



DEPARTMENT OF PUBLIC WORKS

PROVINCE OF KWAZULU-NATAL ~ ISIFUNDAZWE SAKWAZULU-NATALI

ANNUAL REPORT TO CITIZENS

2017–2018



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT TO CITIZENS: 2017/18 FINANCIAL YEAR

1. Who We Are....

We are the KwaZulu-Natal Department of Public Works and we have the following Vision and Mission

Vision : "An inclusive economy through sustainable infrastructure development and property management"

Mission: "To improve the life of the people in KwaZulu-Natal through sustainable infrastructure Development and Property Management."

2. What we do

The KwaZulu-Natal Department of Public Works has the following overall main services :

- Deliver the integrated Property Planning and Management services to clients
- Enhance and strengthen stakeholder participation and management (land lords and others in the sector)
- Enhance job creation through Izandla Ziyagezana
- Implement skills development within the property sector
- Achieve optimal utilisation of state fixed assets
- Erect and maintain buildings ,structures and engineering works to client specifications
- In carrying out this state purpose ,the programme aims to fulfil the following government socio-economic objectives
 - Create jobs through the Expanded Public Works Programme
 - Create an enabling environment for affirmable business enterprise

The KwaZulu-Natal Department of Public Works has the following strategic goals :

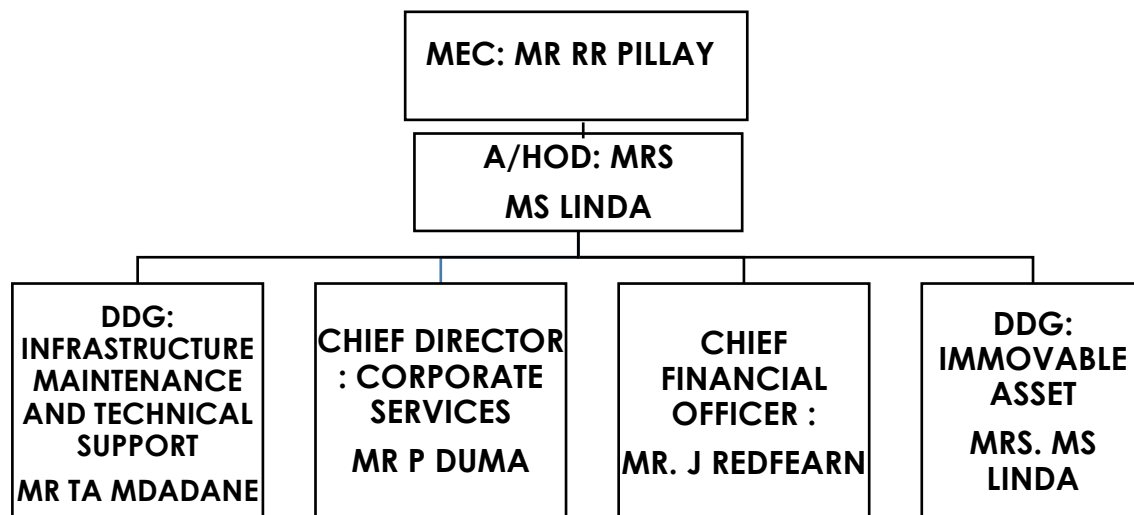
- Improved service delivery through property planning and management
- Improved service delivery through integrated infrastructure planning and implementation
- Expansion of Government –Led job creation through work opportunities

- Effective management and good governance
- Radical economic transformation through infrastructure and property delivery

3. Who is in charge...?

The MEC for Human Settlements and Public Works is Honourable Mr. RR Pillay. He is accountable for directing the KwaZulu-Natal Department of Public Works' activities in line with the National and KwaZulu-Natal Provincial Government's priorities.

The Acting Head of Department is Mrs. MS Linda, a public servant appointed to ensure that the Department efficiently implements the Executing Authorities policies and directives.



➤ Our Standards-and How We Met Them

The KwaZulu-Natal Department of Public Works has been guided by the following core values :

- Batho Pele principles
- The Citizen's Charter
- Transparency
- Excellence
- Motivated Workforce
- Sustainability
- Integrity
- Team Work
- Accountability

The KwaZulu-Natal Department of Public Works have **three** programmes :

Programme 1: Administration

Programme 2: Immovable Asset Management

Programme 3: Infrastructure Maintenance and Technical Support

RESULTS ACHIEVED ON PROGRAMMES

Programme 1 Administration

- The department filled 12.5% of posts on the approved Human Resource Provisioning Plan against the target of 75%.
- The Department's achievement on people with disabilities remained at 1.7%.
- 45 Interns were appointed and 35 bursaries were awarded

Programme 2: Immovable Asset Management

- Updating of the Immovable Fixed Asset register continued to be a key performance area. 955 properties were verified on the Immovable Fixed Asset Register against a target of 1250 (76%).
- A total of 237 properties were registered in the name of the KZN Provincial government against a target of 200(119%).
- The Department timeously completed its User Asset Management Plan (U-AMP) as well as the Custodian Asset Management Plan (C-AMP) which was based on all received U-AMPs. These plans were submitted to the KZN Provincial Treasury for consideration when determining infrastructure budget allocations which includes maintenance.
- A total of 197 hired properties were audited for space utilisation against the target of 195 (101%) to ensure that the buildings are optimally utilised.
- A total of 200 state owned facilities were audit for space utilisation against a target of 200 (100%) to ensure that the state buildings are optimally utilised.
- The department hired 100 properties (office accommodation needed by the provincial departments) against the targeted 100 properties (100%). The Department is concerned with the high number of properties hired due to financial constraint, which hinders the provision of state owned facilities.
- The expenditure for 2017-2018 financial year was R395 012 698,92m. The

Department aims to reduce this cost drastically over the next 5 years and is focused on the following:

Establishment of government office parks in under-resourced areas.

Reallocation of un/under-utilised state owned buildings and vacant land.

Purchase of buildings currently leased.

Benchmarking commencement rentals and reduced escalation rates.

➤ The Department paid property rates payments to the value of R628m, against R592 budget allocation. It must be noted that the budget allocation includes an amount of R 30 million further allocated to the department by Provincial Treasury. The Department is experiencing high spending pressures due to annual increase of property values as well as newly acquired properties.

➤ 51 properties were disposed and let against a target of 40 (128%). In so doing, the Department ensured that priority is given to government objectives.

13 vacant stand-alone buildings have been reallocated to other Provincial Users for refurbishment and use as office accommodation as opposed to hiring private buildings.

3 strategically located vacant sites in extent totalling 12 ha reallocated to the Department of Human Settlements for human settlement development purposes

8 state owned buildings leased out to SASSA, Ingonyama Trust Board and Royal Household as office accommodation as opposed to them hiring from private owners.

10 properties in extent 0,9184 ha were donated to the Ethekewini Municipality for consolidation with the municipal allocation for human settlement development purposes

1 property in extent 2.3209ha was donated to eThekwini Municipality for nature conservation purposes

2 properties in extent 53.3823ha were donated to UMngeni Municipality for

human settlement development purposes.

3 Nursing residences situated within the government hospital precinct were leased to the University of KwaZulu-Natal for refurbishment and use as accommodation for student nurses and also to accommodate other medical interns as the Department is currently hiring residential accommodation for such categories of scarce skills.

5 land parcels in extent 3,722ha were donated to the UMgungundlovu TVET College for construction of a new TVET College in Merrivale, Howick.

1 property was donated to Action Autism, an NGO, for use as offices and education facilities.

3 land claims totalling approximately 4143 ha been finalised.

2 properties have been set aside for economic development purposes

- The Department acquired 5 new properties to support improved service delivery against a target of 20 (25%). As at year-end a balance of 15 acquisition cases were at an advanced stage.

➤ **Expropriation**

The Department has successfully finalised the following expropriations in the best interest of public administration:

Erf 500 Esikhawini, which is the Ongoye Service Office for Department of Social Development. It was expropriated from United National Breweries SA (Pty) Ltd. The property was valued at R800 000, however the compensation is disputed. The property has since been registered into the name of the Province of KZN.

St Marys Hospital in Marianhill, Pinetown, in extent 10ha. The negotiations with the owners, the Missionary Sisters of the Precious Blood was finalised amicably and the compensation was agreed and approved at R142m, which will be paid over a 3 year period.

➤ Izandla Ziyagezana Land Clearing Programme

This programme is aimed at ensuring sustainable work opportunities thus contributing positively to the lives of the local poor communities. The employment of the above including beneficiaries people with disabilities ensures that they are brought into business mainstream. During the Kamoso Awards held by the Department in October 2017, Izandla Ziyagezana won an award for the best programme in the Environment and Culture sector and this shows the positive impact this programme has on poor local communities in KwaZulu-Natal

To date, the Department through this Programme has created 508 work opportunities of which:

388 Women, 228 Youth and 7 people with disabilities (some woman are also youth) from the following Districts:

- Ugu- 31
- Harry Gwala-32
- Uthukela-49
- Umzinyathi- 44
- UMgungundlovu- 39
- Ethekwini- 150
- ILembe 12
- Zululand-62
- King Cetshwayo-77
- Umkhanyakude 12

Programme 3: Infrastructure Maintenance and Technical Support

- In the 2017/2018 financial year, the Department of Public Works achieved an overall Infrastructure spending of 101%.
- The following are noteworthy projects executed and completed on behalf of our client Departments in the 2017/18 financial year include:
 - Mandla Mthethwa Comprehensive High - Construction of A New School,
 - Endaleni Primary School - Construction of A New School,
 - Princess Phumzile Primary – Construction of A New Primary School
 - Dwaleni High School – Repairs and Renovations to existing Classrooms
 - Adams College – Phase 13A : CL 27- Storm Damage Schools
 - Banguni Senior secondary School – Addition of 2 Multipurpose rooms and 1 Media centre,
 - Lindizwe Primary School – Repairs and Renovations
 - Mbongolwane Hospital – Eshowe – Renovations to 9 Staff Houses Phase 1
- The Public Works Mayville Conference Centre is used by all Departments, an improved facility will enable the Province to effect further savings on rental and hiring of venues and conference facility. When measured against market related venue charges, the Department estimates that government saved approximately R5.6m in the 2017/2018 financial year by using the conference facility. Frequency of booking ranges from seven days in January to 24 days in March with an average of 20 days across the year.
- The “**GREENING POLICY**” of all public buildings imperative in pursuing KwaZulu Natal vision 2035. The Department is currently embarking on a “**GREEN AGENDA CONCEPT**” which seeks priorities green growth as articulated in the Medium Term Strategic Framework.

A successful national **“GOING GREEN Conference”** was hosted at Oliver Tambo House in 2017/2018 financial year. This was attended by delegates from the public and private sectors as well as academics.

The Department participates in a sector initiative lead by the National Department of Public Works.

The initial pilot project has yielded significant results. An intervention at the Department's Head office building has provided savings in the order of 600 000kwh and 6million litres per year in a relation to the consumption prior to the intervention. Essentially, the water saving is the equivalent of supply to 80 households that rely on the basic entitlement allocated to indigent households. The utilities savings amounted to R33 392 in the past year.

- In line with advancing radical socio-economic transformation, the Provincial Council Lekgotla held on the 15-17 February 2017 resolved that the Department jointly with the Department of Transport explore the possibility establishing a provincially- owned construction entity and that a conceptual framework be developed as the means to achieve the following:
- To increase state-led infrastructure investment aimed at massively improving social and economic infrastructure, with an emphasis on the use of local content and local companies,
 - Give effect to the National Development Plan (NDP), and the New Growth Path and the industrial Policy Action Plan with the aim of stimulating growth employment and the re- industrialisation of the South African economy,
 - To build a developmental state with the technical and political capacity to lead development and transform the economy.

The KwaZulu-Natal Provincial State owned construction entity is termed a Strategic Infrastructure Development Agency (SIDA). A steering committee for the agency has been established and is led by Public Works and the Department of Transport.

The Department of Human Settlements, COGTA, Provincial treasury, and EDTEA are participants. Public works convenes the steering committee.

The draft conceptual framework document is in place. Public Works and Transport have seconded Human resources to SIDA. A SIDA business case model will be presented at the August 2018 Provincial Executive Council Lekgotla.

The Department had made strides to align itself towards the achievement of Outcome 4 : “Decent employment through inclusive growth” , the Department managed to create 6 134 Work Opportunities against a target of 6 000 and 830 Full Time Equivalents (FTEs) against a target of 600 FTEs by end of March 2018 through the EPWP Programme . In the 2017/18 financial year, the Department implemented the Youth Environmental Services (YES) in Ugu District, where 160 learners were recruited from 20 deprived wards within UMdoni and Umzumbe Local Municipalities, through Operation Sukuma Sakhe.

All recruited beneficiaries received protective clothing, and tools were distributed in all training venues. The recruited 160 beneficiaries received Accredited Training on Plant Production for a duration of two months and it ended by end of November 2017. During the practical training, the beneficiaries established thirty three (33) community vegetable gardens within Umzumbe and UMdoni Local Municipalities.

The Provincial EPWP Programme is coordinated by the Department of Public Works. A total of 68 public bodies are reporting on EPWP in the Province including National Departments and at least three (03) interventions were implemented to support Public bodies in form of Workshops, KZN EPWP Indaba 2017, EPWP Sector meetings, EPWP Provincial Steering Committee meetings and EPWP District Working Sessions.

The successes of EPWP have not gone without constraints and limitations. Limited funding has been a major constrain in terms of maximizing employment opportunities, for the poorest of the poor, unskilled and the unemployed. It is also a challenge that Infrastructure plans are not

concluded on time due to delays on the side of client Departments. However, the Department continues to engage all relevant stakeholders not only towards ensuring that infrastructure planning is done in accordance with Infrastructure Delivery Management System (IDMS), but also towards leveraging funding for job creation.

4. How we intend to improve services?

During the current financial and following financial years , the KwaZulu-Natal Department of Public Works will continue:

- To alleviate poverty by creating sustainable jobs and work opportunities through various programmes i.e. Expanded Public Works Programme and Izandla Ziyagezana ;
- To develop and empower beneficiaries , particularly women , youth and people with disabilities;
- To improve integrated service delivery in the provision of building and structures ;
- To develop emerging contractors through the Eyesizwe Emerging Contractor Development Programme
- To coordinate and align operational activities in line with clients request;

Indicators and targets associated with various programmes and their strategic outcomes is as indicated within the 2015-2020 Strategic Plan , the 2017-2018 Annual Performance Plan and 2016 -2017 Annual Report which are available at www.kznworks.gov.za

5. Our Organisation and Staffing as at 31 March 2018

Departmental Staff Break Down by location :

OFFICE	FEMALES	MALES	TOTALS
Head Office	226	140	366
Southern Region	106	111	217
Midlands Region	102	132	234
Ethekwini Region	111	221	332
North Coast Region	236	301	537

TOTALS	781	905	1686

Departmental Staff Break Down by category :

CATEGORY	TOTAL NUMBER	PERCENTAGE
African	1499	88.90%
Coloureds	16	0.94%
Indian	110	6.52
White	61	3.62%

6. Our Budget

The budget allocation to the Department's vote was **R 1 542 817 000** at the end of the 2017-2018 financial year, the Department had spent **R1 536 631 000** of its budget. The under expenditure of the budget allocation largely relates to slower than anticipated progress on infrastructure projects such scope delays in the Mayville Conference Centre dining facility as required by municipal by-laws. This is how the overall budget was spent by the Department in 2017/2018 Financial Year:

Staff SalariesR 581 342 000
Other running costs [equipment, training etc.].....R 315 736 000
Other Costs.....R 639 553 000

Summary

Programmes : 1 Administration

Staff Salaries.....R 284 716 000
Running Costs.....R 91 432 000

2. Property Management

Staff Salaries.....R 52 195 000
Running Costs.....R 20 741 000

3. Provision of buildings, structures and equipment

Staff Salaries.....R 244 431 000

Running Costs.....R 203 563 000

Other items (transfers, subsidies and interest/rent).....R 639 553 000

TOTALR 1 536 631 000

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