



Province of the
EASTERN CAPE
LOCAL GOVERNMENT
& TRADITIONAL AFFAIRS

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POLICY SPEECH 2010/11



Province of the
EASTERN CAPE
LOCAL GOVERNMENT
& TRADITIONAL AFFAIRS



Ikamva elizaqambileyo!

Honourable Speaker and Madame Deputy Speaker

Honourable Premier, Ms Noxolo Kiviet

Members of the Executive Council

Members of this House and National Council of Provinces

Executive Mayors, Mayors and Councillors

Members of the House of Traditional Leaders and the entire traditional leadership in the province

Religious leaders and representatives of civil society

Director General and HODs

Distinguished guests

Comrades, Ladies and Gentlemen

Honourable Speaker, 1990 signified the breaking of a new dawn and the tumbling down of the walls of apartheid thereby ushering in a united, non-racial, non-sexist and democratic society based on the Freedom Charter. The landmark victory of the release of former President Nelson Mandela from prison and a myriad of pre-democratic gains evidenced the destruction of the yoke of apartheid.

In pursuance of the National Democratic Revolution and advancing our programme of bringing about change in the people's lives, we build on the solid foundations and shining legacy that leaders of his calibre have left. It is resilience of the people in this age of freedom, and their resolute commitment to work with the ANC-led government in permanently removing the vestiges of apartheid, that encourages us to soldier on in our march toward delivering to the vision of a better life for all.

1. Policy pronouncements

In keeping with this vision, the province unveiled its Provincial Strategic Framework as derived from the ANC Election Manifesto and ANC 52nd Conference Resolutions. The priorities for the year 2010/11 have been pronounced on in the ANC President's January 8th statement.

It is in the January 8th Statement that the ANC declared 2010/11 as **"The year of working together to speed up effective service delivery to the people"**. The high premium placed on working together to change the people's lives was again reinforced in the State of the Nation Address and the State of the Province Address earlier this year.

In all these policy pronouncements the profound message relates to the significance of the local government system as the critical foundation of the developmental state. Our policy context unequivocally attests to the fact that without a responsive, accountable, and effective local government system in place, we will not be able to democratize our society and achieve our reconstruction and development vision within a post-Apartheid South Africa.

2. State of Local Government in the Eastern Cape

In the previous financial year some notable achievements were realised as follows:

- At the Alfred Nzo and Kou-kamma municipalities, our interventions yielded turn-around and financial recovery plans, augmenting administrative capacity for delivery, introduction of governance systems and promotion of public participation.
- In the previous financial year, we demonstrated our zero tolerance approach for fraud and corruption through the suspension of two senior managers in the department; the cancellation of the Turn-Around Plan service providers, forensic investigation conducted by Kabuso on the Nelson Mandela Bay Municipality and the deployment of the Special Investigations Unit to conduct forensic investigations in the Alfred Nzo District Municipality, Kouga, Sundays River Valley and Koukamma Local Municipalities.
- Five (5) municipalities were supported to develop anti-corruption and anti-fraud plans during the 2009/10 financial year.
- 4 200 councillors received training on ward governance.
- The department supported the development and implementation of LED Strategies for Chris Hani and OR Tambo DMs as well as Gariep, Ingquza Hill and Mbizana LMs. Enabled by this support, KSD completed its 20 Year Master Plan. Urban Renewal Support was extended to Helenvale (Metro) and Duncan Village (BCM). LED personnel were deployed to district and local municipalities for intensive support.
- The piloting of the Integrated Sustainable Rural Development Programme (ISRDP) for the past ten years has brought about the following benefits:

- Development partnerships among organs of the State, as exemplified by Engcobo LM, Chris Hani DM, DWAF, private sector as well as our department on the Engcobo Forestry Development Project. There are examples of partnerships in beef production in OR Tambo DM as well.
- Establishment and perfecting of IGR structures and processes in the form of the ISRDP Inter Departmental Task Team (IDTT)
- Crowding-in of the private and public sector investment into the pilot sites e.g. Goat Project in Alfred Nzo, the Ugie-Maclear road that enhanced the PG Bison investment in Ugie.
- The application of low-volume road making technologies in Ngangelizwe township in KSD
- The development of Master Plans for KSD and Port St Johns

Honourable Speaker, the current state of local government in the Eastern Cape has been well documented in our 2009 State of Local Government Report. This report, which was prefaced by a comprehensive assessment of all municipalities, paints a bleak picture for local government throughout the country. The provincial picture reflected a number of challenges.

- We note that more than half of the municipalities in the province were found to be performing extremely poorly over the past years.
- The multiple support programmes being implemented to build the capacity of local government have not brought about the desired change at local government level.
- Municipalities are not financially viable due to a combination of low revenue bases of many rural municipalities, poor revenue collection systems and exacerbated by the recent economic downturn.
- Political instability has and continues to undermine governance and service delivery in most municipalities.

- Municipalities are not able to deliver basic services and some are failing to fulfil their statutory obligations.
- There are poor administrative, financial, and performance management systems in place, and this has consequently resulted in the attainment of poor audit reports..

These challenges must be viewed against the backdrop of the increased demand and impatience among our citizenry for quality services.

We cannot afford to fail to turn-around this situation as that could translate into a failure of the democratic State as a whole.

3. Local Government Turn-Around Strategy (LGTAS)

As result of the State of Local Government Report informed by the municipal assessments, the Local Government Turnaround Strategy (LGTAS) was developed and approved by the Cabinet on the 2nd of December 2009.

The Local Government Turn-Around Strategy with its four pillars namely: **Operation Clean Audit; Infrastructure and Economic Development; Debt Reduction and Public Mobilization as well as Clean Cities and Towns;** represents our total commitment as government and our partners to changing the face of local government for the better. The LGTAS has been divided into two phases – pre-2011, and post-2011.

The **pre-2011 focus of LGTAS** is on quick wins, including:

- Addressing the immediate financial and administrative problems of municipalities
- Better co-ordinated support to municipalities
- Establishment of rapid response teams to attend to community service delivery issues

- Strengthening ward committees
- Strengthening Integrated Development Plans (IDP) and Local Economic Development (LED)
- Launching the good citizenship campaign
- Launching the clean towns and cities campaign
- Strengthening funding and delivery capacity for municipal infrastructure (including EPWP) and
- Preparations for 2011 elections

The **post 2011 phase** is built around Vision 2014 and includes:

- The development of a single election for national, provincial and local government
- Changing the funding formula used to determine funding for municipalities
- Eradication of informal settlements
- Access to affordable and basic services through bulk and service infrastructure provision (water, energy, ICT, roads etc)
- Attainment of clean audits
- Reduction of municipal debt
- Capacitation programmes for councillors; and finally
- Building organs of people's power.
-

Honourable Speaker, as we enter the 10th year of the new local government system, we must remind ourselves that the system was envisaged to evolve over three defined phases of **establishment, consolidation and sustainability**. We must therefore, note that the 45 municipalities in our Province are at different phases of this system.

Our support programmes have in the past usually reflected developing generic interventions and then cascading these to all municipalities. The LGTAS emphasises tailor-made, municipality support.

Therefore, the LGTAS is a shift away from the *one-size-fits all approach* to local government support, towards a *differentiated approach* to supporting municipalities.

The LGTAS will leverage support from the IGR mechanisms to drive the development and implementation of the municipal turnaround strategies (MUTAS).

4. Local Government Ten Point Plan

The elements of the Local Government Ten Point Plan Programme are indicators of success of the LGTAs in changing the state of affairs at local government level. The priorities which we have adopted for this financial year relate to:

- The improvement of the **quantity and quality of municipal basic services** to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management
- Enhancement of the municipal contribution to job creation and sustainable livelihoods through **Local Economic Development (LED)**
- Ensuring the development & adoption of **reliable and credible Integrated Development Plans (IDPs)**
Deepening democracy through a **refined Ward Committee model**
- Building and **strengthening the administrative, institutional and financial capabilities** of municipalities
- **Creating a single window of coordination for the support, monitoring and intervention in municipalities**
- **Uprooting fraud, corruption, nepotism** and all forms of maladministration affecting local government
- **Developing a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system**

- Developing and strengthening a **politically and administratively stable system** of municipalities
- Restoring the **institutional integrity** of municipalities

The LGTAS will be our guiding compass for the remainder of this term. All of this points towards our priorities for this year revolving around the following:

- Stabilization of local government in the province and dealing with the pressing challenges that manifest themselves in the political, administrative, institutional and financial domain in municipalities
- Accelerating the delivery of basic services and social infrastructure
- Radically improving Inter-governmental relations among spheres of government and ensuring that local economic development in municipalities is strongly supported. To this end we shall also ensure that all organs of the state are mobilised towards municipal IDPs.
- Deepening democracy and public accountability through refining the ward committee model
- Preparing for the 2011 local government elections

We will be investing our energies towards the realization of the Local Government Turn-Around Strategy so that we are able to restore the confidence of the majority of our people in our municipalities as the primary delivery machine of the developmental state at a local level.

We want to re-build and improve the basic requirements for a functional, accountable, responsive, effective and efficient developmental local government.

Furthermore, we want to restore the integrity and dignity of traditional leadership institutions and mainstream their role in a democratic dispensation.

In tandem with increasing the developmental mandate, the Department has crafted this policy statement which represents our roadmap to chart the way forward in the medium term.

This, Honourable Speaker, sketches our policy priorities as emanating from the policy and strategic context within which we operate. I stand before this House to declare our readiness as the Department of Local Government and Traditional Affairs to “**work harder, faster and smarter**” in delivering viable and sustainable services to the people of this province.

5. Focal Areas of the New Approach

The policy statement will be focusing on four inter-related areas which map the way forward for the department and will guide us as we journey through this term.

The focal areas are:

- Good Governance & Financial Management
- Basic Service Delivery
- Co-ordination and Communication
- Traditional Affairs

These areas of focus evidence our intent to more effectively support local government delivery and to hold it accountable for good governance. They also demonstrate the importance we ascribe to traditional leadership institutions and our commitment to transform them into effective institutions capable of playing their legislated role.

In presenting these focal areas, we have made a deliberate attempt to align them to relevant priorities within the Ten Point Plan Framework.

5.1. Good Governance and Financial Management

Honourable Speaker, I will now turn to the first focal area – **Good Governance and Financial Management.**

The Department's response to the Ten Point Plan priority of **"building and strengthening the administrative, institutional and financial capabilities of municipalities"** is as follows:

Since LGTAS is our primary tool for the development of municipalities, an amount of **R30 30 000** has been set aside for all municipal support programmes and the implementation of LGTAs in the province. In respect of the latter, our immediate priority is the development of Municipal Turn-Around Strategies (MUTAS) which should be in place by 31 May 2010. In addition we have set aside an amount **R10 million for municipal** interventions.

Honourable Speaker, a vital part of strengthening accountability and clean governance is the attainment of clean audits in municipalities to improve financial viability and management. Operation Clean Audit 2014 is our vehicle to turn the tide on poor financial, audit management and oversight. Twenty-five (25) municipalities have been prioritised for intense support to eradicate disclaimers/adverse opinions. Municipalities that are targeted for this support are **LMS: Amahlathi, Emalahleni, Engcobo, Gariep, Great Kei, Ingquza Hill, Inkwankca, Intsika Yethu, Inxuba Yethemba, King Sabata Dalindyebo, Koukamma, Makana, Maletswai, Mbashe, Mbizana, Mhlontlo, Ngqushwa, Nkonkobe, Ntabankulu, Sakhisizwe, Sundays River Valley, Tsolwana, Umzimvubu and DMs: Alfred Nzo and Chris Hani.**

The rest of the municipalities will continue to receive aid towards clean audits by 2014. A Provincial Co-ordinating Committee called a PAICC has been established. A five-year logical framework and a linked implementation plan are in place to guide provincial implementation.

The Auditor General's report on municipalities reflects some improvements in the audit outcomes of nine (9) municipalities for the year under review. The status quo in eighteen (18) municipalities remains unchanged with six (6) regressions.

We reaffirm our commitment to changing this negative picture and ensuring that all municipalities have clean audits by 2014. The re-establishment and functionality of Municipal Public Accounts Committees (MPACS) will contribute towards turning this situation around. The provincial government has deemed it fit that municipalities must have Municipal Public Accounts Committees that will lend a hand to the councils to exercise their accountability and oversight function. To this end, the Department of Cooperative Governance and Traditional Affairs (CoGTA) and provincial departments of Local Government have developed a draft framework for the establishment of the MPAC. All municipalities should have established their MPAC's by 2010/2011. At this stage, the Department of Cooperative Governance and Traditional Affairs (CoGTA) and provincial departments of Local Government have developed a draft framework for the establishment of the MPAC. To address weak financial management and oversight in municipalities, an investment of **R5, 661 000** will be made.

The Department further intends to augment its own municipal support capacity to respond to these emerging priorities. Strategic and technical skills will be deployed to municipalities in mainstreaming hands on support to local government. This broad spectrum of support encompasses all the key municipal performance areas to bring about the desired change. These experts will be employed by 30 May 2010. Credible recruitment and selection processes are at the heart of

strengthening the leadership capacity in municipalities. Recruitment processes at the local sphere must yield competent candidates capable of comprehending the challenges and intricacies of working at the coalface of service delivery. The streamlining of the recruitment processes for Section 57 Managers will strengthen the core of municipalities and build their technical capacity for improved local delivery.

The focus on attraction and recruitment will be complemented by robust retention strategies to ensure continuity in service provision. In the 2010/11 financial year, the department will work with fifteen(15) identified municipalities to develop HR plans inclusive of recruitment and retention strategies. These will be concluded by 30 September 2010. Municipalities that stand to benefit from this programme are: **DM: Alfred Nzo, LMs: Baviaans, Emalahleni, Great Kei, Intsika Yethu, Mbashe, Mbizana, Mnquma, Nkonkobe, Nyandeni, Sakhisizwe, Sundays River Valley, Tsolwana, and Umzimvubu.**

It is not enough for performance management systems to be in place, but they must also be implemented so that set targets are achieved. The target of 100% submission of Performance Agreements by Section 57 Managers, will be vigorously monitored and evaluated along with the application of the municipal performance management system. We have targeted the 30th of September 2010 for all municipalities to have submitted performance agreements for their Section 57 Managers. Our thrust is to improve the compliance level from 38 municipalities in 2009/10 to 45 in 2010/11. We intend to strengthen implementation of individual performance management and development systems aligned to municipalities' performance management systems in 10 municipalities, namely **Camdeboo, Gariep, Kou-kamma; Maletswai, Matatiele, Mbizana, Ngqushwa, Nkonkobe, Nxuba, Tsolwana LMs.**

Human capital development initiatives targeting political and administrative leadership at the local level will be rolled out in partnership with SALGA. The training will be geared towards Leadership Development, Technical Programmes in response to the skills audit conducted in 2009/10 financial year and Traditional Leadership Capacitation Programmes. **These programmes will be phased-in during the course of the financial year and will be concluded by 31 March 2011.**

Honourable Members, all the aforementioned **Municipal Human Resources Development** programmes will be enabled through a commitment of **R2 000 000**. Our response to the Ten Point Plan Priority of **Developing and strengthening a politically and administratively stable system of municipalities** is centred on the findings of the State of Local Government Report.

There is clearly a strong case for a more robust monitoring and evaluation of municipal performance. In this regard, we will be utilising one-on-one meetings as well as quarterly, half yearly and annual reports to assess municipal capacity in fulfilling their statutory obligations and intervening where necessary. We shall use these reporting mechanisms as an early warning system for tracking municipal performance. Our success depends on the establishment, functionality and efficacy of institutional and governance structures in municipalities (mayoral committee, executive committee, plenary type committee). Due attention and priority will be given to this function. These should be in place by the 31 March 2011.

The State of Local Government Report identifies the need to improve relations within the Troika (Mayor, Speaker and Chief Whip). In an effort to build healthy relations in the Troika the Department will hold district workshops aimed at role clarification and the successful integration of these functions at municipal level by 31 March 2011.

Other support initiatives relate to the review of by-laws in 45 municipalities by 31 March 2011. All municipalities will receive support in the ward delimitation process. The department ascribes to the **Ten Point Plan** priority which seeks to **uproot fraud, corruption, nepotism and all forms of maladministration affecting local government.**

We implore everyone to play their role by blowing the whistle on fraud and corruption. Never again shall our people suffer at the hands of those who are enriching themselves and advancing their own interests to the detriment of the poor. We have allocated **R500 000** towards municipal investigations.

The development and adoption of fraud prevention plans in municipalities has been moving, albeit at a slow pace, since the adoption of the Provincial Anti-Corruption Strategy. Energies will be channelled towards assisting twenty five municipalities to have their anti-corruption plans in place:

The Department will provide support to 17 municipalities that are water services authorities to provide efficient and effective services by 30 December 2010. An allocation of **R111 000** has been made for this purpose.

The Ten Point Plan Priority that seeks to **ensure the development & adoption of reliable and credible Integrated Development Plans (IDPs)** has been aligned as follows:

In line with the province's focus of making Integrated Development Plans (IDPs) a point of co-ordination of the work of all three spheres of Government, we will be promoting co-operative governance. The development of credible IDPs is a lever in ensuring growth and stability in service provision. In pursuit of the development of credible IDPs, the department has allocated **R4 117 995** for supporting the local sphere in the development of credible IDPs whilst **R2 338 496** has been allocated for making sure that our IDPs are aligned to the Spatial Development Framework Plans.

The Ten Point Plan Priority on deepening democracy through a refined Ward Committee model has been accommodated as follows:

The Department will work together with DPSA, COGTA and SALGA in re-engineering public participation as a vehicle for enhancing participatory democracy. We will promote people centred governance and deepening democracy through the capacitation of five hundred and forty (540) ward councillors.

Structural arrangements must be in place to support public participation in upholding the constitutional provision of promoting access and popular participation in government programmes. This is brought on by the realization that a failure in public participation is by extension a failure of democracy. We will advocate for the establishment of public participation units in all forty five (45) municipalities. By 31 March 2011 all thirty nine municipalities will have functional ward committees. Taking centre stage will be the implementation of the new Ward Committee Model which will further oil our public participation machinery for better accountability and responsiveness to the citizenry. A total commitment of **R7 000 000** has been made towards this programme.

5.2 Basic Service Delivery

Honourable Speaker, Our second focal area is **Basic Service Delivery.**

A process has already been undertaken to integrate the Ten Point Plan Priority that relates to the **Improvement of the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.**

Honourable Members, Local Government is everyone's business hence the adoption of the whole-of –government approach to turning it around. Municipalities must improve the provision of basic services and infrastructure to change the material conditions of the people's lives. We owe it to the people who voted us into power to give them a return on their vote investment through providing effective and efficient services to them. Access to basic services is not a privilege but a right. Our people have borne the brunt of successive colonial and apartheid regimes. They place their hopes and aspirations in us to deliver on our promises and raise them out of deprivation and suffering. Their future well-being is in our hands and we dare not fail them.

In the quest to ensure that municipalities deliver sustainable service delivery to their constituent communities, the Department will more intensively focus its efforts towards ensuring that basic service delivery indicators as set out in IDP's are in fact met or exceeded. This will require more robust engagement with municipalities and will include the establishment of a rapid response capability and the strengthening of municipal support and evaluation services.

Working together we can successfully deliver services to our people. Our inter-sphere collaboration in the previous financial year yielded a Provincial Water Indaba in 2009 aimed at finding collective solutions to managing water quality and waste management. In 2009/10, the department played its part in the upgrading of roads and storm water canal at Lukhanji through the Storm Water Project. The Maletswai Fire Station was revamped and officially handed over to the community. A Drought Rapid Assessment was conducted and submitted to COGTA for further processing. Out of the amount of R985 million that we requested an amount of R86m has been allocated to the Department of Water Affairs for the drought relief project in the province.

A differentiated and targeted municipal support system will be put in place with an established project office to deal with issues on a project based approach which will focus on two interrelated streams: **Institutional support and capacity, and infrastructure and basic service delivery facilitation.** The Department, supported by the Eastern Cape Socio-Economic Consultative Council will lead the creation and enhancement of partnerships with institutions of Higher Learning for research support.. This will contribute to a reduction in consultant driven support to municipalities.

The delivery of Free Basic Services is an integral part of building cohesive, caring and sustainable communities and is a measure aimed at keeping poverty at bay.

To this end we have allocated **R 1 558 998** for hands on support to all municipalities to improve systems as well as implementation of indigent policies and management of indigent data.

Vigorous monitoring and evaluation of the implementation of Municipal Infrastructure Grant (MIG) projects in municipalities will be conducted to accelerate the provision of basic services to communities and ensure the proper utilisation thereof. MIG funds must be used for MIG projects only.

We will further provide hands on support to two municipalities which are experiencing challenges in the management of their MIG allocations, namely Alfred Nzo District Municipality and Kou-kamma Local Municipality. **R4 599 043** has been allocated for the MIG management and support programmes.

In support of the 2010 FIFA World Cup the department will be contributing to the establishment of six Public Viewing Areas (PVAs) to offer the ordinary people of this province an opportunity to be part of the excitement of hosting the event. These

sites are in the following municipalities: **Buffalo City , Intsika Yethu, Senqu, Makana, Matatiele and Port St Johns**. An amount of **R30 000 000** has been allocated for this purpose.

Disaster management and recovery will receive a boost through implementation of disaster management and recovery programmes as well as infrastructure related upgrades. In pursuance of this objective, **R10 133 484** has been allocated.

5.3 Co-ordination and Communication

Honourable Speaker, the third focal area is Co-ordination and Communication

There are two specific applicable Ten Point Plan Priorities that apply to this area and these pertain to the **creation of a single window of coordination for the support, monitoring and intervention in municipalities, and the development of a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.**

The advancement of the project of socio-economic transformation is premised on harnessing Inter-Governmental Relations (IGR) and co-operative governance. According to the key resolutions of the Provincial IGR Summit the DLGTA together with the Office of the Premier and Provincial Treasury are mandated to exercise greater coordination in the province.

The implementation of the Provincial IGR Strategy and strengthening of district IGR Fora by the Department together with SALGA, OTP and Provincial Treasury, will proceed without delay. An IGR handbook will be developed to assist the effective and efficient functioning of District IGR structures by 30 April 2010.

MuniMEC will continue to remain a solid platform of engagement with municipalities in promoting co-operative governance.

R2 000 000 has been set aside to advance intergovernmental relations and co-operation.

A key lever of LGTAS in particular the Ten Point Plan is the **restoration of the institutional integrity of municipalities.**

The development of communication strategies and plans at the local sphere is vital for keeping the citizenry informed of municipal programmes, challenges encountered and remedial measures agreed on. **R2 000 000** has been allocated for departmental and local government communication system support arrangements.

Honourable Speaker, the other Ten Point Plan priority that falls within the Co-ordination and Communication focal areas refers to **the enhancement of the municipal contribution to job creation and sustainable livelihoods through Local Economic Development.** The third focal area broadly highlights **the role of local government in economic development and job creation.** The Department acknowledges that the 95 000 jobs lost in the Province during the economic recession places tremendous pressure on the municipal government system as the impact increases the number of indigent households.

the Department will increase its efforts in aligning local municipal LED Strategies to those of District Municipalities; attract and deploy young economists and LED experts in municipalities to improve their capabilities as well co-ordinate provincial second economy interventions to improve impact at ward level.

Urban Renewal and ISRDP have shown some good results where coordination has been driven with the partners required in service delivery. The pulling together of public resources and the leveraging of public sector investment creates maximum impact. Co-ordination and partnerships will be fore-grounded in the following sites which will form our core priorities for the 2010/11 financial year: Port St. Johns LM, Tyibiyane Village in Mhlontlo LM; Sabalele Village in Intsika Yethu LM; Barkley East and Mt. Fletcher in Elundini, Masoleng/Dikhetlane in Matatiele and Hamburg in Ngqushwa LM). To this end, **R7 015 489** has been set aside in furtherance of this programme.

5.4 Traditional Affairs

Honourable Speaker, the last focal area is **Traditional Affairs**.

The ANC Manifesto places importance on the role of traditional leaders in the democratic, constitutional state. It is the long-held view of the ANC that traditional leaders have a key role to play in the broader reconstruction and development of our country.

We have traversed the path of building and strengthening traditional leadership institutions and the House since its inception. The milestones recorded include but are no means limited to:

- The Construction of a state of the art building for the House of Traditional Leaders (HoTL)
- The entire Executive of the House is now operating on a full time basis
- Government has provided vehicles to members of the EXCO of the HoTL and the Kings to enable them to perform their duties
- The provincial government took a decision to revise the salary scales of iinkosana whose salaries were never revised for the past fifteen years

- The province is now working towards making the HoTL an entity and in the meantime we will be establishing it as a programme once the programme structure has been gazetted

One traditional council was completed during 2009/10 financial year

- The administrative capacity of the kingdoms has been strengthened and telecommunications infrastructure provided
- The programme of Commemoration of Battles to bring back meaning and history of traditional leadership to the people was started and will continue to run annually
- The House of Traditional Leaders has profiled itself as the true custodians of customs and traditions through the following programmes:
 - Their involvement in the circumcision and initiation customs
 - Leadership role in the provincial celebrations of Heritage Day
 - Participation in the fight against the scourge of HIV/AIDS in partnership with the department of Health, Eastern Cape AIDS Council, NGOs and strategic partners
- Imbumba Yamakhosikazi Akomkhulu initiated 39 projects throughout the ten traditional regions which include bakeries, food production, brick making and poultry farming. The participatory nature which was embedded in the establishment of these projects is laudable.
- A livestock improvement programme to revive traditional forms of sustenance and living was launched
- Public participation in the affairs of the House was promoted and the principles of accountability to the citizenry upheld.

In this term, we have prioritized the conclusion of the transformation of traditional authorities into traditional councils. As you aware Honourable Members, legislation has opened a window of opportunity for municipalities and traditional councils to achieve co-operative governance.

Traditional councils have been given a strong voice in development matters affecting their constituent communities and may now enter into partnerships and service delivery agreements with the government in all spheres. We need to appreciate the growing understanding over time of the transformation process which has afforded us with a solid foundation to realize this imperative of our government.

We want to seize this opportunity to encourage all elected representatives of the people to support us as we create space for these democratic institutions to co-exist alongside one another. The transformation of traditional authorities into traditional councils goes beyond the elections to ensure a peaceful co-existence in a manner that eliminates uncertainty and friction, where democratic institutions complement rather than compete with one another. We commit to supporting the finalization of the transformation process and cementing relations between these democratic institutions going forward.

Government is now faced with a challenge of the abuse of customs and culture relating to ukuthwala, initiation and so forth. Working together with the Provincial House of Traditional Leaders, a process is underway for the development of legislation and policy which would give more powers to traditional leaders to manage these customs and traditions in a way that will ensure its synergy and co-existence with constitutional principles and rights.

Moving forward significant focus will be on:

- Construction and maintenance of traditional leadership infrastructure. Two traditional councils will be constructed and two (2) traditional councils renovated for this financial year at a cost of **R7 242 388**.
- Contribute towards pushing back the frontiers of poverty through Imbumba Yamakhosikazi projects as well as monitoring and

consolidation of these poverty alleviation projects and capacity building with an allocation **R1 448 478**.

- We will upscale our capacity building initiatives for traditional leaders and their support staff so that we realize the set agenda for these institutions and we have budgeted **R1, 200 000** for this purpose.
- To allow for the development of policy, legislation and traditional council governance systems, we have allocated **R1 086 358**.
- Traditional Claims and Dispute resolution programmes will receive priority with the support of all partners enrolled for successful conclusion of these cases.
- HoTL public participation and constituent community outreach programmes will be advanced through the budgeted amount of **R1 122, 500**
- Support to traditional leadership institutions will be allocated **R5.7 million** to ensure that they discharge their mandate fully.

6. Institutional Mobilization

Honourable Speaker, we have undertaken an all-important process of assessing our internal capacity to respond to these emerging priorities. In ensuring that this term yields an acceleration in the meeting of basic needs the Department has had to review its own delivery model, functioning and approach to municipalities. The paradigm shift towards more hands-on support; attaching importance to working together for coherent, co-ordinated and integrated service delivery; adopting a more activist approach and lastly working “Faster, harder and smarter” are implicit in our methods moving forward. We want to build a strong public service cadre that is responsive to the needs of the people.

Honourable Speaker, We will be enhancing the institutionalisation of Performance Management Development System (PMDS), the department will ensure the signing of all Senior Management Services (SMS) performance agreements by end of April 2010 and other employees below SMS by end of May 2010. The monitoring of individual quarterly performance reviews will be strengthened for the betterment of departmental performance which we believe will improve service delivery.

Human Talent Management and development is the key in improving performance on service delivery in an organisation. During the coming financial year the focal area in capacity building and empowerment programmes will be an Emerging Leadership Programme for Women Middle Managers. We will also ensure that SMS and middle managers are exposed in change management, diversity management and Khaedu as part of an ongoing understanding of the role of the civil service within a developmental state.

HIV and AIDS training and awareness sessions will be extended to members of the Provincial House of Traditional Leaders and cascaded down to all Traditional Leaders within the Province in partnership with UNDP through Office of the Premier.

The department is in the process of reviewing its organisational structure to be in line with new mandates, priorities and strategies and will develop a fit –for–purpose strategy.

The department recognises the important role ICT plays in a developmental state. The department will be engaging in a number of projects to enhance corporate systems and service delivery. Through a partnership with UNDP, the department will continue with e-governance projects in ***Mbizana, KSD and Mquma local municipalities***. The UNDP will provide support in the 3 targeted municipalities at a cost of **R216 000**. We will continue with connectivity projects in 69 traditional

councils to provide access to information and capability to communicate through internet and email by officials and communities. The department will be finalising the upgrading of its server environment to enable officials seamlessly to access valuable information and communicate using computers and mobile devices. An amount of **R800 000** has been committed towards this project

Honourable Speaker and Members, Local Government is everyone's business, hence the adoption of a whole-of-government approach to turning around this sphere. Success is certain if we continue to work together in accelerating the delivery of services to the people. The Department remains steadfast to play its part in ensuring an efficient, effective and responsive local government system and traditional leadership institutions

Budget for 2010/11

Programmes

Programme One	173 037 000	24.5%
Programme Two	196 981 000	28%
Programme Three	95 290 000	13.5%
Programme Four	242 319 000	34%
Total	707 627 000	100%

Economic Classification

Compensation of employees	503 902 000	71.2%
Goods & Services	181 015 248	25.6%
Transfer Payments	11 967 364	1.7%
Capital Assets	10 742 388	1.5%
TOTAL	707 627 000	100%

Honourable Speaker, I hereby table a summary of the budget per programme and economic classification as well as the Department's Strategic Plan, Annual Performance Plan and Service Delivery Charter for your consideration.

I thank you

