle of Batho Pele namely, transparency and consultation will be promoted to citizens	Promotion of Access to Information Act allows the public access to information held by either the State or another body if that information is needed to protect one's rights. The Batho Pele White Paper states that citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.
	Ensure that employees are provided with the requisite information technology tools and support in line with budgetary provisions to realise the overall service delivery objectives	Strategic Information Technology support in term of: <ul style="list-style-type: none"> Ensuring connectivity of networks Systems Availability and Improved response times 	Information Technology systems and services that support achievement of Departmental strategic objectives Information Technology is an important strategic asset which leverages opportunities to improve service delivery	Public Service Regulations emphasises information management. State Information Technology Agency Act stipulates norms and standards for compliance. Handbook on Minimum Information Interoperability Standards refers to integration of systems Minimum Information Security Standards prescribe necessary controls to protect information.

Strategic Goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
<p>Strategic Goal 1: A working environment geared towards improved service delivery</p>	1.1 Create and sustain a working environment conducive to improved service delivery	<p>Position wellness and the strategically strengthen the implementation of wellness strategy in order to create a supportive work environment and enable improved service delivery.</p> <p>Establish gender mainstreaming as a strategy to ensure that gender transformation initiatives are driven.</p>	<p>National Sport tournament was held in 12-14 November 2010 4 information sessions</p> <p>Women in construction awards</p>	<p>Contribute to healthier lifestyle amongst employees resulting in sustained service delivery.</p> <p>Promotion of equality based on recommendations from the tools and methodologies that support gender mainstreaming.</p>	<p>Employee Health and Wellness Strategic Framework for the Public Service states that the integrate approach to employee health and wellness recognises the importance of linking individual health, safety and wellness.</p> <p>Goal 3 of the Millennium Development Goals emphasises the Promotion of gender equality and empowerment of women.</p> <p>The eight principle action plan on promoting woman's empowerment and gender equality within public service.</p>
	1.2. Strengthen leadership and the development of personnel	<p>People development is important because it will ensure that employees possess the necessary competencies to deliver services</p>	<p>2 Competency Acquisition Programmes for Internal Audit and Security.</p> <p>10 Collective training interventions in generic and technical skills implemented as part of Workplace Skills Plan</p>	<p>Skilled employees will contribute to improved service delivery and mobility as per career development needs.</p> <p>Required leadership skills and competencies identified and interventions developed to drive leadership enhancement.</p>	<p>Skills Development Act determines the framework for enhancement of skills.</p> <p>Joint Initiative for Priority Skills Acquisition highlights national skills requirements in respect of professional, technical/ artisans.</p> <p>Competency assessments for SMS as determined by Minister of Public Service and Administration</p> <p>Human Resource Management and Development Strategy provides for provincial staff provisioning and skills requirements</p>

Strategic Goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/Provincial Policies
Strategic Goal 1: A working environment geared towards improved service delivery	1.3. Create and sustain a performance culture within the Department	Create an environment which maximise performance of personnel focusing on resources, processes, policy, structure and skills.	2 Climate studies performed to assess staff morale.	Positive environment will determine how much and how well the Department achieves its objectives.	Chapter 10 (Section 195) of the Constitution deals with the basic values and principles governing public administration
	1.4 Ensure compliance to principles of good governance.	Audit all governance, controls and risk management systems within the Department in accordance with Audit Plan.	8 audits performed at identified high risk arrears and achieve an unqualified audit of 100%	Execution of regulatory and performance audit assist the department with compliance to laws and regulations.	Operation Hlasela Strategic Framework indicates that there should be clean Audit Report by 2014. Institute of Internal Auditors SA Standard guides Internal Audit activity to promote good governance.
		Ensure that all controls are in place in relation to procurement, financial management and budgeting processes	99% of suppliers paid within 30 days.	Adequate internal controls are exerted over all departmental financial management processes as required by Public Finance Management Act (PFMA).	Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

Resource Considerations

Expenditure trends in the programme's budget expected over the five year period.

Programme 1 Administration budget decreased from R 100m in 2008/09 to R62m 2009/10 due to the transfer of Programme 3 Road Infrastructure support staff and related expenditure. The budget for Administration in 2010/11 will be R74m and then decrease further to R70m in 2011/12. This is due to the once off installation to the value of R8m in 2010/11 of an Information Technology system and control room dedicated for Public Works and Rural Development. After 2011/12 The Administration budget grows with 4.2%. Although not yet quantified, the Administration budget should increase in 2010/11 and thereafter, when the support staff from the Department of Education and other client departments join the technical components that will be included in Works Design, Construction and Maintenance.

Trends in the number of key staff

The Head of Department assumed duty on 13 July 2009. The Chief Financial Officer was appointed on 1 July 2009. The key Senior Management positions are filled in terms of the existing interim approved structure. The post of Director: Security Administration was filled on 4 January 2010. The reorganisation of the Department and in particular the transfer of staff to Department of Police, Roads and Transport has created skills gaps. These gaps will be addressed by the top slice funds allocation in respect of Provincial bursaries and the skills development levy.

Trends in the supply of key inputs

With regard to 2010/2011, the following strategic objectives and policy initiatives under each programme will be realised as follows:

Programme 1: Administration – Corporate Support Sub – programme

Strategic Objective 1.1: Create and sustain a working environment conducive to improved service delivery – R8.9m has been set aside for an Information Communication Technology system exclusively for Public Works and Rural Development. The existing Information Communication Technology infrastructure is to be transferred to Police, Roads and Transport.

Strategic Objective 1.2: Strengthen leadership and development of personnel - There is funding available for 2010/2011 for both generic and technical skills development interventions in the department

Programme 1: Administration Risk Assessment Plan

Strategic Risk Identified:	Likelihood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likelihood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Human Resources Management								
Limited budget to cater for all skills development interventions	4	4	16	Top slice funds for training	3	3	9	Prioritise training in accordance with Workplace Skills Plan. Utilise recognition of prior learning to decrease number of required unit standards.
Limited staffing levels in core business.	4	4	16	Recruitment and Retention Plans in place Bursaries & Training.	3	3	9	Professional and technical staff to register with professional bodies Adjust departmental structure to provide for Rural Development
Organisational Development								
Impact of HIV/Aids and other conditions on human capital.	5	5	25	Departmental HIV/Aids programmes.	4	4	16	Health Risk Manager in place. Health awareness programmes.
Information Communication Technology								
Slow IT response time.	5	4	20	Request log database. All problems reported are logged, responded and monitored on a database	4	3	12	Procurement of Columbus software (help desk and remote management system)
Establishment of new IT service which may lead to loss of critical information.	4	4	16	Approved IT implementation plan	3	3	9	Run dual system Employ test runs before switching over
Programmed replacement of IT equipment of users	4	4	16	Develop IT asset replacement policy	5	4	20	Centralised IT budget
Communication								
Delayed distribution of information internally	5	4	20	Email Re A bua	5	4	20	Monthly internal newsletters Information sessions

Strategic Risk Identified:	Likelihood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likelihood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Supply Chain Management								
Fruitless expenditure on interest paid due to delays in paying suppliers within 30 days	4	5	20	Monitor and report on payment cycle Suppliers paid within 10 days after the receipt of invoice.	3	5	15	Proactive identification of outstanding orders
Fraud in SCM processes	4	5	20	Use of Database and Bid committees Installation of 24 hour surveillance cameras	3	4	12	Internal audit checks
Financial Management								
Fraud in Finance processes	4	5	20	Treasury reporting model Improved supervisory control	3	4	12	Internal audit checks
Errors in reports due to miscommunication between different systems	3	5	15	Control checks and reconciliations with BAS, Persal, Logis and Vulindlela	2	4	8	Monthly reporting on reconciliations
Inaccurate salary expenditure	4	3	12	Monthly reconciliations payroll controls Segregation of duties	2	3	6	Monthly control checks by supervisors

Strategic Risk Identified:	Likelihood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likelihood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Budgeting; Revenue and Expenditure Control								
Undue deviations in budgets and cash flows	4	4	16	Monthly formal and regular informal reports Contact sessions with responsibility managers	3	3	9	Training all managers to take responsibility for their budgets.
Strategic Planning, Monitoring and Evaluation								
Non adherence to inputs target date or/ time frames	4	5	20	Contact sessions with specific directorates to discuss input a day before input due date	3	5	15	Train report coordinators Information sessions on monitoring and evaluation
Research and Development								
Non cooperation by other units on research matters	3	5	15	Scan the activities of other units which have policy impact	3	5	15	Bilateral engagements with other units on policy / impact imperatives.
Internal Audit								
Not all recommendations on compliance audits implemented by some units	5	5	25	Follow-up audits Risk management training for line function	3	4	12	Tabling of non-compliance to the audit Committee. An agenda item in Quarterly reviews.
Limitation of scope (e.g. source documents not submitted timeously delaying the completion of audit)	5	5	25	Follow up if deadlines not met Involve higher authority	3	4	12	Awareness sessions on audit process Disciplinary action.
Legal Services								
Some current contracts do not sufficiently protect the interests of the department	5	5	25	Revising all current contracts	4	5	20	Scrutinize all new contracts before HOD approval.
Increase in exorbitant claims against the Department	5	5	25	Assess legal liability on individual claims	4	5	20	Advice line manager to prevent reoccurrence Report to Departmental Executive meeting.

2.2. Programme 2: Public Works

To provide accommodation for all provincial departments, manage the provincial property and asset portfolio for the optimum benefit of government and render professional and technical services to client departments in respect of buildings and related infrastructure.

The Programme consists of the following Sub-Programmes:

- Programme Support Office
- Works Design, Construction and Maintenance and
- Property Management
- Security Administration

Sub-Programmes Design, Construction and Maintenance

Purpose

The sub-programme is responsible to design and construct new facilities and to upgrade, rehabilitate and maintain existing facilities as identified in consultation with the Client Departments namely, Education, Health, Social Development and others. The Department of Public Works and Rural Development is the implementing agent of the provincial departments with regard to construction and maintenance of provincial infrastructure. Infrastructure budgets of all client departments are shown at the relevant departmental votes and therefore the budgets and projects of client departments are not included in this department's budget.

The Programme consists of the following Sub-Programmes:

- Programme Support Office
- Works Design
- Works Construction and
- Works Maintenance

Policy Initiatives

- Accelerated infrastructure delivery.
- Transformation of construction industry.
- Capacity building within the built environment
- Devolution of Public Works mandate from provincial department

Strategic Goal 2: A transformed and effective construction industry that promotes government's objectives

Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
<p>Strategic Goal 2 A transformed and effective construction industry that promotes government's objectives</p>	<p>2.1. Create an enabling environment that facilitates and promote sustainable Infrastructure investment in the Free State Province.</p>	<p>Complete infrastructure projects within the contract period and budget whilst incorporating government objectives of promoting the transformation of the construction industry.</p>	<p>31 projects completed within timelines, budget, and service delivery standards 132 emerging contractors participating on Contractor Development Programme</p>	<p>This objective will contribute to the provision of social and economic infrastructure as well as increase the Construction Industry Development Board levels of emerging contractors.</p>

Resource Considerations

Expenditure trends in the programme's budget expected over the five year period.

The budget of Programme 2 Public Works grew by an average of 47% per annum over the past four years. This was mainly due to the inclusion of Rates and Taxes as well as the centralization of rental payments and municipal services accounts. In future the complete budget for provision of existing accommodation will be included with the budget of Public Works.

It is anticipated that this budget will grow further during 2010/2011 going forward due to Works, Design, Construction and Maintenance functions currently performed in client department that are to be devolved to Public Works and Rural Development

Limited number of contractors at higher Construction Industry Development Board grading makes the Free State based contractors not competitive when it comes to projects to the value of R60m and above. Economic recession at present is a worldwide phenomenon which seriously affects labour tendencies and contractor financial positions.

Trends in the number of key staff

There is a misalignment between the tertiary education sector and the needs of the Department. This tends to exacerbate the skills shortages; Concerted efforts by the Department of Public Service and Administration to identify critical and scarce and implement retention measures are increasing. The Department of Public Service and Administration is currently implementing Occupation Specific Dispositions to ensure that government is able to attract and retain the right skills levels in engineering related fields.

Staff Turnover Rate Per Occupational Classification	Describe Organisational Impact	Rate Of Staff Turnover		Action Steps Required
		Annually		
Artisans	Shortage of artisans in air conditioning, electrical and plumbing areas affects service delivery.	5,1%		Implementation of Learnerships Recruit for artisans in the affected areas Appoint an Artisan Supt to focus on skills transfer
Architects and related professions	Potential to affect completion of projects	33,3%		Implementation of retention policy
Engineers and related professionals	Lack of engineers affects construction project completion and hence service delivery	16%		Three Engineers recruited from Cuba Support Engineers to get professional registration
Inspectors of Works	Lack of Works Inspectors affects completion of construction projects and hence service delivery	10,3%		Assist employees to acquire professional registration- NB translated to construction project managers
Quantity Surveyors and related professionals	Lack of Quantity Surveyors affects project completion times and hence service delivery	25%		Assists employees to acquire professional registration

Trends in the supply of key inputs

When the security function was transferred to Police, Roads and Transport in July 2009, its funding followed. It was then transferred back to the Department of Public Works and Rural Development in October 2009 but the budget for electronic equipment remained with Police, Roads and Transport department. This process resulted in delays in relation to the provision of safe environment.

As the expectations for building maintenance, access to buildings, gardening and cleaning services remained high, the buildings and gardens condition and requires more maintenance intensive work. The department will not be able to deliver the expected maintenance services unless the related maintenance backlog funding is addressed.

Works Design, Construction and Maintenance – Risk Assessment Plan

Strategic Risk Identified:	Likely-hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Late contractors' payments by client departments	5	4	20	Monthly forum meetings with clients Appointment of Project Managers	5	4	20	Service Level Agreements
Contractors' access to funding by financial institution	5	5	25		5	5	25	Negotiations with SMME desks of financial institutions
Poor capacitated contractors Quality of people - Suitably trained and skilled artisans (tillers, plumbers, experienced foremen	5	4	20	Enlistment of Construction Industry Development Board grading of contractors Workshops by Construction Industry Development Board to assist with grading of contractors and suppliers	4	4	16	Facilitate a conducive environment for contractors to be trained.
Shortage of material and inconsistency of batches from suppliers	5	4	20	Material testing built in Bill of quantities done on site	4	4	16	Bulk buying and negotiate with suppliers on identified material.
Escalation of building material cost	5	5	25	Haylet formula used to mitigate inflation	5	5	25	Shorten payment cycle to contractors

Purpose

The sub-programme is responsible to manage the property portfolio of the province, provide accommodation for all provincial department and other institutions and to acquire and dispose of accommodation .The Sub Programme consists of:

- Property Portfolio
- Operational Property and Housekeeping

Policy Initiatives

- Transformation of the Property Industry including Property Incubation Programme.
- Management of disposal and acquisition of properties
- Implementation of the Government – wide Immovable Asset Management Act (User Asset Management Plan and Custodian Asset Management Plan)
- Maintenance of property portfolio
- Improvement of property management
- Utilities management services (payment of rent, rates and taxes, electricity and others).
- Revenue collection maximised from properties
- Decentralisation of office accommodation to Districts

Strategic Goal 3: Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.

Strategic Objectives – Property Management

Strategic goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/Provincial Policies
Strategic Goal 3 Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.	3.1. Create an enabling environment for sustainable investment in property in the Free State	Promote Historically Disadvantaged Individuals ownership on government leased properties to ensure that Historically Disadvantaged Individuals participate in property industry.	R27m Lease expenditure awarded to Historically Disadvantaged Individuals	Facilitate access to property ownership to Historically Disadvantaged Individuals by increasing the allocation of government leases to Historically Disadvantaged Individuals owned companies.	Property Transformation Charter aims to actively promote vibrant, transformed, and growing property sector that provides adequate services to the domestic economy, reflects the South African nation as a whole and contributes to the establishment of an equitable society.
	3.2. Manage provincial government owned and leased immovable assets effectively	Dispose properties which are no longer required for the delivery objectives of government	40 properties disposed.	Disposal of redundant properties which are not used for government's service delivery objectives.	State Land Disposal Act, 1961 (Act No. 48 of 1961 provides for the disposal of certain State Land and matters incidental thereto, and to prohibit the acquisition of State Land by prescription. Departmental Disposal assets management strategy states that provincial properties required for the domestic needs of the provincial government will not be sold, but all other properties that are declared redundant will be sold.
		Maximize revenue collection on rented properties.	R5, 05m	Ensure that all government owned immovable properties not being utilised for the achievement of service delivery objectives are occupied by revenue generating tenants to improve the ability of the province to fund other service delivery initiatives.	Treasury regulations Part 6 Section 16A 7, Disposal and letting of states that assets must be at market related tariffs. Ensure optimal utilization of provincial immovable assets as required by Public Financial Management Act.

Strategic goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
<p>Strategic Goal 3 Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.</p>	<p>3.2. Manage provincial government owned and leased Immovable Assets effectively</p>	<p>Render utilities management service.</p>	<p>Payments:</p> <ul style="list-style-type: none"> • Rates and taxes: R71.1m • Utilities: R54m 	<p>Render support function to the custodian of government property to ensure conditions are conducive for service delivery.</p>	<p>Municipal Property Rates Act requires all property owners within a municipality's jurisdiction to pay property taxes</p> <p>Local government Ordinance 8 of 1962 spells it clearly that a property owner is responsible for payment of rates and sanitation</p> <p>Local Government 5-Year Strategic Agenda and Project Consolidate requirement to support municipalities and implement interventions to assist them to be financially viable.</p>
	<p>3.3. Provide a safe secure environment</p>	<p>To safeguard people and assets on government premises.</p>	<p>4 Service areas installed with electronic security systems.</p> <p>60 security threats and risk assessments conducted.</p>	<p>Ensure the safety of people and government assets leading to reduction in incidents of theft, damage of property and other dangers.</p>	<p>The Minimum Information Security Standards states that there must be security in relation to computers, documents and personnel</p> <p>The Access Control Act No. 53 of 1985 regulates access to public premises.</p>

Resource Considerations

Expenditure trends in the programme's budget expected over the five year period.

The inclusion of the Rates and Taxes conditional grant in 2008 skews the growth figures of Programme 2 Public Works Property Management sub programme. If this grant is included, the growth from 2007 to 2009 will record as 16% per annum. But if this new function and funding is not included, the actual growth in Works budget is a negative 1% growth per annum. (The rental leases, electricity and municipal service payments escalated by 10% and more per annum).

In an attempt to remain within the budget, the Public Works programme had to cut on maintenance as well as upgrading of infrastructure over the past years. However, the impact of not doing preventative maintenance and also not fully funding municipal accounts cannot be sustained and is already threatening the government property conditions. The electricity increases of over 30% claimed by ESKOM and municipalities were not foreseen and were not budgeted for in the 2010/2011 Medium Term Expenditure Framework.

In addition to the above, municipalities are now claiming rates and taxes on the full improvement value and are also adding all government owned properties which were not claimed for in the past. There are many school properties and vacant land parcels which are now claimed for, for the first time. These were not budgeted for in the Medium Term Expenditure Framework` and the Department cannot afford to pay for these from the already limited budget.

It is necessary that the Works maintenance budget over the Medium Term Expenditure Framework period is increased substantially to prevent further deterioration of buildings with rising safety and health risks to the point where buildings will be condemned and close down.

Trends in the number of key staff

In order to realise the objectives of Government Immovable Asset Management Act, the Department will review the structure of Property management and provide the staffing levels to implement the Government Immovable Asset Management Act. Functions such as Health and safety compliance, conditional assessments and client satisfaction determinations will also be staffed.

Trends in the supply of key inputs

Planned Maintenance

During recent years, little planned maintenance was done on state owned buildings. It is only during 2008/09 that the contractor development programme was used to maintain and improve mainly registration offices. This programme, due to reprioritisation was partially funded in 2009/10 that only allowed the completion of projects that started in 2008/09. The backlog in maintenance for buildings can be calculated by considering different maintenance requirements such as:

- Cleaning gutters and gardens,
- Repairing roofs and rusted gutters,
- Repair windows and doors
- Installing energy efficiency products and pre-paid meters.
- Electricity and plumbing upgrades / repairs
- Access improvement to allow all persons
- Gardening maintenance and irrigation systems
- Flooring, paint and general patch work
- Repairs of vandalized buildings
- Raising the safety and health levels to comply with legislation
- Securing buildings or providing electronic and physical security at all properties.
- Upgrading the Heating and Air conditioning with energy efficient systems

The department did conditional assessments on 23 buildings in 2007 from which it was determined that for those 23 buildings R63m was needed immediately to prevent further deterioration.

If the complete portfolio maintenance backlog was to be addressed, the Department would need an additional once off R1.9bn. Because there is little available capacity in the Free State and the budget does not provide for such a large amount, the department propose to address the maintenance backlog over a 10 year period. That would amount to an annual budget of R190m for planned maintenance. In addition to this, new requirements must also be funded separately.

As the current Medium Term Expenditure Framework budget does not provide for any of the above needs, for instance, the 2010/2011 maintenance budget is R43m. To alleviate the pressures, the department will save by reducing the number of properties and disposing of under utilised land and buildings.

Utilities

The utilities budget was exhausted within the first seven months of the financial year 2009/2010. During the coming financial years the maintenance function of the department of Education, Health and other clients will be performed by the Department.

- Electricity R36,6m has been spent despite R28m allocated
- Water R15m has been spent despite R7,9m allocated
- Sanitation R7,8m has been spent though R3m was allocated
- Refuse removal R1m was allocated and has all been spent

The Department is currently not paying all utilities except for rates and taxes as they form part of the conditional grant to the province. Municipalities and ESKOM have issued notices of terminating electricity supply to government installations which will adversely affect service delivery.

The R184, 1m for rates and taxes includes the rollover of R44m. Rates and Taxes spending will be influenced by the registration of unregistered Provincial properties and donations.

This utilities amount excludes unverified accounts that will increase the expenditure. Municipalities have been requested to quantify provincial government debt owed to them.

Sanitation for 09/10 includes verified arrears for Mangaung Municipality amounting to R42m which debt is more than five years old.

The rental expenditure may increase depending on the following:

- Renewal of expired contracts
- Rates and taxes on rented properties that are paid from rental budget
- New rental contracts

*The amount may decrease due to the implementation of decentralisation of office space to the districts where the rental tariffs are lower than in the Bloemfontein area.

Capital Investment Plan, Maintenance and Asset Management

The Department is implementing the Government Immovable Asset Management Act whereby User Asset Management Plans must be compiled for each provincial department and a Custodian Asset Management Plan for the Province.

With regard to the User Asset Management Plans, the client departments evaluate their existing infrastructure, consider future needs and request the Department to consider proposed plans to address the identified gaps.

The Department then consolidates these plans into the Custodian Asset Management Plan. The benefit of these plans is to have an objective evaluation method which will also inform the Departmental maintenance plan and accommodation needs.

Multi-year projections of income and projected receipts.

Provincial Properties are rented out at market related prices. Legal action will be instituted where tenants are not honouring their contractual obligations. Redundant properties will be disposed in terms of the Free State Land Disposal Act.

Asset Maintenance

In addition to the eradication of maintenance backlogs, normal maintenance is required every year. Property norms indicate that at least 5% of the asset value needs to be spent on building maintenance. Based on the calculated depreciated replacement value, this is R1,25bn per annum (5% of R25bn). The severity of the shortfall is only apparent when this need is compared to the actual allocated maintenance and upgrading funds of R40m per year.

Adding to the above shortfall in annual needs, maintenance in most of the buildings have been neglected for so long, that most of the buildings are in a poor or very poor state and need immediate repairs to be suitable for the purpose and comply with the minimum health and safety requirements. To repair these immediate needs, the department estimate that it needs between

R1,9bn and R2,5bn (10% of the value of the building infrastructure). It is clear that this amount will not be available from the budget and even if it was, the province does not have the capacity to spend it during the Medium Term Expenditure Framework period, therefore it is proposed that the backlog repairs be spread over a period of 10 years.

If the backlog in maintenance and repair can be spread over a 10 year period, the department still need R190m planned maintenance for repairs and R250m normal maintenance per year to eradicate the backlog plus additional amount to prevent the buildings from deteriorating.

The tables below indicate the province's property portfolio, leased portfolio as well as the condition of government buildings by Client Departments. The numbers are based on assets currently reflected on the asset register. It is accepted that these numbers will change as clinics, schools and other assets not previously in the name of the Provincial Government are added.

The Province's Property Portfolio by Department

State Owned Portfolio	Land				Buildings	
	Number of properties	Number vacant urban properties	Number of unutilized rural properties	Total number of hectares	Number of properties with buildings	Square meters of buildings
Health	285	9		985	279	Not Surveyed
Education	1803	98		13 110	1704	
Social Development	31	2		31	29	
Other clients combined	1683	69	72	41 137	1609	
Unutilized	240 **			257	240 **	
Total	4,042	250	72	55,520	4,042	

** Estimated Numbers as future needs of departments are not confirmed

The Province's Leased Portfolio by Department

Leased Portfolio per Department	Land		Buildings		Cost to government in R' 000 per year		
	Number of properties leased	Total number of hectares	Number of buildings	Square Meters of buildings	Number of properties with buildings	Square meters of buildings	
Health	18	Not known	18	23287	25459	91,11	
Education	22		22	39221	29932	63,60	
Social Development	24		24	25082	14034	46,63	
Agriculture	31		31	12176	4595	31,45	
Public Works & Rural Development	29		29	6345	5268	69,19	
Economic Development, Tourism and Environmental Affairs	4		4	9003	6026	55,78	
Sports, Arts, Culture and Recreation	9		9	8620	3006	29,06	
Provincial Treasury	2		2	**	1063	**	
Corporate Governance and Traditional Affairs and Human Settlements	4		4	4448	1206	22,59	
Police, Roads and Transport	1		1	2982	2730	76,29	
Total	144			144	131,889	93,319	58,96

The condition of government buildings per department

Client Departments	Condition of State Owned Buildings (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very Poor		
Health	14	5%	28	10%	114	40%	85	30%	44	15%	285
Education	90	5%	180	10%	721	40%	631	35%	181	10%	1803
Social Development	1	3%	3	10%	12	39%	9	29%	6	19%	31
Other clients combined	84	5%	168	10%	673	40%	504	30%	254	15%	1683
Unutilised	12	5%	24	10%	96	40%	72	30%	36	15%	240
Total	201	5%	403	10%	1616	40%	1301	32%	521	13%	4042

Asset Management

The asset register has been updated by including national departments' information, municipal valuation rolls and Departmental physical verification.

Property Management – Risk Assessment Plan:

Strategic Risk Identified:	Likely-hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Property Portfolio								
Payment of expired contracts due to non renewing expired contracts on time	5	4	20	Listing and tracking contracts	3	3	9	Have transparent system and tracking list auto reporting
Valuations expiring on rented out buildings	5	4	20	Scheduled valuation program	4	4	16	Develop Policy Utilise PIP interns
Operational Property & Housekeeping								
Not all municipalities are submitting invoices on time	3	5	15	Utility register More visits and contact with municipalities	1	5	5	Improved utility register
Disease outbreak as a result of poor hygiene of the buildings	4	5	20	Daily thorough cleaning and inspections Implementation of cleaning norms and standards	1	3	3	Procure cleaning equipment
Under collection of revenue	5	4	20	Signed Service Level Agreements and lease agreements	5	4	20	Eviction of illegal and defaulting occupants
Service cuts due to non payment	4	5	20	Timeous payments Payment BAS versus Budgeted reconciliation Budget forecasting	4	3	12	Negotiate for increased budget
Security Administration								
Loss of life	2	2	4	Proper Access control	1	2	2	Integrated Security System
Increased incidents of theft	5	3	15	Manual Access Control	4	3	12	Integrated Security System
Leaking of classified information	4	4	16	Vetting of Top Management	3	4	12	Vetting/Screening of employees Awareness campaigns

2.3. Programme 3: Expanded Public Works Programme

Purpose

The Expanded Public Works Programme has been identified as a strategic intervention designed to make a significant contribution to reducing unemployment and providing livelihoods for the poor, women, youth and people with disabilities in the Free State Province. The EPWP involves interventions in four sectors, namely: Infrastructure; Economic; Social, and Environmental and Cultural sectors.

The programme is responsible for managing the implementation of programmes and strategies that leads to the development and empowerment of communities and contractors.

The Programme consists of the following sub-programmes:

- Programme Support
- Community Development
- Innovation and Empowerment
- EPWP Coordination and Monitoring

Policy Initiatives

- Massification of the Expanded Public Works Programme.
- Innovation and Empowerment in relation to:
 - Intensifying National Youth Service programme
 - Facilitation of Contractor Development Programme
 - Creation of Learnership

Strategic Goal 4: Massification of Expanded Public Works Programme to create jobs and alleviate poverty.

Strategic Objectives

Strategic goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
<u>Strategic Goal 4:</u> Massification of Expanded Public Works Programme to create jobs	4.1. Mobilize all stakeholders towards the successful implementation of the EPWP	Ensure that EPWP is implemented by all three spheres of government, Parastatals and Non-state sectors in order to realise the government's intention of creating job and alleviating poverty.	Numbers of stakeholders implementing EPWP: <ul style="list-style-type: none"> • 11 Municipalities • 9 Provincial departments • 5 National departments 	To ensure that decent work opportunities are created and projects are EPWP compliant in all sectors.	EPWP Business Plan for Phase 2 serves as a guide document for the implementation of the EPWP 2 nd phase and requires the creation of 4,5 million work opportunities by 2014 will make a dent on poverty and unemployment
	4.2. Co-ordinate and implement EPWP within the Free State Province	Monitor compliance with EPWP principles by all provincial departments, municipalities and national departments, Parastatals and Non-state sectors	25,951 work opportunities created in four sectors:	To create employment and contribute to skills development and alleviate poverty.	This objective will contribute to the 50, 000 job creation 2009/2010 target set by the Premier as part of Operation Hlasela Framework.

Resource Considerations

Expenditure trends in the programme's budget expected over the five year period.

The budget for EPWP grew by 22% per annum over the past 4 years. This is in line with the goal of massification of EPWP and resulting in higher job creation targets. It is expected that the funding levels of EPWP will stabilize with a growth of 3% over the MTEF period.

Trends in the supply of key inputs

Over the years the component has been able to meet all its targets -not withstanding the above-mentioned challenges. This was also revealed by the impact assessment study conducted by Department.

Risk Assessment Plan

Strategic Risk Identified:	Likelihood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likelihood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Credibility of information. Monitoring of EPWP throughout the Free State.	5	5	25	Web based reporting. Validation.	4	5	20	Awareness workshops with sectors and municipalities
Co-ordination not leading to results.	3	3	9	Monitoring. Technical Support.	4	4	16	Assist sectors and municipalities to identify and implement EPWP projects

2.4. Programme 4: Rural Development

Purpose

Rural Development aims to create an environment for developing sustainable economic growth and social development programmes in rural areas. The role of the Department of Public Works and Rural Development will be to integrate, implement, coordinate and monitor provincial rural development initiatives on both provincial and local government levels.

The Programme consists of the following Sub-Programmes:

- Programme Support
- Policy Development and Coordination.
- Project Development

Policy Initiatives

- Coordination and mobilisation of resources to stimulate sustainable rural development.
- Facilitate the provision of socio-economic infrastructure and public amenities.
- Facilitate land redistribution to meet the needs of rural communities
- Monitor and evaluate the implementation of rural development initiatives.

Strategic Goal 5: Creation of sustainable economic growth and social development programmes in rural areas.

Strategic Objectives

Strategic goals	Strategic Objectives	Objective Statement	Base Line	Justification	Links to National/ Provincial Policies
<p>Strategic Goal 5: Creation of sustainable economic growth and social development programmes in rural areas.</p>	<p>5.1. Coordinate the development and implementation of the Provincial rural development strategy.</p>	<p>Strengthen rural livelihoods for vibrant local economic development by providing requisite social amenities to ensure sustainable social and infrastructure growth.</p>	<p>New</p>	<p>The objective will ensure that strategic investments in economic and social infrastructure benefit the entire rural communities</p>	<p>The MEC budget vote speech 2009/2010 states that main pillars of rural development a strategy will be building social infrastructure, economic infrastructure and public amenities and facilities in rural areas.</p> <p>Comprehensive Rural Development Programme of 2009 states that rural development can achieved through strategic investment in economic and social infrastructure that benefits entire rural communities</p>
	<p>5.2. Facilitate and coordinate access to social amenities within rural areas</p>	<p>Coordinate to ensure participation of relevant departments, municipalities, state owned enterprises, nongovernmental organisations and others for integrated planning and sustainable development within rural communities.</p>	<p>New</p>	<p>Commitment and cooperation by all stakeholders through sharing resources, reprioritisation and optimal utilisation of available resources.</p> <p>The establishment of vibrant cooperatives becomes an important ingredient of the rural development strategy.</p>	

Resource Considerations

Expenditure trends in the programme’s budget expected over the five year period.

A function, Rural Development was added from 12 May 2009/10 financial year to the Department of Public Works to form the Department of Public Works and Rural Development. Initially, an amount of R16.1m was allocated for the establishment of the new Rural Development programme. This budget was increased to R28m in 2010/11. It is expected that other funds flowing from the implementation of Operation Hlasela will in future also be added to this budget.

Trends in the numbers of key staff

Rural Development has been established and resourced financially. The Chief Director Works Design, Construction and Maintenance has been assigned the additional responsibility in the interim to facilitate the implementation of rural development projects. Currently, the National Framework is being used to guide the implementation of rural development. Implementation of projects geared towards rural development is in progress

Trends in the supply of key inputs.

The consultants have concluded the realignment project and the matter forwarded to Executive Council for appropriate decision. Currently, operationalisation (job descriptions, profiling and consultation) is being pursued with Department of Public Service and Administration on top three tiers, micro structure, business processes, job evaluation etc.

The Department followed a two pronged approach outside the alignment project to ensure that particularly the Rural Development function which is the new function is not neglected. In this regard, the Chief Director of Public Works was in accordance with the provisions of Section 32 of the Public Service Act, 1994 (as amended) temporarily assigned the functions of Rural Development. Furthermore the Performance Agreements of both the Chief Director Public Works and the Director Works Construction and Maintenance provide technical assistance to Rural Development. As the second part of the 2 pronged approach Executive Council approved the appointment of a project manager to assist with driving the Rural Development function in the interim.

The above interim measures have assisted in making the Rural Development Function operational.

Risk Assessment Plan

Strategic Risk Identified:	Likely-hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements
Capacity – no dedicated personnel to execute the function	5	4	20	Departmental officials implementing the project	5	4	20	Filling of post as per new structure

3. PART C: LINKS TO OTHER PLANS

3.1. Links to long-term infrastructure and other capital plans.

Table B.5(a): Details of expenditure for infrastructure by category

No.	Project name & Description	Districts	Municipality	Project duration		Total project cost	Expenditure to date from previous years	Professional fees budget	Construction / maintenance Budget	MTEF Forward Estimates		
				Start	End					2010/11	2011/2021	2012/2013
Works Design Construction and Maintenance												
New and replacement assets (R thousand)												
1	New Office Free State Office Building Mangaung	Motheo	Mangaung	Apr-07	Feb-13	315 046		12 817	9000	12 817	28 146	15 491
2	New Offices Social Development. Office Building Kroonstad	Fezile Dabi	Moqhaka	Apr-08	Mar-13	23 000		1000		10 000	11 000	5000
Upgrades and additions (R thousand)												
3	New Testing Center Bethlehem	Thabo Mofutsanyana	Dihlabeng	Feb-08	Feb-11	79 000	25 207	1400	12 600	14 000	20 000	20 000
4	Testing station Harrismitth	Thabo Mofutsanyana	Phumelela	Feb-08	Feb-11	50 000		14 00	12 600	14 000	10 000	5 000
5	Legislation Upgrading SEC & Structure	Motheo	Mangaung	Apr-09	Mar-12	15 000		1 500	13 500	15 000	42 000	44 500

No.	Project name & Description	Districts	Municipality	Project duration		Total project cost	Expenditure to date from previous years	Professional fees budget	Construction//maintenance Budget	MTEF Forward Estimates		
				Start	End					2010/11	2011/2011	2012/2013
Expanded Public Works Programme												
Maintenance and repairs (R thousand)												
1	Maintenance Projects	Free State	Free State	Apr-11	Mar-13							
2	Smithfield: George Lefu Rantee Community Hall Renovation	Xhariep	Mohokare	Aug-09	Mar-11	315	161		154	154		
3	Jacobsdal: Community-Hall	Xhariep	Letsemeng	Aug-09	Mar-11	342	207		135	135		
4	Edenburg: W G Community Hall	Xhariep	Kopanong	Aug-09	Mar-11	580	252		328	328		
5	Edenburg: Community-Hall	Xhariep	Kopanong	Aug-09	Mar-11	392	286		106	106		
6	Rouxville: Community-Hall	Xhariep	Mohokare	Aug-09	Mar-11	446	241		205	205		
7	Smithfield: Crèche	Xhariep	Mohokare	Aug-09	Mar-11	800	161		800	800		
8	Batho: Clinic	Motho	Mangaung	Aug-09	Mar-11	2 000	380		1 191	1 191		519
9	Batho: Maphikela	Motho	Mangaung	Aug-09	Mar-11	3 000	1 000		2 000	2 000		
10	Food For Waste	Free State	Free State	Aug-09	Mar-11	600	86	541		514		
11	House: Rev ZR Mahabane	Fezile Dabi	Moghaka	Aug-09	Mar-11	600	150		450	450		
12	Cornelia: Nkshwanatsi Community Hall	Fezile Dabi	Matube	Aug-09	Mar-11	166			166	166		
13	Boshoff: Community Hall	Lejweleputswa	Tokoloko	Aug-09	Mar-11	200	98		102	102		
14	National Youth Service	Free State	Free State	Apr-10	Mar-11				6 895	6 895		
15	Maintenance Projects	Free State	Free State	Apr-11	Mar-13							
16	Bethani: Community-Hall	Xhariep	Kopanong	Aug-09	Mar-12	3 000			1 063	1 063		
Upgrades and Additional (R thousand)												
17	Jagersfontein: Access road	Xhariep	Kopanong	Aug-09	Mar-10	14 908	7 087		4 896	4 896		2 925
18	Hobhouse Access Upgrade	Xhariep	Kopanong	Apr-09	Mar-11	1 000			1 000	1 000		-

No.	Project name & Description	Districts	Municipality	Project duration		Total project cost	Expenditure to date from previous years	Professional fees budget	Construction/ maintenance Budget	MTEF Forward Estimates		
				Start	End					2010/11	2011/2012	2012/2013
Rural Development												
Maintenance and repairs (R thousand)												
1	Maintenance Projects	Free State	Free State	Apr-11	Mar-13							
2	Bethani:Community-Hall	Xhariep	Kopanong	Aug-09	Mar-12	3 000			1 063	1 063	5 580	24 537
3	Maintenance Projects	Free State	Free State	Apr-11	Mar-13						1 937	
4	Bethani:Community-Hall	Xhariep	Kopanong	Aug-09	Mar-11							
5	Bethulie: Community Hall	Xhariep	Kopanong	Aug-09	Mar-11	800			800	800		
6	Jagersfontein:Cemetery & Land	Xhariep	Kopanong	Aug-09	Mar-11	1 590			1 590	1 590		
7	Itumeleng: Community-Hall	Xhariep	Kopanong	Aug-09	Mar-11	1 387	794		593	593		
8	Itumeleng:Sport Facility	Xhariep	Kopanong	Aug-09	Mar-11	3 004	1 768		1 236	1 236		
9	Jagersfontein :Boaramelo	Xhariep	Kopanong	Aug-09	Mar-11	796	595		202	202		
10	Cornelia:Matube Municipal Office	Fezile Dabi	Matube	Aug-09	Mar-11	990			990	990		
11	Cornelia :Municipal Hall	Fezile Dabi	Matube	Aug-09	Mar-11	170			170	170		
12	Cornelia: Clinic & office	Fezile Dabi	Matube	Aug-09	Mar-11	530			530	530		
13	Thaba Nchu - Community Hall & Landscaping	Motho	Mangaung	Aug-09	Mar-12	7 496	1 600		2 496	2 496	3 400	
14	Diyatalawa: Agri-Village	Thabo Mofutsanyana	Maluti A Phofung	Aug-09	Mar-12	7 398	923		2 346	2 346	4 129	
15	Diyatalawa: Crèche	Thabo Mofutsanyana	Maluti A Phofung	Aug-09	Mar-12	4 077	683		2 222	2 222	1 172	
16	Makgokokweng: Community-Hall	Thabo Mofutsanyana	Maluti A Phofung	Aug-09	Mar-12	7 030	713		2 313	2 313	4 004	
17	Makgokokweng: Fencing	Thabo Mofutsanyana	Maluti A Phofung	Aug-09	Mar-12	2 513	1 476		1 037	1 037		
18	Makgokokweng Crèche	Thabo Mofutsanyana	Maluti A Phofung	Aug-09	Mar-12	7 300	2 089		2 212	2 212	2 999	
19	Bethani: School &Fence	Xhariep	Kopanong	Aug-09	Mar-12	4 726	2 500		2 126	2 126		

3.2. Conditional Grants

Conditional Grants

Annexure 8: Conditional Grants and indirect grants to provinces

	Expenditure outcome				Medium-term expenditure estimates			
	Audited Budget statement	Audited Budget statement	Preliminary outcome	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline (proposed)
1	2	3	4	5	6	7	8	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
R thousand								
2: Public Works								
Sub-programme Other Infrastructure								
Infrastructure Enhancement allocation Grant			16,602	22,118	14,339	5,407	5,678	
Infrastructure Grant to Provinces		10,000	-	-	-	-	-	
3: Expanded Public Works Programme								
Sub-programme Poverty Eradication				23,008				
Expanded Public Works prog Incentive Grant								
Total		10,000	16,602	45,126	14,339	5,407	5,678	

Annexure 9: Conditional Grants and indirect grants to local government (municipalities)

	Expenditure outcome				Medium-term expenditure estimates			
	Audited Budget statement	Audited Budget statement	Preliminary outcome	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline Budget statement	MTEF Baseline (proposed)
1	2	3	4	5	6	7	8	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
R thousand								
Public Transport								
Property Management								
Devolution of Properties Rate Funds			125066	140,144	154,158	163,408	163,408	
Total		-	125,066	140,144	154,158	163,408	163,408	

3.3. Public-private partnerships

None