



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

NEIGHBOURHOOD DEVELOPMENT PROGRAMME UNIT

File No : Admin/IGR
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ACTING DEPUTY DIRECTOR-GENERAL: INTERGOVERNMENTAL RELATIONS
DEPUTY DIRECTOR-GENERAL: PUBLIC FINANCE
CHIEF DIRECTOR: HUMAN RESOURCE MANAGEMENT
DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES
DIRECTOR-GENERAL: NATIONAL TREASURY

APPROVAL: NEIGHBOURHOOD DEVELOPMENT PROGRAMME BUSINESS PLAN UPDATE FOR 2013 – 2018 AND ANNUAL PERFORMANCE PLAN

Purpose

1. The purpose of this Memorandum is to seek approval for:
 - 1.1 The amendments to the Neighbourhood Development Programme (NDP) 2013 – 2018 Business Plan and Annual Performance Plan, following the change in the Unit's strategic direction that aligns with Government's transformation agenda and;
 - 1.2 The Unit's employees become permanent employees of the National Treasury.

Background

2. The NDP was established in 2006 and is responsible for managing the NDP Grant, which was allocated an envelope of R10bn over a 10 year period. The unit was established additional to establishment in the Budget Office.
3. The purpose of the programme was to fund, support and facilitate the planning and development of neighbourhood (primarily townships) through the development of catalytic infrastructure to leverage 3rd party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods, generally townships.
4. The NDP Unit uses a planning grant (DORA, Allocation-in-Kind), a capital grant (DORA, Direct Transfer) and related support and knowledge management activities to fulfill its mandate.
5. During 2011/12 the NDP evaluated the performance of the NDP grant and as a result embarked on a process of strategic planning to deepen value for money and long term impact in South Africa's towns and cities via spatial targeting.

6. The most obvious manifestation of urban challenges is evident in the sprawling and highly segregated land-use patterns that impose significant costs on poor households and the environment and divert public resources from poor to rich households (for example, through investments required in sustaining existing urban infrastructure).
7. The implications for the new approach of the Unit include:
 - 7.1. To introduce a pro-poor/pro-growth investment approach that represents a targeted investment programme to transform the spatial form of SA's larger urban centres
 - 7.2. To adopt a city-wide spatial targeting approach to increase access to amenities, especially for the poor in marginalised settlement areas, such as townships.
 - 7.3. To focus on spatial transformation through co-ordinating the implementation of a catalytic pipeline of projects, i.e. land development, housing, transport and infrastructure investments (and other interventions).
 - 7.4. To direct the spatial targeting of investment and work towards a more efficient urban form that creates an environment that enables economic growth and development and catalyses private sector investment.
 - 7.5. To take a sustainable but long-term perspective on spatial transformation and inclusive growth
 - 7.6. To ensure that National Treasury has the necessary capacity to drive this urban spatial transformation and inclusive growth agenda.
8. The result is the formulation of a new strategy, known as the Urban Networks Strategy (UNS). The strategy which is aimed at facilitating the eradication of spatial inequality to enable the creation of liveable, sustainable, resilient, efficient and integrated urban human settlements. The roll-out of the new strategy will require partnerships with other strategic spatial, transit-orientated grants for integrated planning and project implementation in cities, including the ICDG, PTIS (transport) and USDG (housing) grants.
9. Following the identified need to change the strategy of the unit and move the unit institutionally to the NT: IGR, a memorandum to this effect was approved by the DG in January 2013
10. This necessitated the amendment of the current NDP Business Plan to address the impact on the unit, taking into account the external, stakeholder as the internal NT environments.

Key Impacts

11. The following key impacts have been identified in the Business Plan:
 - 11.1. The implementation of the Unit's Urban Network Strategy, as outlined in the amendment of the current NDP Business Plan, in support of Government's transformation agenda as per the urban and spatial focus of the National Development Plan.
 - 11.2. The development and implementation of an external stakeholder strategy, leveraging public and private sector contribution and alignment to the Urban Network Strategy, both financially and non-financially.
 - 11.3. The need for a new name for the NDP Unit (and to also avoid further confusion with National Development Plan that shares the same acronym).

- 11.4. The transfer of the management of rural portfolio NDPG municipalities to an appropriate entity (As per another memorandum which has been approved by DG).
- 11.5. The Unit's amended Key Performance Areas (Annual Performance Plan) and indicators.

Human Resource Implications

12. The Unit is currently operating under the Additional to Establishment arrangement. This presents a number of challenges given the long term nature of the development agenda being facilitated by the unit, including:
 - 12.1. The need to clarify and stabilise the internal capacity of the NDP Unit.
 - 12.2. The retention of funded positions and negative staff morale resulting from a lack of employee security and creates uncertainty among employees during the extension periods.
13. The current Unit positions therefore need to be made permanent on an optional basis, to accommodate staff members who may wish to remain employed on a fixed term contract basis.

Financial Implications

14. There are no financial implications.

Recommendations

15. It is recommended that:
 - 15.1 The Unit's Business Plan for 2013 - 2018 and Annual Performance Plan is approved and signed off in the attached Business Plan.
 - 15.2 The employees of the NDP Unit are offered permanent positions in the National Treasury.



D VAN NIEKERK

CHIEF DIRECTOR: NEIGHBOURHOOD DEVELOPMENT PROGRAMME UNIT

Date: 29 OCTOBER 2013

- 15.1 Recommended / Recommended with Amendments / Not Recommended
- 15.2 Recommended / Recommended with Amendments / Not Recommended

MT NGQALENI

DEPUTY DIRECTOR-GENERAL: INTERGOVERNMENTAL RELATIONS

Date:

- 15.1 Recommended / Recommended with Amendments / Not Recommended
- 15.2 Recommended / Recommended with Amendments / Not Recommended

M SIMMONDS
DEPUTY DIRECTOR-GENERAL: PUBLIC FINANCE
Date:

- 15.1 Recommended / Recommended with Amendments / Not Recommended
- 15.2 Recommended / Recommended with Amendments / Not Recommended

TRACY RANDALL
CHIEF DIRECTOR: HUMAN RESOURCE MANAGEMENT
Date:

- 15.1 Recommended / Recommended with Amendments / Not Recommended
- 15.2 Recommended / Recommended with Amendments / Not Recommended

STADI MNGOMEZULU
DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES
Date:

- 15.1 Recommended / Recommended with Amendments / Not Recommended
- 15.2 Recommended / Recommended with Amendments / Not Recommended

L FUZILE
DIRECTOR-GENERAL: NATIONAL TREASURY
Date:

Talita Van Der Westhuizen

From: David Van Niekerk
Sent: 29 October 2013 12:57 PM
To: Talita Van Der Westhuizen
Subject: FW: NDP New BP signoff
Attachments: NDP New BP signoff.docx

Your view please.

From: Alfred Nemavhidi
Sent: 29 October 2013 12:00 PM
To: David Van Niekerk
Cc: Douglas Cohen; Collins Sekele
Subject: NDP New BP signoff

Hi D,

Find attached the revised memo. I have adopted the template we use in HR and made some few adjustment.

I have confirmed with Norman, there will be no need to consult DPSA as the unit was part of the baseline structure already submitted to DPSA and it is still operating at that level (chief directorate).

Regards

Alfred