



PROVINCE OF THE EASTERN CAPE
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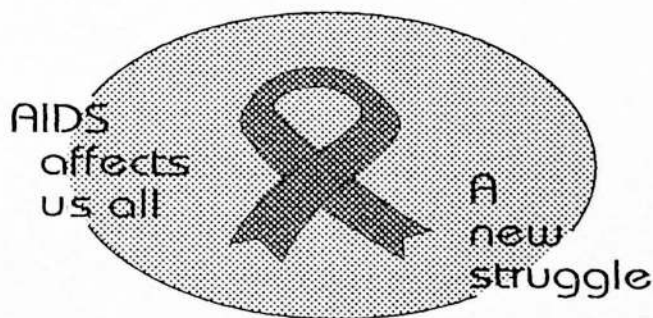
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No. 1236
(Extraordinary)

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GENERAL NOTICE

NOTICE 175 OF 2004**AMENDMENT OF ALLOCATION TO MUNICIPALITIES NOT LISTED IN THE SCHEDULE OF PROVINCIAL GAZETTE NO. 1163 DATED 25 MAY 2004.**

In terms of section 16(2) of the Division of Revenue Act 2004, a provincial accounting officer intending to make an allocation other than an allocation listed in any schedule to the Act, to a municipality from the provincial revenue fund must publish such information in a provincial gazette. The required information is submitted to you for such publication.

A. LOCAL GOVERNMENT CAPACITY BUILDING FUND

Name of transferring department	Housing, Local Government and Traditional Affairs
Name of allocation	Local Government Capacity Building Fund (LGCBF)
Purpose	To assist municipalities to build their institutional capacity, improve their systems for sustainable service delivery and enable the Housing, Local Government and Traditional Affairs to perform its monitoring functions.
Measurable outputs / Focus Areas	Although outputs will vary between municipalities, the following issues, <i>inter alia</i> should be addressed <ul style="list-style-type: none">• Budget process which includes operating budgets

	<ul style="list-style-type: none"> ▪ Prepare financial statements ▪ Revenue management: council approval and implementation of consolidated credit control, indigence and tariff policies ▪ Financial reporting as required in terms of Section 74(1) of Municipal Management Act 2003 and proclamation R1535 and R1536 ▪ Asset management ▪ Mentoring ▪ Information Communication Technology ▪ Data Cleansing ▪ Human Resource Management that includes (i) organograms, (ii) staff codes (iii) contracts (iv) delegation framework etc. ▪ Training includes, councillors, ward committees, officials on (i) roles and responsibilities, (ii) powers and functions (iii) understanding systems of government, (iv) new legislation. ▪ Community Strategy – Sonke Sibanye ▪ Legislation includes, Policies, By-laws, Procedures, Statutes, Interpretation and printing ▪ Interventions ▪ Municipal Performance management Systems ▪ Section 78 Assessments ▪ Community Development Workers ▪ Pilot projects – Traditional leader capacitating on local government matters
Conditions	<ul style="list-style-type: none"> ▪ Needs assessment by the DHLG&TA and relevant district municipalities to determine allocations to local municipalities ▪ 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 as required by applicable legislations as well as DHLG&TA is adhered to ▪ Adequate measures are at municipal level ▪ 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 funds
Allocation Criteria	Allocations to be made to municipalities according to assessed need in order to assist them in meeting their constitutional obligation to support the local government sphere
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 Mechanism	<ul style="list-style-type: none"> ▪ The department will expect quarterly reports on the support provided to municipalities and the progress made with the implementation of systems in municipalities. ▪ Monthly conditional reporting as stipulated in the Division of Revenue Act ▪ Monthly visits to municipalities by departmental officials if need arises
Projected Life	<p>This grant is transferred to municipalities to assist them in building their capacity to carry out their functions. This grant will be phased out once such capacity has been established. In the interim the following conditions will apply to the utilization of funds;</p> <p>The funds may not be used for the permanent employment of any capacity building service.</p>
Project Management	Project management for Capacity Building Funds to be transferred to the Amatole District Municipality to administer on behalf of DHLG&TA within set conditions

	District and Local Municipality	2004/05 Allocations
Payment Schedule	MUNICIPAL ADMINISTRATION	R5 200 000.00
	COMMUNITY DEVELOPMENT WORKER PROGRAMME	R2 200 000.00
	Alfred Nzo	R168 832.00
	Amatole	R221 592.00
	Cacadu	R424 196.00
	Chris Hani	R550 056.00
	Ukhahlamba	R243 164.00
	O.R. Tambo	R518 296.00
	Nelson Mandela Metro	R 73 864.00
	CAPACITY BUILDING FOR WARD COMMITTEES AND TRADITIONAL LEADERS	R2 075 000.00
	Umzimvubu	R215 000.00
	Mbashe	R150 000.00
	Elundini	R250 000.00
	Mquma	R150 000.00
	Nelson Mandela Metro	R200 000.00
	Nyandeni	R250 000.00
	KSD	R250 000.00
	Nkonkobe	R210 000.00
	Qaukeni	R250 000.00
	Sundays River Valley	R150 000.00
	CAPACITY BUILDING FOR MUNICIPAL OFFICIALS AND COUNCILORS	R925 000.00
	Amatole	R925 000.00

	PROVINCIAL MSP FUNDING INTERVENTIONS	R5 800 000.00
		Qaukeni R 815 854.00
		Nyandeni R1 700 000.00
		KSD R 854 146.00
		Elundini R1 430 000.00
	CAPACITY BUILDING FUND	Amatole R1 000 000.00


**HEAD OF DEPARTMENT: DEPARTMENT OF HOUSING, LOCAL
GOVERNMENT AND TRADITIONAL AFFAIRS**

DATE: 27-10-04

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