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PROVINCIAL NOTICE

No. 28**16 October 2007****PROVINCE OF THE EASTERN CAPE****AMENDMENT****EASTERN CAPE PROVINCIAL TREASURY****ALLOCATION TO MUNICIPALITIES NOT LISTED IN THE SCHEDULE OF
DIVISION OF REVENUE ACT, 2007 (ACT No. 1 of 2007)**

The notice issued in the Government Gazette No. 1710 dated 2 May 2007 on Schedule 3 under Municipal Performance Management System, Spatial Planning and Municipal Human Resource Development is hereby amended by the attached schedules.

Information relating to allocations made by the Eastern Cape Provincial Accounting Officer of the Department of Housing, Local Government and Traditional Affairs is, in terms of section 31(2)(a) and (c) of the Division of Revenue Act, 2007 (Act 1 of 2007), published for general information as set out in the Schedule herein.



W.H. NEL
MEC FOR FINANCE

10/10/2007

SCHEDULE A**MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM**

Name of Allocation	Municipal Performance Management Systems (Municipal PMS)
Purpose	<ul style="list-style-type: none"> • Facilitate, support and monitor development and implementation of Municipal Performance Management Systems (Municipal PMS).
Measurable Outputs	<ul style="list-style-type: none"> • 6 district municipalities with functional Municipal PMS.
Conditions	<ul style="list-style-type: none"> • Submission of Business Plans prior to transfers. • Failure to submit Business Plans and Declaration of Assurance for accessing funds after 3 months from the date of notification, department will re-allocate funding to the deserving municipality. • Cooperation of the municipality with our department with respect to the monitoring, evaluation of and reporting on the Expenditure trend. • Regular monitoring by DHLGTA. • Reporting requirements in terms of DORA to be strictly adhered to. • Transfers to be effected on fulfilment of section 38(1)(j) of the PFMA Act 1 of 1999, put in place to ensure compliance with the conditions of the fund. • Implementation of the 5 Year Local Government Strategic Agenda • Integration into the Implementation of High Impact Priority Projects (HIPP's) where applicable
Allocation criteria	<ul style="list-style-type: none"> • Allocations are made to district municipalities to undertake their S83(3)(c) responsibility. • Formal municipal financial systems are in place.
Reasons for not incorporating in the Equitable Share	<p>The development of Municipal Performance Management Systems is a process aimed at proper management of the municipal performance and utilisation of municipal resources for effective service delivery.</p>
Monitoring system	<ul style="list-style-type: none"> • The department requires quarterly reports on the progress made and monthly expenditure reports as required by the Division of Revenue Act. • The Department will monitor and render assistance to municipalities on the process of developing and implementation of Municipal Performance Management Systems through visits to municipalities including and conducting informal training sessions. • Monitoring reports will be captured on an Excel Spreadsheet linked to the Province-wide Monitoring and evaluation System managed by the Office of the Premier
Past performance	<ul style="list-style-type: none"> • Three districts and eleven local municipalities have adopted PMS policies.
Projected life	<ul style="list-style-type: none"> • Municipal Performance Management Systems are linked to Integrated development plans and are reviewed annually until the next Council is elected. • Normally, budget allocation is for one financial year. • Indicative budget figures for the two outer years of the MTEF are availed.
Payment schedule	<ul style="list-style-type: none"> • Direct transfer to be done to Municipal Account on receipt of required Business Plan, Declaration of assurance.
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> • Ready, based on conditions set above

Municipal Performance Management System

Name of Municipality	2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)
Ukhahlamba District Municipality	600	600	600

The allocation is erroneously not reflected in the Gazette.

SCHEDULE B**PROJECTS**

Name of Allocation	Spatial Planning
Purpose	<ul style="list-style-type: none"> • Spatial planning
Measurable Outputs	Promotion of effective and efficient spatial planning .
Conditions	<ul style="list-style-type: none"> • Transfers done where applicable and subject to proper utilization of funds. • Submission of business plans prior to transfers • Regular monitoring by DHLG&TA • Any amendments to the municipal business plans can only be effected after prior approval of the provincial transferring officer has been obtained • Reporting requirements in terms of applicable legislation to be strictly adhered to • Transfers to be effected on fulfilment of Section 38(i) (j) of the PFMA Act 1 of 1999, put in place to ensure compliance with the conditions of the funds.
Allocation Criteria	Allocations to municipalities are to be made according to assessed needs within the context of the IDP in order to assist them in meeting their constitutional obligations.
Reasons for not incorporating in the equitable share	According to Section 154 (1) of the Constitution national and provincial governments , by legislative and other measures must support and strengthen the capacity of municipalities to manage their own affairs , to exercise their powers and to perform their functions.
Monitoring System	The department requires quarterly reports on the progress made and monthly expenditure reports as required by the Division of Revenue Act.
Past Performance	Funds for projects were all transferred to municipalities in line with the submitted business plans progress reports were received from municipalities and payment effected to service providers in line with contracts made with the municipalities
Projected Life	Project funds to be transferred to a municipality to administer on behalf of DHLG&TA within set conditions and in terms of signed agreement.

Spatial Planning

Name of Municipality	2007/08 Allocation	2008/09 Allocation	2009/10 Allocation
Sundays River Valley Local Municipality	110 800		

The allocation to Ikwezi Local Municipality is erroneously reflected.

Name of Municipality	2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)
Umzimvubu	316		

The allocation to Mt Ayliff and Mt Frere were erroneously reflected.

SCHEDULE C**PROJECTS : MUNICIPAL HUMAN RESOURCE DEVELOPMENT**

Name of Allocation	MUNICIPAL HUMAN RESOURCE DEVELOPMENT
Purpose	Capacity Building for municipal officials, councillors and ward committees.
Measurable Outputs	Competent officials, knowledgeable councillors and ward committees who know their roles and responsibilities.
Conditions	<ul style="list-style-type: none"> • Submission of business plans and declarations of assurance and acceptance prior to transfers • Regular monitoring by the DHLG & TA • Reporting requirements in terms of applicable legislation to be strictly adhered to.
Allocation Criteria	Prioritise previously disadvantaged municipalities
Reasons for not incorporating in the equitable share	According to section 154(1) of the constitution, national and provincial governments, by legislative and other measures, must support and strengthen the capacity of the municipalities to manage their own affairs, to exercise their powers and to perform their functions.
Monitoring System	Constant visits and monthly reports per municipality.
Past Performance	Funds were all transferred to District Municipalities in line with the submitted business plans. Progress reports were received from municipalities.
Projected Life	A continuous programme

MUNICIPAL HUMAN RESOURCE DEVELOPMENT

Name of Municipality	2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)
Amatole District Municipality	2 100		

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