



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN

2016/2017

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL PERFORMANCE PLAN

2016/2017

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MINISTER'S FOREWORD

It is with pleasure that I present the 2016/17 Annual Performance Plan (APP) for the Property Management Trading Entity (PMTE).

As we continue to build on the achievements and gains of the Turnaround, our focus remains on optimising the State's asset portfolio to ensure improved and effective, but cost saving service delivery. To this extent, the successful operationalisation of the PMTE remains one of my critical strategic priorities to ensure that we deliver on the ambitious value propositions that we have committed to. To date, significant strides have been made with regard to operationalising the entity in line with National Treasury's requirements and we are well on our way to finalising the process by the anticipated due date of 1 April 2016. Some of the successes to date include:

- Successive improvement in audit outcomes;
- Progress in clearing the lease backlog and further actions taken to prevent the accumulation of expired leases – facilitated by the 2nd National Treasury Dispensation;
- Advancement in the creation of a reliable and comprehensive Immovable Asset Register;
- The development of a high level maintenance strategy that aims to improve the condition of our portfolio and meet the requirements of the User Departments, whilst contributing towards socio-economic priorities, particularly empowerment and job creation; and
- The establishment of strategic project delivery units within the PMTE e.g. Small Harbours and Small Town Development.

The PMTE remains committed to deliver Programmes that contribute to Government's developmental agenda for the country's economic growth and infrastructure development. Over the past three years, the PMTE has been working diligently to honour the frameworks set by the National Development Plan and my Five Year Policy Statement and to achieve the goals and strategic objectives of our Seven Year Business Improvement Plan.

The APP of the PMTE reflects the conscientious work towards, amongst other critical tasks: improving our property business; finalising a compliant Immovable Asset Register [allowing State immovable assets to be more accurately reflected in the National balance sheet]; clarifying the BBEE strategy and its application to leasing-in, leasing-out, Real Estate Management, Construction and Facilities Management and planned maintenance; developing a holistic approach to water saving and upgrading our Water Treatment Programme; greening of Government buildings to conserve energy; and carrying through a major strategic shift towards the development of precincts in rural towns and the development of small harbours.

As part of optimising the State Portfolio, the PMTE is making a concerted effort to address the challenges of State infrastructure. In this regard, the Presidential Infrastructure Coordinating Commission (PICC) has called on the PMTE, amongst others, to address maintenance backlogs, in particular water and sanitation, as well as maintenance in hospitals and clinics, and to facilitate the converting of unused DPW buildings for student accommodation.

The PMTE continues to prioritise our accessibility programme which seeks to ensure that, progressively, all State-owned buildings under our custodianship, are made fully accessible for people with disabilities. A total of 46 buildings have been upgraded with disabled facilities over the past three (3) years. This will continue to be delivered during the implementation of the Maintenance and Refurbishment Programmes as well as a dedicated set-aside programme with a further 300 buildings targeted for the medium-term.

With the current global constraints of low economic growth and unemployment, we recognise that every cost-effective and informed transaction can mitigate resource challenges. In this regard, the PMTE has a role to play in reducing Government spending on accommodation - more specifically reducing leasing-in and maximizing the use of Government-owned accommodation. The PMTE has given due consideration to the implications of the 2016 Budget Vote Speech in regard to cost containment, cutting waste and combatting fraud and corruption. The APP for 2016/17 also factors in the specific injunctions to review all leases and to develop new partnerships with the private sector to drive economic development and job creation. .

Revised spending plans, across, the PMTE are aimed at greater efficiency, reducing waste, and improving the composition of spending. The PMTE currently spends around R4 billion per annum on leased-in properties consisting of a portfolio of approximately 2800 private leases. Recent investigations concluded that the PMTE is paying an average of 45% above market rates for more than half of these properties. The PMTE has implemented changes to expiring leases that included aligning escalation rates to Consumer Price Index (CPI) and reducing the rentals to market-related rental amounts. To date, the PMTE has managed to save approximately R33 million, per annum, through these changes on renewals. This review will continue over the medium-term on all expiring leases taking into consideration the increase in vacancy rates for privately leased accommodation.

The private sector remains the biggest driver of job creation, but there is also a role for Government in supporting employment creation as well as providing short-term work opportunities through public and community works projects. The PMTE will introduce initiatives in the field of employment and training, including reinforcing social nets and scaling up the resources aimed at helping jobseekers to find work. In the coming years, a new

partnership between the PMTE and private sector will be necessary to develop better quality jobs with possibilities for progression and greater accessibility for all.

Further, as part of his State of the Nation Address (SONA: 11 February 2016), the President highlighted the urgent need for concerted efforts to cut wastage and cut costs. In this regard he urged Parliament to consider the high costs associated with “maintaining two capitals” and the possible relocation of the legislature to Pretoria. Pending the outcome, the PMTE will have a significant role to play with regards to researching the feasibility, socio-economic impact, cost effectiveness, and actual implementation of this project.

In addition to the above, the PMTE has been geared up to support all current and future initiatives emanating from the SONA and the 9 Point Plan. Through the various programmes, a number of significant milestones have been achieved during 2015 which provide a sound basis for the targets set in the 2016/17 APP.

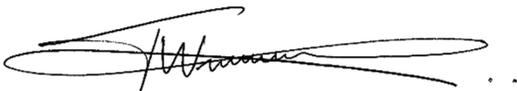
- The PMTE has achieved significant **energy savings** by incorporating Energy Efficient Technologies in 7043 Government buildings. During the 2016/17 financial year, the aim is to continue with these interventions that will contribute towards Energy Efficiency Programmes and educating occupants through awareness campaigns.
- We have seen considerable **water savings** of over 40 million kilolitres in the past seven years. From a water treatment and waste water treatment perspective, it gives me pleasure to announce that we are improving and refurbishing plants, whilst we continue to recruit and train water professionals to manage water and sanitation infrastructure.
- In contributing towards **Growing the Oceans Economy** the PMTE is focussing on the development and improvement of small proclaimed harbours to promote economic development and job creation. In the past year, a number of initiatives were undertaken, like the development of the Spatial and Economic Development Framework (SEDFs) for the 12 proclaimed Fishing Harbours in the Western Cape. Critical capital and maintenance projects have been identified within the proclaimed harbours that are expected to contribute significantly to economic development and job creation in the 2016/17 financial year.
- The PMTE has embraced the State procurement directive and has set aside 30% of appropriate categories to engage **SMME's, Cooperatives as well as township and rural enterprises**. The PMTE, through its involvement in the built-environment, has Programmes aimed at achieving this and more contracts are being awarded to SMME contractors. In the past financial year, the value of these contracts to SMME's amounted to R478m. Partnerships with municipalities have been fostered to build the capacity, business, entrepreneurial and technical skills of emerging SMMEs in the construction industry. The PMTE is further planning a minimum of five Government precincts per annum. This will comprise of purpose built service centres across provinces to ensure that government services are made accessible, especially in rural areas.
- The PMTE has also embarked on a number of land swapping initiatives with selected municipalities to ensure fit for purpose development.

These results show that the PMTE is making headway while moving towards our vision of convenient and dignified access to public services and Government buildings.

The fight against fraud and corruption features as a key priority in the PMTE's agenda, going forward. The Fraud Prevention Strategy outlines a high level plan on how the Fraud Prevention Programme will be implemented for the PMTE. The Department is currently putting measures in place to ensure effective management of fraud risks in order to reduce the prevalence of opportunities for the occurrence of fraud and corruption.

As we continue our transition towards an effective public sector property management entity, effective communication is essential to ensure that employees, that are essential to achieving these objectives, are not left behind. A formal Change Management process is being implemented and a cross-functional Change Management Committee has been appointed to ensure that best practice approaches in transforming the organisation are applied. Through creating awareness and an understanding of the vision of the PMTE, we seek to encourage buy-in and commitment to the process to ensure sustainable results.

With the progress made thus far and the goals and objectives set for the new reporting period, I am confident that we are on the right path of achieving what we set out to achieve, as we continue to improve service delivery, guided by Government's priorities.



Mr. T W Nxesi, MP
Minister of Public Works



DIRECTOR-GENERAL'S FOREWORD

I have the honour of submitting the Annual Performance Plan (APP) for the Property Management Trading Entity (PMTE), for the period 1 April 2016 to 31 March 2017.

The transition from the Department of Public Works (Department) to the PMTE was achieved as part of the Second Phase (Efficiency Enhancement Phase) of the *Seven (7) Year Business Improvement Programme* (Turnaround Strategy). The PMTE is stabilised and now manages, what was historically, the core business of Department. Key Business Divisions have been migrated to the PMTE and the PMTE now performs the immovable asset management functions on behalf of the Department, including the provision of residential and office accommodation to User Departments as well as the acquisition, maintenance, management and disposal of the immovable assets in the Department's custody.

In preparing this APP, cognisance was taken of the PMTE's first Strategic Plan (2014-2019) as well as the work that was initiated during the 2015-2016 financial year. In addition, a very focussed approach was undertaken to ensure the fulfilment of the mandates set out in the Minister's Policy Statement, the directives enunciated in the President's State of the Nation Address (SONA) and the National Policy imperatives, as set out in the National Development Plan (NDP) and the National Growth Path (NGP).

This APP sets the basis for continuing to spearhead the operations of the PMTE into effectively fulfilling its mandate through its various Programmes, including, the following focus areas which have been identified for the medium term:

- Reducing the cost of doing business and the optimisation of State assets;
- Improving portfolio performance Monitoring and Evaluation for informed investment decisions;
- Improving Needs Assessments by shifting the focus to the users and their requirements;
- Decreasing the number of leased-in properties;
- Increasing the development of functional assets;
- Implementing a Maintenance Strategy; and
- Initiatives to generate additional funding.

In relation to Construction Management the priority remains to:

- Ensure spending of allocated funds;
- Tackling the backlog of projects; and
- Ensure that projects are delivered on time, to the required specifications and within budget.

Essential to the success of this phase, the PMTE has identified numerous initiatives aimed at fast-tracking efficiencies within the PMTE business environment and to contribute towards its SONA and Ministerial obligations as well as its Policy commitments. To assist the successful realisation of these initiatives, the Project Management Office (PMO) has been established to support all Turnaround and Business Improvement Programmes and to “projectise” the outputs through the institutionalisation, implementation and implantation of the Infrastructure Delivery Management System (IDMS) across the business value chain of the Department and the PMTE. In addition, Efficiency Enhancement Interventions, to address specific components of its delivery, have been formulated. These include, *inter alia*, Improving Water Management services at State-owned facilities, small town precinct development, addressing property rates and municipal services arrears and energy and water efficiency monitoring and verification.

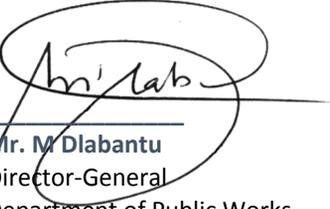
On improving demand management and user-requirements, the PMTE will assist 42 National User Departments and entities in the compilation of their User Asset Management Plans (U-AMPs) for 2016-2017 and undertake bi-annual U-AMP training sessions for User Departments. Conducting options analysis studies to consider the accommodation needs, costs, location and procurement methods for User Departments, will form part of this process.

The PMTE does not, however, have fully fledged systems that are designed to support the monitoring, recording and reporting of performance information. The PMTE will be building on its existing systems in order to ensure reliable, legally verifiable sources of evidence of performance with authentic audit trails. The system will create and maintain authoritative and reliable records in an accessible, intelligible and usable form for as long as it is required to support the business and accountability requirements of the PMTE.

Building on the achievements of the Clean Audit Project of the Stabilisation Phase, the transformation of the Finance and Supply Chain Management (SCM) functions will continue, with the focus on the improvement of operational requirements to achieve a level of independence from external support and maintaining improved audit results. The momentum, this year will be sustained by ensuring that there is 100% compliance in the settling of invoices within 30 days, a 30% reduction of non-compliance from established SCM processes, 60% of the bids being awarded within 56 days of the advertisement of tenders and 100% of all quotations being awarded within 14 days.

The Corporate Services component of the Department will remain a shared service and the PMTE will continue benefiting from its process to rebuild the Department and amplifying its capacity, as set out in the Change Management Strategy (CMS). This will be implemented to improve the organisational culture and promote transparency, honesty and integrity during the change management process.

I am confident that the Work Plans articulated in this Annual Performance Plan 2016-2017 for the PMTE are sound and provide the basis for achieving the PMTE's mandates, within its available resources.



Mr. M Dlabantu
Director-General
Department of Public Works

PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2016/2017

OFFICIAL SIGN-OFF

It is hereby certified that:

This Annual Performance Plan was developed by the management of the Property Management Trading Entity under the guidance of Minister TW Nxesi, prepared in line with the 2015-2020 Revised Strategic Plan of the Property Management Trading Entity and accurately reflects the performance targets which the Entity will endeavour to achieve, given the resources made available in the budget for 2016/17.



Mr. P Serote

Head: Property Management Trading Entity



PROPERTY MANAGEMENT TRADING ENTITY

OFFICIAL SIGN-OFF



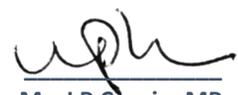
Mr. I Fazel
Governance, Risk and Compliance



Mr. C Mokgoro
Head of Finance
Property Management Trading Entity

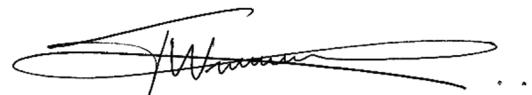


Mr. M Dlabantu
Director-General
Department of Public Works



Mr. J P Cronin, MP
Deputy Minister of Public Works

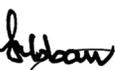
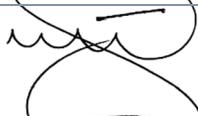
Approved by:



Mr. T W Nxesi, MP
Minister of Public Works

PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
 2016/2017

MANCO SIGN-OFF

MANCO MEMBERS	
	Mr. MS Thobakgale Project Management Office
	Ms A Chowan Supply Chain Management
	Mr. P Chiapasco (acting) Real Estate Investment Management
	Ms. S Subban Planning and Precinct Development
	Mr. B Kgasoane (acting) User Demand Management
	Mr. N Vilakazi (acting) Construction Project Management
	Ms. L Bici Special Intervention Projects
	Mr. M Govender Real Estate Management
	Ms. S Matthews Real Estate Information and Registry Services
	Mr. J Maroga Facilities Management

ACRONYMS AND GLOSSARY OF TERMS

ACRONYM	FULL DESCRIPTION
AIM	Asset Investment Management
AG	Accountant General
BBBEE	Broad Based Black Economic Empowerment
BCOCC	Border Control Operations Coordination Committee
C-AMP	Custodian Asset Management Plan
CBE	Council for Built Environment
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CIO	Chief Investment Officer
CIDB	Construction Industry Development Board
CCM	Client Centric Management
COGTA	Cooperative Governance and Traditional Affairs
CPAP	Contract Price Adjustment Provision
CPI	Consumer Price Index
CPO	Chief Procurement Officer
DAFF	Department of Agriculture, Forestry and Fisheries
DCIO	Deputy Chief Investment Officer
DG	Director General
DMS	Document Management System
DPSA	Department of Public Service Administration
DPW	Department of Public Works
DRDLR	Department of Rural Development and Land Reform
ECSA	Engineering Council of South Africa
EDMS	Employee Development and Management System
EMP	Energy Management Plans
ENE	Estimates of National Expenditure
EPWP	Expanded Public Works Programme
EXCO	Executive Management Committee
FDC	Fisheries Development Corporation
FTE	Full Time Equivalent
FM	Facilities Management

ACRONYM	FULL DESCRIPTION
FY	Financial Year
GBCSA	Green Building Council of South Africa
GC	Government Component
GEAR	Growth Employment and Redistribution
GDP	Gross Domestic Products
GIAMA	Government Immovable Asset Management Plan
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
HOD	Head of Department
HOSS	Head of Support Services
HR	Human Resources
IAR	Immovable Asset Register
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
IDT	Independent Development Trust
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plans
IKS	Indigenous Knowledge System
IT	Information Technology
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
KAM	Key Account Management
LAB	Land Affairs Board
LOGIS	Logistical Information System
MOU	Memorandum of Understanding
MTBPS	Mid Term Budget Policy Statement
MTEF	Mid Term Expenditure Framework
MTSF	Mid Term Strategic Framework
MIS	Management Information System
NDP	National Development Plan
NDPW	National Department of Public Works
NGP	New Growth Path
NT	National Treasury

ACRONYM	FULL DESCRIPTION
PFI	Project Finance Initiative
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PMIS	Property Management Information System
PMO	Project Management Office
PMTE	Property Management Trading Entity
PSA	Public Service Act
PSR	Public Service Regulations
PPI	Producer Price Index
PPP	Public Private Partnership
REIRS	Real Estate Information and Registry Services
SA	South Africa
SACNASP	South Africa Council for Natural Scientific Professions
SDF	Spatial Development Framework
SDIF	Service Delivery Improvement Framework
SDIP	Service Delivery Improvement Plan
SEDF	Spatial and Economic Development Framework
SPA	State Property Agency
SPMC	State Property Management Corporation
SCM	Supply Chain Management
SIP	Strategic Integrated Projects
SLA	Service Level Agreement
SP	Strategic Plan
SOE	State Owned Entity
SONA	State of the Nation Address
State assets	Assets under the Custodianship of the Minister of Public Works
SPMA	State Property Management Agency
TAU	Technical Assistance Unit
U-AMP	User Asset Management Plan
VPN	Virtual Private Network
WBS	Web Based Reporting Systems
WCS	Works Control System
WMU	Water Management Unit
WSP	Workplace Skills Plan



PROPERTY MANAGEMENT TRADING ENTITY
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PART A: STRATEGIC OVERVIEW

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL PERFORMANCE PLAN

2016/2017

1. VISION

Convenient access to dignified public services.

2. MISSION

Effective management of the State's immovable assets to contribute towards economic and social development and transformation of the built environment.

3. VALUES

We align our values with the Constitution, as underpinned by the following culture drivers:

- **Innovation:** by tirelessly seeking opportunities for service delivery improvement by thinking freely and not bound by old, non-functional, or limiting structures, rules and practices.
- **Integrity:** by consistently honouring our commitments, upholding ethical, honest behaviour through transparent communication.
- **Motivation:** by having an attitude that brings out our best efforts and actions toward the realisation of organisational goals.
- **Professionalism:** by treating our clients with respect and reliably delivering against expectations.
- **Accountability:** by discharging our duties in a responsible manner in compliance with the relevant laws.
- **Results-orientated:** by knowing what results are important and focusing resources to achieve them.
- **Teamwork:** by respecting diversity while sharing a common purpose and working together in cooperation with each other.

4. LEGISLATIVE MANDATE

By virtue of the devolution of the roles and responsibilities from the Department of Public Works (Department) to the Property Management Trading Entity (PMTE), the PMTE's mandate is, as a consequence, shaped by the legislative and other mandates which direct the Department's functions. In this regard, the following legislative and other mandates must be noted.

4.1 CONSTITUTIONAL MANDATES

As the entity established to take control and improve the real estate management services on behalf the Department, the PMTE is bound by the Constitutional mandate of the Department, as provided in Schedule 4, Part A, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [Constitution], i.e.: Functional Areas of Concurrent National and Provincial Legislative Competence. In executing this Constitutional mandate, both the Department and the PMTE need to observe the principles of good cooperative governance and intergovernmental relations as provided for in Section 41 of the Constitution.

4.2 LEGISLATIVE MANDATES

The applicable legislative mandates for the PMTE are set out, *inter alia*, in the following pieces of legislation:

- i. Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007) [GIAMA];
- ii. The Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) [CIDBA];
- iii. Council for the Built Environment Act, 2000 (Act No. 43 of 2000) [CBEA];
- iv. Professional Council Acts that regulate the six Built Environment Professions (BEPs);
- v. Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA]; and
- vi. Other Acts listed in Annexure A.

4.3 POLICY MANDATES

The PMTE's Policy mandates derive largely from the Department's directives, as they pertain to the following:

4.3.1 DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)]

The White Paper (1997) documented the challenges faced by the Department and continues to serve as an overarching Policy Framework for the Department's restructuring process. This has led to directing the Department to meet Government's socio-economic objectives by becoming a client-orientated organisation which will focus on Policy and Service Reform; Property Investment, Property and Facilities Management and the implementation of the National Public Works Programmes.

4.3.2 DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1999)]

The White Paper (1999), sets out Government's Policy Objectives for the Construction Industry and focuses on the need to enhance delivery, achieve greater stability, improve industry performance, create value for money and facilitates growth of the emerging Construction Sector.

4.3.3 Construction Sector Transformation Charter, 2006 (Charter 2006):

The Charter 2006, *inter alia*, aims to:

- provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment (BBBEE) targets and thereby contributing to ending the malpractice of fronting;
- expand the employment potential and absorption capacity of the sector by using labour-intensive approaches, where economically feasible and possible; and
- address skills development in a manner that accelerates the advancement of black people, women and designated groups with particular emphasis on learnerships, as well as technical and management training.

4.3.4 Property Sector Transformation Charter, 2007 (Charter 2007)

The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) [BBBEE Act] as these relate to the Property Sector and, in particular but without limitation, *inter alia*, to:

- promote economic transformation in the Property Sector to enable meaningful participation of black people and women;
- unlock obstacles to property ownership and participation in the property market by black people;
- promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and
- facilitate the accessibility of finance for property ownership and property development.

4.3.5 DPW Broad-based Black Economic Empowerment Strategy, 2006 (DPW BBBEES 2006)

This strategy guides the Department to give effect to the BBBEE Act by addressing enterprise development, preferential procurement, skills development and employment equity.

4.3.6 Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007):

The objective of the PMS BBBEE 2007 is to:

- address skewed property and equity ownership in the property industry in the country; and
- promote black participation in the property industry through management, control and procurement.

4.3.7 Green Building Framework, 2001.

This Framework outlines the Department's commitments to address key elements in the NGP and the Industrial Policy Action Plan by promoting, *inter alia*, sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.

4.4 RELEVANT COURT RULINGS

While there were no Court Rulings, which were relevant to the PMTE, in the past financial year, the Court Rulings reflected in the Strategic Plan 2015-2020 remain relevant and include the following:

4.4.1 Case Number: 576 / 2011 (Eastern Cape High Court, Mthatha)

Applicant: Azcon Projects CC

Respondent: The Minister of Public Works and three others

Mini Summary: The Applicant obtained an order to review and set aside the awarding of tender MTHPCOL and ordering the Respondent to reconsider the tender. The Respondent had disqualified the bidder on the basis of an outstanding tax clearance certificate. The court order had an adverse impact on service delivery as the project, which involved the renovation of the Mthatha Central Police Station, was put on hold pending the conclusion of the litigation process, which effectively lasted for a year.

Judgement: The judgement for the case reinforces the fact that the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act 29 of 1999, should be strictly followed in the procurement process.

4.4.2 Case Number: 2845/12 (Magistrate's Court, Newcastle)

Applicant: Anton van Kaampen

Respondent: The Minister of Public Works

Mini Summary: The Applicant obtained an eviction order against the Respondent in respect of a building occupied by the SAPS. The lease for the relevant premises had expired and the Respondent owed rentals on the property. Consequently, the Respondent was locked out of the premises which resulted in having to work from its official vehicles.

Judgement: The implication of the judgment is that the backlog in the leasing portfolio is impeding service delivery of user departments

5. SITUATIONAL ANALYSIS

5.1 EXTERNAL ENVIRONMENT

As part of the situational analysis process, the PMTE has identified a set of external factors within the environment that have an impact on its operations. These external influences include, amongst others, the political environment, the country's slow economic growth, various infrastructure gaps, the energy challenge, weak domestic demand and anaemic investment rates acting as a drag on growth.

5.1.1 The Political Environment

Political stability remains a key contributor to investor confidence. Central to this are: effective governance structures that are corruption-free, managing public spending within the national budget, keeping borrowing within agreed limits, sound supply-chain management processes, an appropriate framework of macro-economic, social and labour market policies, a skilled workforce and strategies and interventions which promote socio-economic development. These fundamentals are essentially in place in South Africa, but in a global situation where commodity prices are low and growth levels are falling, South Africa, along with most other emergent economies, will be affected negatively. In response, the South African Government intends to keep a focus on these fundamentals and to reassure investors, trading partners and lenders that South Africa remains, and will continue to be, an attractive place for doing business.

At the Policy level the National Development Plan – or Vision 2030 (NDP) has identified infrastructure investment as a priority for South Africa moving forward and provides an effective mechanism to support socio-economic transformation and to build a new level of economic resilience in an increasingly challenging global environment. In response to key policy imperatives enunciated in the NDP, the PMTE will focus on maintaining the value of Government's immovable assets, the development of small and not yet proclaimed harbours, developing Government precincts in small towns and rural areas, improving access to and the quality of Government's immovable assets and reclaiming all misappropriated State land.

In the context of the PMTE, the political environment will have implications, largely on job creation, addressing inequality and poverty and driving the transformation agenda of Government. Examples include transforming the property and construction industries by promoting BBBEE and the development of Co-operatives in the built environment. A strategic example of addressing growth and development is growing the Ocean Economy as part of the Operation Phakisa initiative. The PMTE will contribute to Operation Phakisa through the development and encouragement of economic activity within small harbours, as will be discussed under 5.2.1. These initiatives are set to drive economic growth and create jobs, while increasing local economic development and contributing substantially to enhancing social infrastructure.

5.1.2 The Economic Environment

Global Economic growth for 2015 was estimated at 3.1%. The United States economy depicted a resilient recovery, whilst the Euro zone cautiously negotiated their moderate recovery with rates slowing down in the third quarter of 2015. Global growth is projected at 3.4 % for 2016 and 3.6 % for 2017.¹ A modest recovery is expected to continue for advanced economies. The economic outlook for emerging and developing economies is varied but, in many cases, challenging. The slowdown and rebalancing of the Chinese economy, lower energy prices (e.g. oil), the gradual exit from accommodative monetary policies in the United States and strains in some large emerging market economies will continue to weigh on growth prospects in 2016-17.

Most countries in sub-Saharan Africa are expected to see a gradual pickup in growth rates, which are lower than those seen over the past decade. This mainly reflects the continued adjustments to lower commodity prices, heightened financial market volatility and higher borrowing costs, which weigh heavily on some of the region's largest economies, as well as a number of commodity exporters.

South Africa's Gross Domestic Product (GDP) growth was 1.3 % in 2015², which was lower than the projected rate of 2.1% at the beginning of the year. Energy supply constraints remain a major contributor to the low economic growth figures. Being an oil intensive country, the South African economy was expected to benefit from the decline in oil prices. However, the depreciation of the Rand relative to the dollar, offset these benefits.

South Africa's GDP growth for 2016 is projected to be around 0.9%³. This follows primarily from the continued low business confidence and, consequently, private sector fixed investment, recent shocks in the economy, the deteriorating Rand and (deficit and debt) constrained Government expenditure levels.

Government remains in a constrained budget, as Government debt and the budget deficit continue to increase. Government debt was recorded at around R1.74 Trillion by the third quarter of 2015, an 11% increase year-on-year. Furthermore, Government's gross loan debt was 49% of GDP by the third quarter of 2015. At the same time budget deficit averaged 5.4% of real GDP which is higher than the target of 3.9% set in the 2015 budget. Given the low tax base and the need for further fiscal stimulus, an increase in the debt level should be expected.⁴

¹ IMF economic outlook, January 2016

² 2016 Budget Speech

³ 2016 Budget Speech

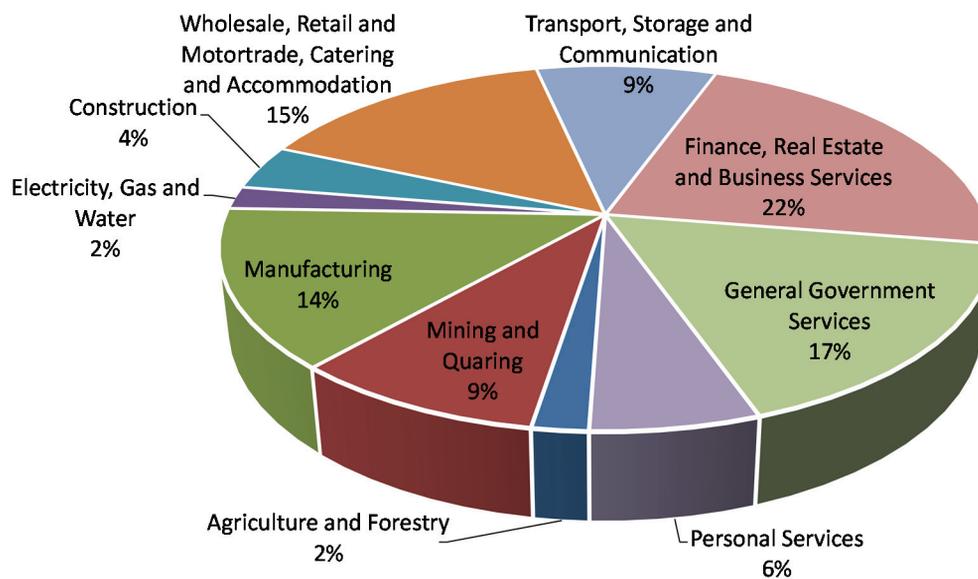
⁴ Reserve bank Quarterly Bulletin (2015:Q3), Statistical tables -Public Finance

The year-on-year Consumer Price Index (CPI) in January 2016 was 6.2%, from a previous figure of 5.2% in December 2015. In view of the numerous risks to inflation and the rand depreciation, the repo rate was increased by 50 basis points in January 2016, following a 25 basis points increase in November 2015. Higher interest rates will suppress fixed private investment, as a result of high borrowing costs. This will have a negative impact in the construction and property development sectors.⁵

5.1.2.1 The Property Sector

The real estate and accommodation markets contribute to two of the major contributing sectors of the South African GDP, which are The Finance, Real Estate and the Business Services sector; as well as the Wholesale, Retail and Motor Trade, Catering and Accommodation sectors, as indicated in the figure below. South African listed properties did moderately well when compared to other assets in the country as, at end of the third quarter 2015. During the same period, South Africa saw modest growth in office rentals, with National rates estimated to have grown by 1.7%, in real terms. However, the experiences varied across regions. Year-on-year rentals in Johannesburg and Cape Town rose by 6.3% and 6.9% (real rates) respectively, where Durban and Cape Town decreased by 0,7% and 9,3% respectively.⁶

Figure 1: GDP distribution by sector



Data Source: Statistics South Africa

⁵ Statistics South Africa P0141 – Consumer Price Index (CPI) January 2016

⁶ Rode 2015

Owing to slowing economic activity, office vacancy rates have increased over the past few years, in general. Decreases were seen in some regions, particularly in the third quarter of 2015 but nationwide, vacancy rates are still high, reaching double-digits in the majority of regions. The table below sheds light on the property vacancy rates, in major regions nationwide. The low levels of economic activity since the third quarter of 2015 is expected to weigh down demand for space and thus increase vacancy rates.⁷

Table 1: Office Vacancy Rate

SAPOA OFFICE VACANCY FACTORS (%)					
	September 2014	December 2014	March 2015	June 2015	September 2015
CBD Johannesburg	13,5	13,3	14,8	16,1	16,8
CBD Pretoria	9,0	13,6	13,6	17,2	9,9
Sandton	15,0	12,0	12,28	11,67	10,1
CBD Cape Town	11,7	12,0	12,0	10,3	10,6
CBD Durban	14,0	14,0	32,8	14,2	12,6
NATIONAL CBD'S	14,6	14,8	15,3	15,0	14,6

Source: South African Property Owners Association (SAPOA) data

Although escalation rates have been fixed for leases that fell within the National Treasury, the increase in vacancy rates might have an impact on the PMTE's expiring and new leases.^{8 9}

⁷ Rode 2015

⁸ Rode 2015

⁹ Statistics South Africa 2015

5.1.2.2 The Construction Sector

The construction sector is a key component of the secondary sector of the South African economy and contributed 3.5% to the GDP for 2015, as at end of the third quarter. This amounted to R137 billion Gross Value Added (GVA), measured at a seasonally adjusted annualised rate.¹⁰

As at the end of the third quarter of 2015, total gross fixed capital formation in the economy amounted to an estimated R542 billion at current prices. Of this amount, 8% was invested in the construction of residential buildings, 9% in non-residential, and 32% in construction works.¹¹

The input costs of building contractors rose by 4.1% in the year to April 2015, more or less in line with overall inflation. The building costs are affected by a number of factors such as building material costs, labour costs, transport costs, equipment costs, land prices, rezoning costs, developer and contractor holding costs and profit margins. The main risks to the inflation outlook arise from regulated prices, particularly where infrastructure costs need to be recovered in respect of electricity, water and transport. The rise in the Producer Price Index (PPI) from 4.3% year-on-year by November 2015 to 4.8% is another index indicative of increases in general input costs.¹²

Electricity production decreased by 1.5% year-on-year in November 2015. Electricity is not a major input in construction, but is essential in the manufacturing sector which supplies the construction sector with inputs. Proposed increases in electricity, of up to 16% will increase building costs, which combined with the aforementioned reduction in capital formation and investor confidence, will weigh down on the construction industry. In addition to this, recent interest rate hikes will increase borrowing costs, which is expected to lower fixed investment. [Statistics South Africa: 2015]

The increase in debt and deficit, and Rand depreciation are not only detrimental to Government priorities of job creation, reduction of income and inequality, but has an immense effect on the PMTE's ability to adequately contribute towards infrastructure development and the provision of appropriate accommodation.

¹⁰ Reserve bank Quarterly Bulletin (2015:Q3), Statistical tables -Public Finance

¹¹ Statistics South Africa 2015

¹² Statistics South Africa 2015

5.1.3 The Social Environment - Unemployment

Unemployment continues to be at a very high level and this impacts on the country's social environment as well as on the direct and indirect social costs to the economy. In addressing this unemployment challenge, Government has formulated various Programmes to deal with this issue and some of these include, the Extended Public Works Programme (EPWP), the New Growth Path (NGP), and providing financial support to qualifying companies in various sectors.

Table 2: Key labour market indicators

	Jul-Sep 2014	Apr-Jun 2015	Jul-Sep 2015	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand				Per cent		
Population aged 15-64 years	35 489	35 955	36 114	159	625	0,4	1,8
Labour force	20 268	20 887	21 246	359	979	1,7	4,8
Employed	15 117	15 657	15 828	171	712	1,1	4,7
Formal sector (non-agricultural)	10 843	10 835	10 930	95	87	0,9	0,8
Informal sector (non-agricultural)	2 407	2 661	2 721	60	314	2,3	13,0
Agriculture	686	869	897	28	211	3,2	30,8
Private Households	1 180	1 292	1 280	-11	100	-0,9	8,5
Unemployed	5 151	5 230	5 418	188	267	3,6	5,2
Not economically active	15 221	15 068	14 867	-200	-354	-1,3	-2,3
Discouraged work-seekers	2514	2 434	2 226	-208	-287	-8,5	-11,4
Other (not economically active)	12 707	12 633	12 641	7	-67	0,1	-0,5
Rates (%)							
Unemployment rate	25,4	25,0	25,5	0,5	0,1		
Employments/population ratio (absorption rate)	42,6	43,5	43,8	0,3	1,2		
Labour force participation rate	57,1	58,1	58,8	0,7	1,7		

Due to rounding, numbers do not necessarily add up to totals

Note: Quarter 2: 2015 estimates (column April-June 2015) and Quarter 3: 2015 estimates (column Jul-Sep 2015) are from the 2013 Master Sample

Between Quarter 3 of 2014 and the Quarter 3 of 2015 the unemployment rate grew from 25,4% to 25,5%. Formal employment in the construction sector has been stable over the past ten years, whilst informal employment has been rising. In the Quarterly Labour Force Survey of 2015 (QLFS, Quarter 3, 2015), Statistics South Africa recorded a rise in construction employment of 180 000 jobs between the third quarter of 2014 and that of 2015, with only 59 000 of these being in the formal sector.

Table 3: Annual change in the working-age population by labour market status, 2008-2015

	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
Youth aged 15-34 years								
Working-age population	195	204	216	229	230	221	202	1 497
Labour force	107	484	-82	223	25	219	495	289
Employed	164	307	-85	170	-24	150	239	-221
Unemployed	58	21	5	53	48	69	256	510
Not economically active	303	688	298	6	205	2	-293	1 209
Rates (Percentage points)								
Unemployed rate	1,0	2,0	0,4	-0,3	0,4	-0,1	0,8	
Employed / population ratio (Absorption)	-1,3	-3,1	-0,8	0,5	-0,5	0,5	0,9	
Labour force participation rate	-1,1	-3,2	-1,0	0,6	-0,4	0,5	2,1	
Adult aged 35-64 years								
Working-age population	395	394	386	381	383	397	420	2 756
Labour force	281	-88	172	330	342	483	377	1 897
Employed	343	-312	192	210	298	346	166	1 243
Unemployed	-62	224	-19	118	45	136	212	654
Not economically active	114	482	213	52	41	-85	42	859
Rates (Percentage points)								
Unemployed rate	-1,0	2,5	-0,5	0,7	-0,1	0,6	1,4	
Employed / population ratio (Absorption)	0,8	-3,9	-0,2	0,0	0,5	0,8	-0,5	
Labour force participation rate	0,0	-2,5	-0,6	0,5	0,6	1,4	0,5	
All ages 15-64 years								
Working-age population	590	598	602	610	613	618	622	4 253
Labour force	174	-572	90	553	367	702	872	2 186
Employed	179	-819	107	380	274	496	405	1 022
unemployed	-4	245	-14	171	93	205	468	1 164
Not economically active	417	11170	511	58	246	-83	-251	2 068
Rates (Percentage points)								
Unemployed rate	-0,2	2,0	-0,2	0,2	0,0	0,1	1,2	
Employed / population ratio (Absorption)	-0,3	-3,3	-0,4	0,4	0,0	0,7	0,4	
Labour force participation rate	-0,6	-2,8	-0,7	0,6	0,1	1,0	1,4	

Table 3 above, which highlights the change in the working age population by labour market status, indicates that there has been an increase in employment within the period 2008-2015 for the youth. However, the increase in employment by 1,0 million was solely on account of job gains among adults (up by 1,2 million) while among youth job losses of 221 000 occurred. Therefore, youth employment is on a downward swing.

A contributing factor to unemployment amongst the youth, is the oversupply of new graduates in the market. In his speech, at the launch of Decade of Artisan Programme, the Deputy Minister of Higher Education and Training, Mr Mduduzi Manana mentioned that “In areas of work such as the artisan trades, apprenticeships have traditionally been the pathway to qualifications; however, the apprenticeship system has been allowed to deteriorate, since the mid-1980s, resulting in a shortage of mid-level skills in the engineering and construction fields. Re-establishing a good artisan training system is an urgent priority; the current target is for the country to produce 30 000 artisans a year by 2030.”

With this turn of events within the employment market, the PMTE will continue focusing on projects which bolster growth and employment, especially those which add to alleviating unemployment within the youth age gap (ages 15-34 years). Focus will remain on creating work opportunities through the use of labour intensive delivery methods in the construction, maintenance and management of State-owned facilities. Added to this, the PMTE will forge ahead with projects such as the development of harbours and the refurbishment of State properties. More opportunities will come to the fore as a result of jobs created and skills developed for artisans through the revitalization of Facilities Management Services Centres (Workshops) and will include the facilitation of involvement of Cooperatives, Small Medium Enterprises (SMME’s) and the involvement of young people in the refurbishment, rehabilitation and maintenance of community infrastructure across the country.

5.1.4 The Green Economy

The United Nations Environment Programme encourages Governments across the globe to support economic transformation to a greener economy. The green economy refers to the following, two interlinked developmental outcomes for the South African economy:

- Growing economic activity in the green industry sector; and
- A shift in the economy, as a whole, towards cleaner industries and sectors with a low environmental impact compared to its socio-economic impact.

A Green Economy contributes to energy efficiency and results in a reduction in energy demand and lowered investment in power supply. A 2% of GDP investment in the green economy, which is distributed equally among all the sectors, including energy efficiency, results in a reduction of energy demand.

South Africa’s transition to a green economy is on the right track with Government Departments developing effective implementation plans to create green jobs and promote sustainable and inclusive growth.

In this regard, South Africa is targeting a reduction of emissions by 34% by 2020 and by 42% in 2025 through the implementation of National mitigation actions. While South Africa's effort to achieve these targets is not contingent on international support, as a developing country, its ability to do so while meeting its urgent development priorities in job creation and poverty alleviation will, to some extent, depend on the existence of global agreements on the flow of financial and technical support from developed countries that have already industrialised.¹³

Some of the key sectors that are expected to drive South Africa's Green Economy that directly affect the PMTE are the following:

- I. Green Buildings;
- II. Energy supply including grid-connected solar, thermal and large wind powered projects, energy efficiency including demand side management;
- III. Water, waste management; and
- IV. Consultancy, policy, research and governance management and consultancy, policy, research and governance.

Energy efficiency reductions in the construction and operation of buildings, offers one of the single most significant opportunities to reduce the impact on climate change. According to the Green Building South Africa (GBCSA), buildings consume 40% of the world's end-use energy, generate 40% of its solid waste and consume 12% of fresh water through construction and operation. In South Africa, the operation of the building sector accounts for approximately 23% of greenhouse gas emissions.¹⁴

The substantial negative environmental impacts of buildings have led to the emerging concept of "green buildings" which are designed to be energy and water efficient, use non-hazardous materials and provide healthy productive environments. Green buildings can reduce their consumption of energy to less than half of what a conventional building does, with similar reductions in potable water usage, runoff to sewer and solid waste.

In the case of green buildings, Government has to lead by example. As the largest owner and operator of property in South Africa, the PMTE's participation in accelerating sustainability in the built environment, will encourage other players in the construction sector to follow the same approach. The demand for green buildings is on the increase as they provide healthier and more productive indoor environments and reduce the consumption of energy and other resources, which is becoming more and more crucial.

¹³ www.enviropeadia.com

¹⁴ www.enviropeadia.com

5.1.4.1 *Energy Challenge*

South Africa's economy is highly energy-intensive, requiring twice the energy input per unit of gross domestic product (GDP) as compared to the international average. The International Energy Agency (IEA) states that South Africans collectively have relatively higher per capita energy intensity, despite about a quarter of the population lacking access to modern energy services.¹⁵

The energy challenge has huge implications for business and the South African economy and is constraining growth, materially. Manufacturing activity has recently plunged to a four-year low mainly due to shortages. The retail sector has seen a rise in operational costs, mainly due to purchasing and the extensive use of alternative energy sources, such as generators. The biggest threat however, is the impact that outage schedules (shedding) has on the survival of small businesses that cannot afford alternative sources.

Expected shifts in the energy prices also have a huge bearing in increasing operating costs for the property industry, including office -based and functional accommodation. High operating costs erode the net return to property owners. This is likely to result in higher costs for leases and operating freehold properties.¹⁶

5.1.4.2 *Water and Waste Management*

Water is the primary medium through which climate change will impact people, ecosystems and the economies internationally. Rainfall is expected to become more variable resulting in more floods, intense droughts and rising sea-levels. Weather forecasters have been predicting El Niño weather patterns, which has led to lower-than-average rainfall for South Africa. The most recent gross domestic product (GDP) figures revealed that the current drought has caused the agricultural sector to contract by more than 17% quarter-on-quarter.¹⁷

¹⁵ www.enviropeadia.com

¹⁶ www.enviropeadia.com

¹⁷ www.enviropeadia.com

The net effect of all the impacts are: reduced availability of water, reduced security of water supply, increased storm intensities which will result in more common floods in some areas. This will impact on water infrastructure assets such as dams and water and wastewater treatment works, with a total resultant effect of reduced water quantities and an impact on the quality of water.

Waste management in South Africa is based on the principles of the White Paper on “Integrated Pollution and Waste Management and the National Waste Management Strategy. South Africa supports the waste hierarchy in its approach to waste management by promoting cleaner production, waste minimisation, reuse, recycling and waste treatment with disposal seen as a last resort in the management of waste.

As the custodian of the largest property portfolio nationally, the PMTE, as the implementation arm of the Department, is not only mandated to put in place initiatives in place to contribute to the country’s remedies of energy and water challenges, but it is also the responsibility of the PMTE to lead by example and pioneer Programmes that can be adopted by the Property and Construction Sector. In addition, the greater impact that the PMTE can have is also creating campaigns that will educate the occupants/tenants of the Government buildings about taking care of the environment and contributing to energy efficiency behaviours through the energy awareness campaigns that will be implemented throughout the year to ensure that behavioural change is realised.

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5.2 DIRECTIVE FROM THE STATE OF THE NATION ADDRESS: THE 9 POINT PLAN AND THE PICC INFRASTRUCTURE PROGRAMME

Emanating from the President's mid-year State of the Nation Address (SONA) in 2015, the 9-Point Plan comprises actions in key strategic areas, at a scale large enough, to ignite economic growth. These areas include, amongst others: resolving the energy challenge; encouraging private sector investment; moderating workplace conflict; unlocking the potential of SMMEs, Co-ops, Township and Rural enterprises; and growing the Ocean Economy and Tourism. Successful implementation of the 9-Point Plan as well as Policies and Programmes aimed at implementing the NDP is crucial in boosting economic growth.

Simultaneously, as led by the Presidential Infrastructure Coordinating Commission (PICC), the Nation-wide long-term, infrastructure investment programme has been implemented that intends transforming the economy, by directing National growth and driving job creation. Emanating from the 2015 Cabinet Lekgotla, the PICC launched the 120 day plan that was aimed at addressing maintenance backlogs, unblocking mega projects and accelerating maintenance across all key infrastructure at local level.

As the custodian of the largest property portfolio in the country, the PMTE has a significant role to play in contributing to Government's economic and social objectives and has incorporated the directives from SONA into its planning. The PMTE has identified numerous interventions during the MTEF to address its SONA obligations and identified Strategic commitments. The PMTE recognises that providing infrastructure to support the economy and communities, is one of the primary ways South Africa will stimulate inclusive and jobs-rich growth. Infrastructure is a critical pillar to strengthen key value chains across the economy and is a key priority of both the NDP and the NGP. In addressing the SONA directives, the PMTE has incorporated the following issues into its Work Plan.

5.2.1 Growing the Ocean Economy

The PMTE has undertaken a number of initiatives that have already resulted in substantial contributions in growing the ocean economy and the development of Small Harbours has been identified as a Project (5.4.9) of the PMTE Efficiency Enhancement Interventions. Following the development of the Spatial and Economic Development Framework (SEDF) for the 12 proclaimed Fishing Harbours in the Western Cape; the PMTE has identified the critical capital and maintenance projects from the SEDF's within the 12 proclaimed fishing harbours to initiate the process of modernisation and operationalisation. This initiative is expected to contribute approximately R118 million to the Gross Domestic Product (GDP) for the 2016/17 financial year.

The PMTE is currently engaged in a process of translating the current SEDF that have been completed for the 12 Proclaimed Fishing Harbours into Implementation Plans. Initial indications are that a minimum investment to the value of R4.5m over the medium and long terms is required to expedite the growth of the Ocean Economy through economic development and, much needed, job creation.

Work, related to the modernisation and operationalisation of the 12 Proclaimed Fishing Harbours has commenced and will continue through the 2016/17 financial year. The initial focus will be on the planning and implementation of projects related to the removal of sunken vessels in Hout Bay, Saldanha Bay, St Helena Bay, Lamberts Bay, Hermanus Harbour, Gans Bay and Laaiplek, as well as the dredging of Gordon's Bay harbour, Lambert Bay Harbour and Struisbaai harbour.

5.2.2 Unlocking the Potential of SMMEs, Co-Operatives, Township and Rural Enterprises

The President announced that Government will set-aside 30% of appropriate categories of State procurement for purchasing from SMMEs, Co-operatives as well as township and rural enterprises. The PMTE aims to continue leveraging the State's property portfolio, and will target and engage Co-operatives, SMMEs and Turnkey Solutions in the provision of Construction, Facilities Management, and Property Management services for unutilised State-owned properties.

5.2.3 Resolving the Energy Challenges

The President highlighted the serious energy constraints which are an impediment to economic growth and a major inconvenience to everyone in the country. As the custodian of the largest property portfolio in the country, the Department was instructed to ensure that all Government-owned buildings are energy efficient.

The PMTE, through the Construction Project Management and Facilities Management Divisions will continue implementing strategies and mechanisms aimed towards energy and water savings on newly constructed buildings, thereby reducing the energy demand on existing properties in line with the Department's Green Building Policy.

The Department has already incorporated Energy Efficient Technologies during 2014/15 – through Smart Metering and Lighting in existing Government Buildings – and is on track of achieving a saving of **220 million** kilowatt hours for the 2015/16 financial year and is targeting **250 million** kilowatt hours for the 2016/17.

The Department has also adopted the National and Provincial Green Building Policy, which is intended to be adapted by other organs of the State. This Policy sets out the principles by which custodians will develop, maintain and operate their portfolio of buildings to reduce the impact on the environment, including energy efficiency and water utilisation. The Green Building Policy also lays the basis for job creation (green jobs), growing the Green Building economic contribution, up-skilling and training of participants, contributing to local manufacturing and the development of improved working and living conditions.

Going forward, a multipronged approach will be implemented towards achieving energy efficiency, combining the already successfully implemented interventions with new initiatives. These include:

- Implementation of Shared Energy Savings Contracts;
- Implementation of Renewable Energy projects;
- Green Building Norms and Standards;
- Energy Management Plans (EMPs); and
- Energy Efficiency Awareness Campaigns.

In this regard, the **Energy and Water Efficiency Project** has been conceptualised, as is discussed in 5.4.7 below.

5.2.4 Water and Sanitation

The importance of saving water has been prioritised and identified as a Project of the PMTE's Efficiency Enhancement Interventions (see para 5.4.3 below) and entails Improving water management services at State-owned facilities. Further, there are a number of initiatives which will be adopted in the 2016/17 financial year to raise awareness to our client departments in a bid to save more water.

In addition, the Department is currently maintaining and refurbishing **13** Water and **26** Wastewater Treatment Plants to improve the condition of the Plants, in-line with the Blue Drop Compliance Requirements and Green Drop Compliance Requirements. Maintenance and the refurbishment of 50 Water and Wastewater Treatment Plants will be undertaken during the 2016/17 financial year. 30 new boreholes will be drilled to augment water supplies in areas where there is shortage of water. It is targeted that water savings of **3,8 Million Kilolitres** will be achieved throughout the buildings on the Department's book for 2016/17.

5.2.5 Contribution to the Reducing Government Spending

Chapter 10 of the Constitution defines that the Public Service must be governed by the democratic values and principles whereby the efficient, economic and effective use of resources must be promoted. The PMTE recognises the role it can play and the contribution it can make in reducing Government spending on accommodation and, more specifically, within the context of leasing-in. The PMTE currently spends around R4bn per annum on leased-in properties - a portfolio of approximately 2800 leases. Recent studies concluded that the Department is paying an average of 45% above market rates for more than half of these properties.

Revised spending plans across the whole of Government are aimed at greater efficiency, reducing waste, and improving the composition of spending. In this regard, the PMTE's role is to manage accommodation expenditure within reasonable bounds to lessen its fiscal burden. An Expenditure and Performance Review was conducted on Government leases with the private sector and, following the findings, changes were implemented to expiring Lease Agreements that included aligning escalation rates to Consumer Price Index (CPI) and reducing the rentals to market-related rental amounts. To date, the PMTE has managed to save approximately R33 million, per annum, through these changes on renewals.

5.2.6 Job Creation

Over the coming year, the PMTE will be initiating a number of Programmes in the Construction, Maintenance and Management of State-owned facilities, which are expected to contribute to the creation of jobs and the development of skills, in particular, the development of artisans.

Water and Sanitation

In the 2016/17 financial year, 180 Water Professionals will be employed including Civil Engineers/Technologists, Senior Process Controllers, Maintenance Managers, Artisans and General Workers. 110 people will be trained for the operation and maintenance of water infrastructure as Electrical, Instrumentation and Mechanical Artisans, for Leak Detection and Repairs and Process Controllers and Graduates towards Professional Registration with the Water Institute of South Africa (WISA), the Engineering Council of South Africa (ECSA) and the South African Council for Natural Scientific Professions (SACNASP). R40 Million will be spent on the above-mentioned initiatives.

Construction

The Construction Sector, in general, employs professionals, technicians, artisans, semi-skilled persons, and general unskilled labour. About 80% of employees in the Sector are employed on term contracts on the basis of the amount of projects a firm is able to secure in the market.

The PMTE Construction Order Book has a potential to provide between 4000 – 6000 contract jobs opportunities for artisans, semi-skilled labour force, and general unskilled labour, per annum. To sustain these opportunities the PMTE will target an average of 500 active construction sites with a mix of major contracts like Prisons, Magistrate Courts, and Police Stations during the 2016/17 financial year. The PMTE will strive to ensure that major capital projects are awarded, as scheduled and completed, as per the Conditions of Contract.

Maintenance Programme

For the 2016/17, the PMTE will develop and implement a Maintenance Programme that will focus on preventative, day to day unscheduled and planned maintenance. This Programme aims at increasing the Portfolio of Properties which meet the requirements of User Departments in line with the mandate of the PMTE and will be designed to create jobs, develop artisans and develop SMME contractors.

5.2.7 Unblocking Mega Projects

The PMTE will focus on improving its ability to effectively roll out mega infrastructure projects through enhanced skills development, improved coordination and the integration of infrastructure plans with other sectors and spheres of Government.

In 2001, a decision by Cabinet tasked the Department and the City of Tshwane to collaboratively develop a National Government Estate in the Capital by 2020. The aim of the Government Estate is to concentrate Government functions in close proximity within the Inner-City for effective functionality and service delivery. Due to the immense socio-economic potential that this mega project holds, in contributing towards skills development and job creation, the project has been prioritised to be fast tracked. Over the medium term, 15 Inner-City projects of 48 have been selected for implementation.

5.2.8 Availing land for Human Settlement Programmes and Rural Precinct Development

The Department, through the PMTE, is required to avail suitable land for the purpose of Rural Development and Human Settlement Programmes. Through the PMTE, the Department, will collaborate with relevant sector departments, rural and other municipalities in support of integrated development and spatial planning.

During the MTEF, the PMTE will undertake integrated planning of infrastructure and urban efficiencies by aligning and consolidating Government services to reduce costs associated with accessing public services, particularly by those who live in remote areas. In addition, the PMTE will release well located land and properties for developmental purposes.

The PMTE has committed to develop a minimum of two purpose-built service centres and office accommodation per province over the MTEF. This includes the renovation and redevelopment of existing structures and unused Thusong centres, as well as availing land to contribute towards rural enterprise development.

The PMTE has further embarked on a number of land swapping initiatives to ensure fit for purpose development that will be mutually beneficial. Municipalities already engaged include Mount Fletcher, Idutywa (Mbashe), and Port St Johns, where land has been made available for the Municipalities' commercial development initiatives (such as malls, waterfront etc.) in exchange for locations that will bring Government services closer to the people and establish centralised service hubs. Areas identified for the 2016/17 includes Zebediela, Botshabelo and Mount Frere where the aim is to incorporate Government service centres such as SASSA, Home Affairs and satellite SAPS offices into shopping centres to centralise services in shopping nodes.

5.3 OPERATIONALISATION OF THE PMTE

The Department launched the Turnaround Strategy in 2012, which identified a range of strategic interventions over the short- to medium-terms. Defined in its associated Business Improvement Plan, are three clear phases, namely, the: *Stabilisation; Efficiency Enhancement; and Sustainability and Growth Phases*, which aim at achieving service delivery improvement in the following key areas:

- Service Delivery Improvement Framework, Methodology, Model and Plan;
- Institutional capacity; and
- Results focussed Organisational Performance.

The operationalisation of the PMTE aligns with the need to ensure the effective management of the State's immovable assets that raises economic productivity, permits economic expansion and allows marginalised households and communities to take advantage of new opportunities. Driven by these expectations, the PMTE is refining its role and strengthening its customer focus through an integrated service delivery model.

5.3.1 PRIORITY AREAS OF OPERATION FOR THE PMTE

The successful operationalisation of the PMTE continues to be one of the Minister of Public Works' critical strategic priorities and his updated Policy Statement provides overall strategic direction and guidance to the PMTE as it moves towards a new, positive trajectory that aims for distinction in service delivery. In setting this out, the Policy Statement lists the following priority areas to steer the operationalisation of the PMTE:

5.3.1.1 *To address the organisational and capacity issues (structure, processes and systems)*

As part of the Turnaround Strategy, the effective management of Government's immovable assets and the improvement of service delivery, resulted in the establishment of the PMTE and saw the adoption of an interdisciplinary approach with greater synergies between the Department's erstwhile traditional property and asset management functions. This alignment, with best practice requirements benchmarked from the Property Management Sector, necessitated a fundamental revision of the Operating Model and associated structures. In April 2014, the Director-General of the Department approved the transfer of functions from the Department to the PMTE and, following thereafter, was the revision and development of the functional organisational structures for the Department and the PMTE.

The Department and PMTE have engaged in robust consultation processes with all the Units within the PMTE, external stakeholders, labour, and the Department of Public Service and Administration (DPSA) whereafter recommendations and inputs were accordingly implemented in the development of the functional structure. The approval of the new PMTE structure and subsequent capacitation is underway. This is essential to enable management to drive the delivery process and the full operationalisation of the PMTE during the MTEF and the process leading up to the establishment of the Government Component.

5.3.1.2 To develop a detailed implementation plan for the transition to a Government Component

As part of the *Efficiency Enhancement Phase* of the Turnaround Strategy, and in line with the Business Case endorsed by Cabinet, the PMTE will develop a detailed Implementation Plan, with relevant activities and timelines leading up to the establishment and the subsequent operationalisation of a Government Component, in a three phased approach. The PMTE is currently in Phase 1 which focusses on fully operationalising the PMTE in line with the 2006 National Treasury approval and to ensure the seamless continuation of the services of the PMTE and adherence to the Turnaround Strategy.

5.3.1.3 Reviewing and re-engineering the property business (across the immovable asset life cycle) with a view to realising long-term efficiencies as well as short- and medium-term deliverables.

The PMTE's key role and objective is to optimise the State's asset portfolio to ensure improved and effective, but **cost-saving service delivery**. In this regard its key focus areas for the MTEF include:

- Reducing the cost of doing business and the optimisation of the State assets;
- Improving Portfolio Performance Evaluation and Monitoring, for informed investment decisions;
- Improving Needs Assessments by shifting the focus to the user and their requirements;
- Decreasing the number of leased-in properties;
- Increasing the development of functional assets;
- Implementing the Maintenance Strategy; and
- Implementing initiatives to generate additional funding.

The revised Service Delivery Model is key to unlocking effectiveness and efficiency in the delivery of core services, and business processes and activities will be re-engineered and aligned towards the PMTE's Strategy and Objectives during the 2016/17 financial year. In this regard, the PMTE's Business Improvement Interventions have been conceptualised to focus on the PMTE's Business Improvement and process re-engineering as is discussed in para 5.4.2 below.

5.3.1.4 Minimise under-spending on capital budgets by improving the effectiveness of Construction Management

The PMTE is faced with challenges in respect of infrastructure backlogs, non-compliance with laws/regulations and the inability to deliver projects within time, budget and quality.

In this regard, the Executive Authority and the Accounting Officer have led the processes to identify backlogs in project planning and delivery and have introduced a Monitoring and Evaluation process to measure the performance of project managers to expedite the delivery of infrastructure projects. As part of the Efficiency Enhancement Phase of the Turnaround Strategy, the PMTE will entrench the Infrastructure Delivery Management System (IDMS) and provide the necessary training, oversight and capacity to strengthen the project management function. The introduction of the PMO (Project Management Office) will make the PMTE more client-focused with the necessary line of sight and delegations to ensure effective coordination and control of projects.

In addition to the above, the PMTE is reviewing a Business Improvement Plan, which, amongst others, will focus on strengthening the professional capacity within the PMTE. To date, expenditure management on infrastructure projects has improved and progress has been made in the clearing of backlogs in project planning and close-out phases. In support of this priority, the PMTE has conceptualised Efficiency Enhancement Interventions (see para 5.4.12 below) that aim at turning the Construction Project Management function around by focussing mainly on building technical and professional capacity to drive enhanced delivery.

5.4 PMTE - EFFICIENCY ENHANCEMENT INTERVENTIONS

As a continuation of the *Efficiency Enhancement Phase* of the Business Improvement Programme that commenced on 01 April 2015, the PMTE has identified numerous projects that are specific to areas within the PMTE where improvement in service delivery is critical to the success of the overall Turnaround of the Department. The implementation of these interventions are thus aimed at: systematic improvements to bring large efficiency gains to the PMTE; supporting identified strategic and policy priorities; and supporting the PMTE's SONA obligations. Projects are being funded from funding mechanisms within the PMTE for a period of three (3) years [2015/16 - 2017/18].

5.4.1 THE PROJECT MANAGEMENT OFFICE (PMO)

During the last financial year, the Programme Management Office (PMO) was established, mainly to support all the Turnaround Strategy and Business Improvement initiatives and to "projectise" the institution through the institutionalisation, implementation and implantation of the IDMS across the business value chain of the Department and the PMTE. This approach is expected to serve as the Service Delivery Model in the Service Delivery Improvement Framework (SDIF) across the organisations for the seamless delivery of:

- Portfolio Management;
- Project Management; and
- Operations and Maintenance Management.

The PMO's role, in the long run, is to provide support to the Department and the PMTE with the current focus on coordinating and aligning the implementation of all strategic interventions within the Department and the PMTE. The PMO will thus be the anchor point for the Department and the PMTE, to ensure the seamless delivery of conceptualised Business Improvement Programmes across the organisations, in order to enable both the Department and the PMTE to effectively deliver on their respective mandates.

In this regard, the PMO has adopted a centralised focussed approach to coordinate all the Turnaround and Efficiency Enhancement interventions, to ensure that:

- Proper implementation of the required Project Management and best practice methodologies within the IDMS, across the value chain, are enabled;
- The necessary capacity and capability to align cross-cutting interventions between the Department and the PMTE e.g. fighting fraud and corruption etc., are in place;
- The use of standardised processes are implemented; and
- Dependencies across multiple projects and the value chain, are adequately managed.

5.4.1.1 *Implementing the Infrastructure Delivery Management System (IDMS)*

In line with Public Service Regulations, 1999 (as amended), the Department developed its Service Delivery Improvement Plan (SDIP) which enables the Executive Authority to institute and support service delivery within the context of a Comprehensive Improvement Programme. Inherent in its design and implementation approach, the Turnaround Strategy is informed by the SDIF. Flowing from the SDIF, is the Infrastructure Delivery Management System (IDMS) which the Department and the PMTE adopted as a service delivery model and, which underpins the SIDF.

In order to achieve the institutionalisation of the SDIF and the IDMS in implementing the Turnaround Strategy, the following are critical:

- Mainstreaming and streamlining of Departmental Programmes in line with the SDIF and the IDMS components;
- Ensuring that the SDIPs inform the organisational Strategic Plans, which will be enabled by the IDMS;
- Integrated Programme Management enabled by Service Delivery Framework for improved services and seamless performance; and
- Knowledge innovation, performance and organisational efficiency.

The IDMS is the model that describes the processes that make up Public Sector Delivery and Procurement Management, as it applies to the Construction Sector. The model reflects the diverse needs of the construction industry which respond to the demands placed on it for the delivery of infrastructure and tangible assets in South Africa. The model presents the distinctly different processes and sub-processes that are present in delivery management, namely: *Portfolio Management, Project Management, and Operations & Maintenance*.

Portfolio Management comprises the iterative combination of management practices applied to infrastructure assets with the objective of developing, implementing, monitoring and controlling prioritised works, based on long term plans, available budgets and an organisation's management capacity. Project Management comprises the undertaking of the projects identified in the planning processes to deliver infrastructure and Operation and Maintenance, ie. how the assets are operated, maintained and ultimately disposed of.

5.4.1.2 *The IDMS and the PMTE*

Infrastructure planning must be aligned with the Strategic Objectives of the PMTE. The need for accommodation by User Departments, in support of its service delivery mandate, is identified as part of the Portfolio Planning process within the IDMS and captured in an annual User Immovable Asset Management Plan (U-AMP). The Immovable Asset Register (IAR) is critical to the Portfolio Planning process and all assets must be recorded, in sufficient detail, to enable planning and decision-making. The IAR must, among other requirements, reflect the condition and record any work carried out on each assets, at least annually.

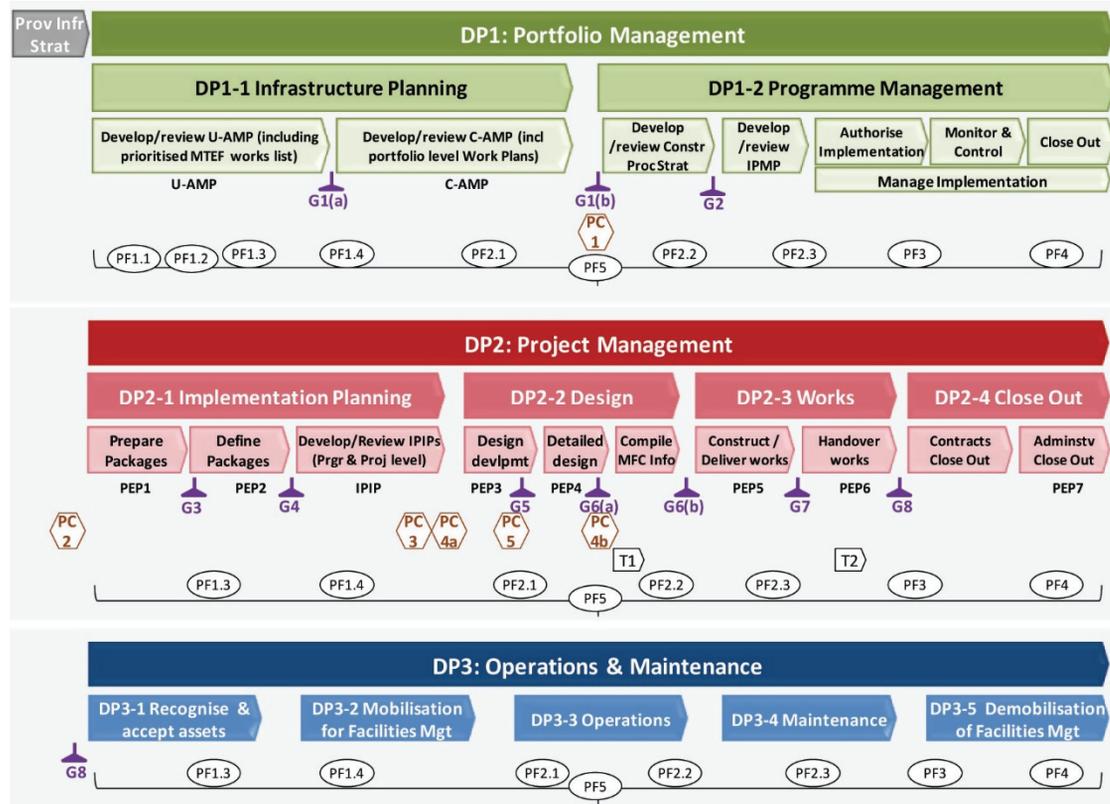
The U-AMP is the principal strategic planning instrument that guides and informs all immovable asset decisions by the User Departments. It is expected of the custodian to assist the User Departments with property information, analysis thereof and alternatives in order to facilitate informed and effective decisions on the use and management of immovable assets. The custodian prepares a Custodian Immovable Asset Management Plan (C-AMP), with due regard for the U-AMPs, which is derived from the Strategic Plan of the custodian. The outputs of the Infrastructure Planning process are the U-AMP and the C-AMP.

Once the Infrastructure Planning process is complete, the User Departments undertake the development of the Construction Procurement Strategy and the preparation of the Infrastructure Programme Management Plan (IPMP). The IPMP describes how the work listed in the prioritized MTEF list is packaged, managed and controlled. The PMTE replies to the IPMP of the User Departments by preparing an IPIP. The Infrastructure Programme Implementation Plan (IPIP) is a formal approved document prepared by the Implementing Agent in response to the Programme/Sub-Programme assigned to it, through the IPMP.

Planning for the implementation of the construction projects, the design thereof, and delivery of the construction works and close-out of the projects follows in sequence, in Delivery Process 2, namely Project Management. Once the project is complete (Works Completion) and taken over by the user, the operation and maintenance of the asset is initiated as part of Delivery Process 3, namely Operations and Maintenance. Operations and Maintenance (O & M) consist of all operational work from the moment assets are recognised in the Asset Register and handed over to Operations from Projects until the disposal of an asset, taking into account the strategic and decision-making work that takes place during the asset determination, Asset Portfolio Planning and Physical Project Implementation Processes. The O & M process is linked to the overall Service Delivery Plan of any department and, by definition, includes the day-to-day management of assets such as Facilities Management, Property Management and Engineering Infrastructure Management, all of which require maintenance, costing and budgeting.

The processes within the IDMS, as referred to above, are graphically represented in the diagram below:

Figure 2: Schematic representation of the IDMS processes



Source: Infrastructure Delivery Management Toolkit - CIDB

The IDMS is structured by building up “layers” of processes and it also integrates delivery elements as follows: delivery processes (“DP”), delivery gates (“G”), procurement milestones (“PC”), performance management processes (“PF”) and triggers (“T”).

Within the three main processes there are a number of sub-processes, e.g. Infrastructure Planning, Implementation Planning, Design, Works, Mobilisation for facilities management, etc. A very important concept that was introduced by the Construction Industry Development Board (CIDB), in order to improve efficiencies, is the Gateway System. The Gateway System provides a number of critical management control points in the infrastructure life cycle where a decision is required to inform the way forward from one stage to the following. Such decisions are based on information supplied during the infrastructure life cycle and, if applied correctly, will provide assurance that a project involving design, construction, refurbishment, alteration, rehabilitation or maintenance, within agreed mandates, follows due process and that it aligns with the purpose for which it was conceived and thus can progress successfully from one stage to the next.

5.4.2 PROJECT 1: PMTE BUSINESS IMPROVEMENT

In contributing towards the strategic priority of successfully operationalising the PMTE, the PMTE Business Improvement Intervention mainly focusses on the adequate alignment of business processes and activities to the high-level PMTE strategy and Operating Model, and the effective reengineering that has to be conducted to ensure the proper realisation of the PMTE goals and objectives. This includes responsive systems, processes, technologies and procedures that will be customised to better fit the PMTE's business needs and enable the PMTE to make informed investment decisions.

The following interventions have been identified as part of the project:

5.4.2.1 PMTE BUSINESS IMPROVEMENT / EFFICIENCY ENHANCEMENT

- Organizational Redesign – to optimise PMTE operations, align the Service Delivery Model to its mandate, define PMTE services and functions, and implement IDMS.
- Change Management – to systematically integrate business process enhancements and policies into the PMTE and optimise the operations.
- PMTE Policy Framework – to conduct a Policy Gap Analysis and develop the PMTE Policy Framework and Delegations of Authority. This includes the revision of the PMTE's Policies and ensuring alignment with PMTE's Business Processes and Service Delivery Model.

5.4.2.2 IMMOVABLE ASSET PLANNING

- U-AMPS – Supporting User Departments in the compilation of U-AMPs
- Investment Solutions (Feasibility Studies) – to clear the backlog and establish a multidisciplinary team to compile Investment Solutions (Feasibility Studies)

5.4.2.3 TECHNICAL AND PROFESSIONAL EXPERTISE

The PMTE is still faced with the challenge of attracting and retaining the skills necessary to professionalise the property business and address the high infrastructure backlog. To support and streamline the core areas of the PMTE (Facilities Management, Asset Investment, Real Estate Management, Construction), the intervention aims to develop commercial and specialist capabilities within the Business Units to develop and implement systems and processes to enhance competitiveness, decision making, valuations, performance monitoring, and Change Management, Best Practice Implementation and Operations Standardization.

5.4.3 PROJECT 2: IMPROVING WATER MANAGEMENT SERVICES AT STATE-OWNED FACILITIES

Contributing towards the PMTE’s SONA obligation of *Water Savings*, the PMTE’s Water Management Unit (WMU) has an extended responsibility of providing Water and Sanitation Services for all installations on State-owned accommodation, not connected to Municipalities’ infrastructure. These facilities are mainly installed and operated at Correctional Services Centres, Land Ports of Entry, South African Police Services facilities and Defence Force bases throughout the country.

The challenges experienced in providing Water and Sanitation Services include;

- Non-compliance to legislation (National Water Act) of some Water Care Facilities;
- Most of Water Care Facilities do not have O&M manuals for daily operations;
- Insufficient number of Plant Operators;
- Lack of Master Planning and Water Demand Management Strategies for Water Infrastructure;
- No Condition and Performance Assessments for most Water Care Facilities;
- Lack of engagements: Perception Survey, Stakeholder Engagements and Communication;
- No Water Quality Management Programme; and
- Poor scores on Blue Drop, No Drop and Green Drop.

A three phased approach has been developed to improve the Water Management Services at identified State-owned facilities. These phases are reflected in the table below.

Table 4: Water management strategy:

Phase	Deliverable	Objectives	Scope (activity)
Diagnostic Phase	Diagnostic	To investigate and report on the status of Water Care Facilities including Laboratories.	Create an inventory (data) of water infrastructure and report on the current operational status.
Intervention Phase	Intervention strategy preparation	To obtain agreement on the planned intervention strategy so that the intervention can proceed	Prepare detailed plan of action including Master Plans
	Intervention delivery	To improve performance and condition of water infrastructure including Lab	Facilitate project implementation and management in Regional Offices
Consolidation Phase	Post-intervention support	Implement pro-active maintenance and improve Blue, No and Green Drop	Develop Maintenance Plans and improve performance of infrastructure

5.4.4 PROJECT 3: SMALL TOWN PRECINCT DEVELOPMENT

Contributing towards the PMTE's SONA obligation of *Small and Rural Town Development*, the PMTE will undertake integrated planning of infrastructure in small towns and urban areas where the aim is to ensure its infrastructure plans support integrated services across the different spheres of Government to facilitate improved community access. The challenges that the PMTE are faced with include, obtaining consolidated User Needs and Spatial Development Frameworks (SDF's) and Integrated Development Plans (IDP's) from rural municipalities

The Small Towns Precinct Development Project has been conceptualised and the objectives are:

- To support efficient and integrated planning and the development of Government infrastructure for improved service delivery;
- To address the impact of small town decay and progressively accelerate local economic growth; and
- To establish partnerships with DRDLR and Cooperative Governance and Traditional Affairs (COGTA) to integrate infrastructure development opportunities that will contribute to Outcome 7: Comprehensive rural Development.

5.4.5 PROJECT 4: PROPERTY RATES AND MUNICIPAL SERVICES IN ARREARS

In accordance with the directive of the Portfolio Committee on COGTA, a Task Team comprising of the National Treasury, the National Department of Public Works and Department of Cooperative Governance, was established, not only to reduce the Government debt of Property Rates and Municipal Services, but also to implement measures in all Municipalities to prevent the situation from recurring.

The MINMEC, Technical MINMEC and other forums including the Inter-Governmental Task Team have also recommended an intensive exercise of verification and audit of the Municipal Account Statement that relates to the Government Account. The verification and audit must be undertaken for each of the 278 Municipalities in South Africa.

According to the Section 71 Reports, Government debt is increasing, which places a responsibility on the PMTE, as the custodian of a significant portion of State-owned properties, to assume the responsibility of coordinating and verifying the debt and disseminating a breakdown of the debt to the respective Departments for the full settlement.

The following interventions have been identified to clear the arrears in Property Rates and Municipal Services, for implementation during the medium term:

- The compilation of a certified Schedules of Rates payable (or refundable) by the relevant municipalities, given claims made to date and claims, that should be made by municipalities for properties that are either vested or deemed to be those of National Public Works. The schedule should include an analysis of the interest and penalties claimed and the relevant municipalities;
- Confirmation that the Municipal Claims Schedule represents the full and final settlement required in respect of claims for rates and taxes and municipal services by municipalities;
- The implementation of management systems and mechanisms to ensure that the Municipal Government accounts demonstrate accuracy and correctness. This includes the identification details for each of the Government properties;
- Improving the content, accuracy and correctness of the IAR for Government's immovable assets that is located within the boundary of each municipality; and
- Regularising the privately leased accommodation, particularly with regard to occupation (as per signed lease agreements) and utilisation (m² utilised per User Department).

The intention of the project is to settle all Government debt and implement systems and mechanisms to avoid the recurrence of the problem and to ensure constant engagements with municipalities with regard to Property Rates and Municipal Services payments.

5.4.6 PROJECT 5: IMMOVABLE ASSET REGISTER (IAR)

In terms of the Constitution of the Republic of South Africa (Act No. 108 of 1996), all State-owned National and Provincial immovable assets must be vested in the name of National Government, or one of its nine Provinces. In addition, Title Deeds for the registered and vested land parcels must be endorsed in the name of National Government.

As part of the Turnaround Strategy, the PMTE has embarked on an IAR Enhancement Programme to upgrade and enhance its IAR over a five year period. This project will provide certainty on the extent of immovable assets under its custodianship to be utilised as a platform for investment and portfolio management decisions.

The Immovable Assets were transferred from DPW to the PMTE with effect from 1 April 2013. In terms of the PFMA, the PMTE is required to report using Generally Recognized Accounting Practice (GRAP) Standards. A GRAP compliant IAR project is on track to be completed by 31 March 2016 with a snag list and other remaining issues to be finalised by October 2016.

The objective of the intervention is to achieve a comprehensive IAR for the PMTE for the provision of timely, complete and reliable information for planning, property management and decision making. Key milestones in the project include to:

- Develop and produce a complete, accurate and GRAP compliant IAR;
- Conduct physical verification, valuation and condition assessment of properties; and
- Develop and implement a Business Case for the vesting of land parcels and endorsement of title deeds.

The vesting and endorsement of title deeds in the name of National Government will prevent misappropriation of immovable assets and resolve disputes regarding custodianship of State properties.

5.4.7 PROJECT 6: ENERGY AND WATER EFFICIENCY MONITORING AND VERIFICATION

Contributing towards the PMTE's SONA obligation of *Resolving the Energy Challenge*, the greening of buildings is a crucial part of the PMTE's Strategy to save energy. The economic, social and environmental benefits that may result from a more efficient and sustainability-led industry are important to address the environmental impact of buildings and saving energy.

This Project takes into consideration the following challenges:

- The PMTE's electricity consumption is estimated at R1,8 Billion based on information obtained in the 2013/14 financial year;
- Water usage and wastages in buildings result in the contestation for the same water resources with surrounding communities;
- General waste generation in Government buildings, lead to pileups in landfill sites, without recycling considerations;
- Lack of use of tested and approved Alternative Building Materials and Technologies to boost resource efficiency, building structure, local innovation, and job creation;
- Lack of clarity on available back-up power generators in an event of power outages; and
- Lack of a decisive process to learn from African Indigenous Knowledge Systems and Sciences with regard to sustainable building processes.

The PMTE will be at the forefront of ensuring that Government leads by example in meeting its global and political commitments to Climate Change mitigation. In creating a smart and green economy, the PMTE will focus on economic growth through innovation and social-cohesion by incorporating Indigenous Knowledge Systems throughout the medium term.

To this end, the Green Building Programme seeks to ensure Government buildings are:

- Energy Efficient (EE);
- Water Efficient (WE);
- Supportive of Separation of Waste for Recycling; and
- Enhanced by incorporation of built Indigenous Knowledge Systems (IKS) towards social cohesion and environmental sustainability.

The anticipated outputs of the Green Building Project are to contribute toward Climate Change mitigation actions through State's immovable assets in order to:

- Implement cost savings and demand reduction of electricity consumption in terms of Kilowatt hour;
- Implement cost savings and demand reduction of water consumption in terms of Kilolitre hour;
- Leverage the Green Building to contribute towards skills development, job creation, research and development, local innovation and manufacturing for the Green Economy;
- Leverage the Green Building to empower emerging black business, contribute toward social-cohesion, and establish locally relevant Green Building best-practice by drawing from Indigenous Knowledge Systems; and
- Development of Green Building Norms and Standards for Government Buildings.

5.4.8 PROJECT 7: ASSET MANAGEMENT SYSTEMS (ICT MASTER PLAN)

As part of the Business Improvement Intervention of the PMTE, a Functional Asset Management System is required to ensure the effective and efficient management of the State's immovable assets under the custodianship of the PMTE. In order to evaluate the level of performance a high level review of IT best practices, vis-à-vis the current operating systems within the PMTE, was undertaken during 2013. The following are highlighted, as part of the review process:

- A Framework that provides a common definition and structure of the immovable assets on the IAR. In addition, the system must allow for the assessment of data integrity and accuracy.
- Lack of integration between the three key systems, i.e. the PMIS, FMS, and WCS. These systems are not integrated and information captured in one system does not automatically update records on the other systems.
- Data integrity issues are compounded by users who have learnt to bypass the system. This has resulted in inconsistencies in the utilisation of the system.
- Due to data integrity issues, certain key Management Information System (MIS) reports cannot be drawn up without the system administrations that are familiar with the system.

In order to address the above, the following 6 key processes have been identified to be at the core of Asset Management System:

- Strategic Planning: The present status of the immovable assets owned and controlled by the State under the custodianship of the PMTE must be determined;
- Investments: The management of current State investments (acquisition, major refurbishment and leasing);
- Maintenance and Services: Execution of planned and day-to-day maintenance services;
- Finance and Administration: Effective financial management of State immovable assets;
- Leasing: Renting/leasing out vacant space to generate revenue for the State; and
- Disposals: Disposal of unwanted immovable assets.

5.4.9 PROJECT 8: SMALL HARBOURS

The PMTE's contribution of *Growing the Ocean's Economy*, as enunciated in the SONA, is operationalised in the PMTE's Small Harbours Project which aims at the modification and development of small harbours. The high infrastructure costs associated with developing small harbours in South Africa, however is a huge challenge, and is exacerbated by the following:

- The disjointed management of small harbours. Some harbours are currently managed jointly by the PMTE and the Department of Agriculture, Forestry and Fisheries (DAFF) while other harbours are managed by Municipalities or Private Entities;
- South Africa's fishing harbours are State-owned and run on common user principles. The costs associated with the management of the fishing harbours do not provide for an adequate income;
- The geographical layout of the South African coastline makes small harbour construction expensive and uneconomical for private common user ownership. South Africa has a high energy shore and is very straight with very little natural protection;
- DAFF, who operate fishing harbours, has limited capacity to manage the small harbours. During the Cape Provincial Administration, the Corps of Harbour Masters was disbanded. The Technical Department of Fishery Development Corporation (FDC) was also disbanded;
- The territorial integrity of the South African shoreline is at continuous risk, particularly in the location of the small harbours. The coastline borders are compromised due to a lack of its strategic security. There are also other strategic considerations linked to the positioning of the small harbours with the key considerations being the security and territorial integrity of the country as these harbours constitute part of the borders of the Republic;
- Criminal activity impact on small harbour activities and contribute to social problems in surrounding communities. They also play a role in the territorial integrity of South Africa's coastline;

- The historic lack of economic development in and around the small harbours: Absence of development vision and inefficient use of existing harbour infrastructure has not contributed to economic growth;
- There is a lack of technical, harbour management and operational skills: Following the disbandment of the Fisheries Development Corporation in 1986, there was a loss of skills to the industry and no further skills development in coastal management was undertaken;
- Spatial & Economic Development guidelines for additional small harbours are not in place. Spatial & Economic Development Frameworks have only been developed for the proclaimed fishing harbours; and
- The marketing and promotion of small harbours is lacking. Small harbours are not recognised as a key contributor to the Ocean Economy and economic development in general.

The following interventions have been identified to ensure the effective and efficient management of small harbours over the medium term:

- The establishment of a Small Harbour Agency/Entity;
- The consolidation and the implementation of the Harbour Development Vision;
- The development of skills for Small Harbours; and
- A Sustainable Development Approach.

The above-mentioned interventions take into consideration the following factors:

- The assets of small harbours, including fishing harbours under the current dispensation, are being lost;
- No new public small harbours are being built;
- There is no development for scarce skills in coastal and harbour engineering and management; and
- Better managed, capacitated and sustainable harbours will make a substantial contribution to local economic development and the Ocean Economy.

5.4.10 PROJECT 9: ESTABLISHMENT OF A PUBLIC PRIVATE PARTNERSHIP OFFICE

In view of the poor condition of the State's immovable assets, there is an increasing need to rehabilitate and refurbish the current stock of State-owned infrastructure, hence, an alternative and innovative way of delivering accommodation has become necessary. Drawing from the experience of developed and developing countries, most notably the British Project Finance Initiative (PFI) and the United States of America Public Private Partnership (PPP) models, the Department made a commitment in its White Paper "Public Works in South Africa – Towards the 21st century, 1997" to introduce PPP's in the delivery of public services.

Government, in its macro-economic strategy (Growth, employment and redistribution: GEAR), recognised the need for co-operation between the public and private sectors in order to address these needs. The introduction of private finance through a Public Private Partnership (PPP) procurement process created the opportunity for Government to:

- Procure infrastructure without committing to an upfront capital investment;
- Focus, not only on the construction of infrastructure, but ensure that it is serviced, managed and maintained through its natural lifespan;
- Engage the private sector meaningfully in the whole spectrum of activities relating to the provision of infrastructure, namely the financing, design, construction, management and ongoing maintenance of buildings; and
- Leverage the private sectors' skills, efficiency, innovative thinking, cost effectiveness as well as access and exposure to the latest technology and operations management.

As part of the strategic priority to expedite infrastructure delivery and maintenance, the PMTE has identified the establishment of a Public Private Partnership (PPP) Office as a necessity for the Efficiency Enhancement Phase. The intention of this project is to establish a Private Public Partnership Office within the PMTE in order to re-energise the momentum to introduce PPP's.

In establishing the Public Private Partnership Office, the PMTE seeks:

- To provide for User Departments' needs, office and special purpose accommodation, by entering into PPPs whereby the private sector finances, designs, constructs, build and operate Government-owned facilities;
- To manage and/or advise on the entire spectrum of project management activities from the conception of a PPP project to the ultimate signing and implementation of the Concession Agreement, including full participation in management of the Concession Agreement;
- To contribute towards the development of Government Immovable Asset Management in Africa; and
- To research international best practices and develop sustainable and innovative alternative forms of service delivery involving the private sector in the full spectrum of accommodation-related services rendered by the PMTE.

5.4.11 PROJECT 10: FINANCE EFFICIENCY IMPROVEMENT AND SUSTAINABILITY INTERVENTION

Building on the achievements of the Clean Audit Project of the *Stabilisation Phase*, the next phase in the transformation of the Finance and SCM functions is the improvement of operational requirements to improve efficiencies within the PMTE. A key outcome of such an Efficiency Enhancement intervention will have to be assurance that these functions will achieve a level of independence of external support and maintain improved audit results, in future. This is therefore a sustainability intervention to entrench the successes of the Stabilisation Interventions, as permanent features and redesign functional processes, to effectively support PMTE operations in a seamless and highly efficient service delivery framework.

The Finance and SCM units do not, as yet, have the necessary skills and tools in place to effectively support line function operations primarily due to:

- The Organisational Structure required for these functions have not yet been approved and vacancies have not been filled, in accordance to the newly defined job specifications;
- The financial system is still under development and does not yet meet all the requirements to facilitate GRAP Accounting;
- Operational databases that need to interface with the Accounting Platform still need to be customised to facilitate data and reporting requirements;
- PMTE's financing is taking place in a vacuum and is not supported by a financing model and tariff structure to guide it towards financial sustainability;
- The Finance and SCM business processes, which are mainly manual, do not support the revised operational requirements; and
- Finance staff are mainly skilled in modified cash accounting and cannot deliver on GRAP accounting requirements.

The current capability within the PMTE Finance and SCM function is inadequate to transform operations into industry best practice whilst, at the same time, meeting day to day delivery targets. An appropriately qualified and highly experienced team is required to transform and enhance the Service Delivery Model and re-skill existing and newly recruited resources. This can be achieved through:

- Appropriately organising and capacitating the required functional structures;
- Ensuring that the accounting platform is properly designed and customised to meet accounting standards requirements;
- Customising the operational databases and modules to align with accounting requirements that allow for effective interfacing;
- Re-engineering of existing business processes to effectively support the Operational Model;
- The development of a finance model and budgeting framework that can closely monitor and manage the financial efficiency of the PMTE; and

- A Training Programme and skilling intervention to bring all resources to a level where they can meet their functional obligations and deliverables.

The anticipated outcome of this intervention is to have a capacitated Finance and SCM function in place that will effectively deliver on operational demands in compliance with all regulatory requirements.

5.4.12 PROJECT11: CONSTRUCTION TURNAROUND

The PMTE is currently facing challenges of insufficient professional capacity and skills, infrastructure backlog, under-spending of capital and current budgets, non-compliance with laws and regulations and the inability to deliver within time, cost and quality, owing to a number of reasons:

- Limited internal technical and professional capacity, i.e. project managers, technical professionals such as Architects, Engineers and Quantity surveyors;
- Lengthy business processes which are not streamlined to support infrastructure delivery;
- Poor planning of projects, i.e. U-AMPs and IPMPs not submitted on time, in-order to inform planning;
- Lack of a contemporary project management tools to efficiently manage infrastructure projects;
- A significant number of unresolved projects on litigation; and
- Outdated delivery models.

The PMTE needs to build, maintain and expand its strategic infrastructure to encourage and accommodate economic growth. Between now and 2030, infrastructure investment needs to increase significantly. Long delays, significant cost over-runs in infrastructure projects and under-spending will be addressed. Several measures are in place to improve infrastructure project implementation and build management capacity within the PMTE. The implementation of IDMS was initiated as part of the Turnaround Strategy with the aim of putting in place best practice project management initiatives to turnaround building infrastructure delivery. The PMTE has also developed alternative procurement and contracting arrangements needed to deliver and maintain much needed infrastructure. The fundamental focus during the period will be on building technical and professional capacity to drive enhanced delivery.

The key deliverables include:

- Resolving the infrastructure backlog of the past five years;
- Implementing an expedited solution to resolve current disputes in construction projects;
- Enhancing ICT systems to drive improvements in planning, execution, and monitoring of construction management;
- Re-engineering business processes and to institutionalise IDMS;
- Building technical and professional capacity within the PMTE; and
- Assisting User Departments in crafting U-AMPs that reflect their accommodation needs that will in turn inform the Departmental C-AMP.

5.5 PERFORMANCE ENVIRONMENT

The PMTE has developed various strategic interventions to be implemented programmatically in the 2016/17 financial year and the MTEF. Following hereunder is a summary of the strategic interventions within the Performance Environment of the PMTE:

5.5.1 STRATEGIC INTERVENTIONS FOR PROGRAMME 1: ADMINISTRATION

5.5.1.1 FINANCE

Development of a Finance Model for the PMTE

The PMTE Finance Model to be developed during the financial year 2016/17, is a tool that will direct the strategies and tariff structures of the institution to become financially sustainable over the medium term. The model will cover both the Revenue and Expenditure Budgets of the PMTE in order to accurately project the anticipated funding deficit or surplus over a multi-year period.

In order to achieve this, in an evolving institutional environment, it is important that the expenditure side of the Model is driven by the enhanced Operating Model of the PMTE, designed to support improved operational efficiencies. The revenue side of the Model will be more complex and will have the support of external stakeholders such as the National Treasury. Principles that should inform the revenue side of the Model are, *inter alia*:

- The cost of key services rendered to be recovered from clients;
- Revenue streams and tariffs will incentivize clients to, preferably, make use of State owned assets;
- The tariff structure will make provision for different classes of assets as well as their condition;
- The tariff structure will, as far as possible, align to the National Budget Allocations, for this purpose in the short term with a fixed escalation rate;
- Assets in the IAR will drive the revenue generating capacity of the PMTE. As such, productive assets (already leased out), will be linked to its medium term Refurbishment Programme which may affect a change in rates charged. Similarly, other assets that are targeted to be leased out, commencing in future periods, should also be identified and updated to the model on a regular basis; and
- The Finance Model will, furthermore, provide various alternatives of how the revenue generating assets and other revenue streams from the public and private sectors can be utilized to optimally enhance the financial performance and sustainability of the PMTE.

Debt recovery

Comprehensive engagements have already taken place with major debtors. All disputes will be raised and responses will be monitored and assessed in an effort to resolve any disputes from User Departments. The relevant information and reports generated will be presented to User Departments to confirm outstanding balances and commit to a payment date.

Where User Department do not have sufficient funding to cover confirmed amounts (especially those relating to prior years), the PMTE will engage with National Treasury to facilitate possible, *ad hoc* budgetary provision. Where claims are deemed to be irrecoverable notwithstanding these interventions, they will be written off.

Reduction in the irregular expenditure balance for PMTE

The PMTE will increase its internal investigative capacity to investigate all the existing reported transactions of irregular expenditure and fruitless and wasteful expenditure. This will be done through a temporary and independent investigative structure over a period of two (2) years. Furthermore, the PMTE has approached the National Treasury for a dispensation to condone transactions that occurred prior to and during the 2011/12 financial year, as the prospects of recovery of the amounts are very slim.

Progress in respect of the investigation will be monitored and reported to the Accountability EXCO on a monthly basis. The Framework on the condonation of irregular expenditure, to be applied, has already been developed and approved for implementation. The governance structures to consider the investigated transactions of irregular expenditure have similarly been established and operationalised across the Department and the PMTE.

The controls in the areas of bids and quotations have been tightened to eliminate any potential non-compliance with the SCM prescripts. All bids and quotations will henceforth be reviewed by the Inspectorate and Compliance Unit. This pro-active approach will ensure that potential irregular expenditure transactions are prevented before orders are issued. Procurement strategies will similarly be reviewed by the Inspectorate and Compliance Unit before approval by the delegated authority in order to prevent potential irregularities from bid advertisements. All deviations, approved by delegated authorities, will be tabled at Management Meetings and the Accountability EXCO to enforce strict Accountability Management.

Payment of verified invoices within the prescribed 30 day payment period

During the MTEF, extended business processes will be developed to interrogate Weekly Reports with a view to follow up on overdue invoices and then to critically evaluate reasons stated. This will also be used to follow up and monitor action that should have been taken for non-payments on the previous weeks' reports. Regional Managers and responsible officials will be engaged directly to ensure appropriate action is taken to obtain the approval and the authorisation of invoices, where these are lacking and the resolution of disputes with suppliers, are required. Internal processes will, furthermore be developed to include 30 days Payment Reports to form part of the Regional Managers' Management Meetings to ensure continuous Oversight and Monitoring.

It is also envisaged that regular meetings between the Regional Managers and suppliers will be scheduled as a way of addressing awareness, directly, and training of external stakeholders on documentation required e.g. the submission of complete and correct invoices, the reflecting of to-date banking details, VAT information, etc.

Revenue generation

As part of the transformation of its operations, the PMTE will utilise mechanisms at its disposal to grow its revenue base in the medium to longer term. With the macro economic constraints expected by the National Revenue Fund for the foreseeable future and other high priority demands that it has to finance, it is important that the PMTE develops strategies to limit its dependencies on funding via the Exchequer. Special attention will be directed towards recovering the cost of services rendered whilst optimal use of tradable assets will be core to this initiative. In this regard, attention will be directed towards enhancing assets already in use as well as adding more productive assets to the tradable portfolio through a strategic Acquisition and Refurbishment Plan. In this regard, special attention will also be directed towards trade with the private sector to strengthen the revenue base with market-related fees that can be charged.

5.5.1.2 *SUPPLY CHAIN MANAGEMENT*

Awarding of bids within prescribed timeframes

Historically, the fundamental challenge experienced was the inability of Bid Committees to quorate and conclude evaluations and adjudications within scheduled timelines. Furthermore, security clearance through the State Security Agency and the dependency on external Risk Assessment Reports impacted on the times available. This will be addressed by establishing standing Bid Evaluation Committees to convene on pre-determined days to deal with all evaluations. Furthermore, the State Security Agency will be engaged to obtain a special dispensation for the PMTE to expedite Security Clearance of recommended bidders and finally to prescribe, as part of tender conditions, the period within-which Risk Assessment Reports done on potential bidders, has to be submitted.

Purchasing Goods, Services or Works at market related prices

The challenge in purchasing goods, services and works at market-related prices emanates from the absence and maintenance of the baseline pricing as no Commodity Management functions have been conducted. This will be addressed by introducing Commodity Analysis, based on the past, current and forecasting to determine benchmark prices and manage spending.

Review of the Supply Chain Management Business Model

The alignment and capacitation of strategic functions within the PMTE's SCM structure is required and will necessitate the aggressive recruitment all key posts within the PMTE structure. Of critical importance is the establishment of a Demand Management function within the PMTE followed by the Acquisition (Property & Facilities Management) Directorate to ensure that the gains of the SCM reforms are fully implemented. The Directorate Acquisition (Infrastructure) will be the next focal stream for recruitment. The PMTE's acquisition of goods and services will be supported by the current structure of the Department during the recruitment process of the two Acquisition Directorates.

5.5.2 STRATEGIC INTERVENTIONS FOR PROGRAMME 2: REAL ESTATE INVESTMENT MANAGEMENT

5.5.2.1 REAL ESTATE INVESTMENT MANAGEMENT

The GIAMA was promulgated in 2007 and requires that custodians make assessments, determine utilisation levels and performance of immovable assets under its custodianship. In line with this Act, the PMTE has developed property performance standards to ensure that the performance of State-owned immovable assets is measured to identify under-performing properties. The performance of buildings will be assessed by looking at the following areas: energy and water consumption, utilisation levels, condition, suitability and functionality against the developed standards. Four hundred (400) buildings have been prioritised for performance assessment in 2016/17. Through this assessment the PMTE will also ensure that the cost (service charges, maintenance backlog etc.) of accommodation is reduced.

GIAMA further requires that a custodian prepare a Custodian Asset Management Plan (C-AMP) in relation to all immovable assets on an annual basis. The compilation of the C-AMP is informed by the User Asset Management Plans (U-AMPs) submitted by the User Departments and the property strategies developed by the custodians. The C-AMP provides a list of prioritised projects to be included in the Infrastructure Development Programmes of the PMTE. The implementation of the Infrastructure Programmes will improve the performance of buildings, enhance the value of immovable assets and contribute towards improvement of service delivery.

In accordance with GIAMA and the life cycle planning of immovable assets the PMTE has to make informed investment decisions on these assets so as to ensure effective and efficient asset management. These decisions of investment and disinvestment are guided by Investment analysis assessments and feasibility studies. The investment analysis/feasibility studies, seek to ensure that immovable assets support the requirements of clients in both the medium and long-term in an optimum manner to enhance and facilitate service delivery while, at the same-time, yielding value for money for the State. The PMTE will finalise 80% of all Investment Analysis and Feasibility Study requests received in the 2016/17 financial year.

The Rand-value at which properties are acquired or disposed of or rented out, are determined through a valuation of the property by the PMTE and presented to the Land Affairs Board (LAB) for approval of recommended property market values and rentals. The approved values ensure that the PMTE is able to transact at fair market values during instances of investing and/or disinvesting including the collection or payment of rentals and rates and taxes. The PMTE will finalise 70% of all valuation requests received in the 2016/17 financial year

5.5.2.2 PLANNING AND PRECINCT DEVELOPMENT

The Urban and Rural/Small Town Renewal Programme will guide the location, development and rehabilitation of Government buildings to ensure improved conditions for National Departments, as well as to support integrated planning and development to address spatial imbalances as articulated in the NDP. In this regard, the PMTE will prioritise planning for the accommodation of National Government Departments in four precincts in Tshwane in collaboration with the City of Tshwane. The Tshwane Precinct Development Programme together with National Treasury, defined the project delivery and funding models for the creation of new head offices.

In terms of Government Precinct Development in small towns and rural municipalities, the PMTE will continue to align its Infrastructure Plans with those of district, local and provincial authorities whilst collaborating with the relevant National Government Departments. The aim is to ensure that its Infrastructure Plans support integrated services across the different spheres of Government to facilitate improved community access. Government Precinct Development, in small towns and rural municipalities, has been identified as a Turnaround Project for Strategic Intervention.

5.5.2.3 USER DEMAND MANAGEMENT (UDM)

The PMTE will assist 42 National User Departments and entities in the compilation of User Asset Management Plans for the 2016/2017 financial year. Part of this exercise will require the undertaking of Options Analysis Studies to consider the accommodation needs, costs, location and procurement methods for User Departments.

U-AMP Training will be undertaken bi-annually or, as and when, requested by User Departments. The intention is to intensify interaction with Users to support them in the compilation of the document to be submitted to National Treasury.

Upon receipt of compliant U-AMPS from the User Departments, the document will be analysed in respect of the Users' prioritised list of projects. A comparison will be undertaken between the committed projects and projects being earmarked for planning. Taking into consideration the METF allocations from NT, a prioritised Work List will be developed for the MTEF period.

User Demand Management will submit the Work Lists to the relevant User Departments for approval. Once the signed off Work Lists are received, funding will be assigned against each project on the project system. The PMTE will monitor and provide the User Departments with Monthly Progress Reports, covering expenditure versus budgets and a summary of progress per project.

5.5.3 STRATEGIC INTERVENTIONS FOR PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

The Construction Project Management Division has identified numerous issues that impact directly on its performance. These issues include the following:

- Lack of Speed in Delivery due to inadequate control of designs and construction solutions;
- High costs mainly due to design and client influence;
- Inadequate capacity, leading to a ratio of 35 projects per project manager;
- Inadequate knowledge and skills leading to inconsistency and compromised delivery; and
- Decline in Service Quality due to a lack of Controls and Reporting.

The following strategic interventions will be pursued through 2016/17:

Business Process intervention to respond to Internal Audit Report and Auditor General Findings.

The Internal Audit has highlighted control weaknesses in Tender Risk Assessment Procedures, and a lack of enforcement of the Occupational Health and Safety Plan in awarding tenders as well as on Safety Management during construction. The corrective measures being implemented include development of responsive Tender Evaluation Policy and Procedures to eliminate risks associated with appointing inappropriate contractors who lack expertise, experience, technical capacity, and financial capacity to deliver. The intended policy will remove elements of subjectivity but enforces qualitative and quantitative measures. The Auditor-General findings indicate weakness in administration of Contract Price Adjustment Provision (CPAP) when awarding tenders as well as continuous management of CPAP on commitments. The policy regulating the administration of CPAP will be evaluated to establish its effectiveness in maintaining sound financial commitments.

Structuring the projects delivery model along IDIP & IDMS methodologies.

The process will include business model definition and documentation, new business process, standard operating procedures, new service level standards, and system automation. Subsequent to the process change, re-arranging the Professional Services Resources to service the new processes adequately, will commence in the later part of the year. The process will include a structuring of current professional teams into portfolio arrangements and the capacity will be supplemented through insourcing arrangements. The implication of the switch-over will be on the business process and delegations will be re-engineered. The insourcing arrangement will remain until permanent positions are available to recruit professionals into the posts, permanently.

Building of Production Capacity through own Professional Teams.

Professionals in the employ of the PMTE will cease to function as advisory personnel, but will assume full professional and production roles including research, design, documentation, construction tender evaluation, and works supervision on construction sites. Their scope of service and work within the PMTE will be aligned to the identified area work by the Professional Councils. It implies that the staff ratio of production teams will increase relatively at the ratio of one design professional, to four production technical personnel (1:4). The ratio will apply to all professions in the Department. The budget allocation for appointment of supplementary consultants will be under the control and management of the respective professional head per discipline. The funds will be used to appoint consultants, as and when required, and they will remain accountable and responsible for budget proposals and expenditure.

Sustainable Design Guidelines.

The completion of Guidelines will form the basis for future design solutions and construction technology, as informed by DPW Green Building Policy. The Guidelines will address the existing design loopholes in Energy Efficiency, Water Efficiency, and Carbon Footprint for construction materials.

5.5.4 STRATEGIC INTERVENTIONS FOR PROGRAMME 4: REAL ESTATE MANAGEMENT

5.5.4.1 PROCUREMENT OF ACCOMMODATION:

To date, Regions have cleared most of their backlog leases and only 128 backlog leases remain. The second Lease Review Project was concluded in March 2015 and a Close-out Report was provided. Part of the Project Scope included further investigation into vacant leased accommodation where the Department was still paying rentals and the physical verification of leased accommodation for functional and Prestige accommodation.

Some key achievements in the second Lease Review Project included the handing over of vacant properties with rentals still being paid for to the Special Investigation Unit (SIU), for further investigation. In addition, invalid leases and missing lease and procurement documentation were identified and interim documentation according to current lease terms, were signed. This exercise has drastically reduced the projected annual rental and escalation rates paid by the Department to private landlords.

In March 2015, NT issued a second dispensation on leases to be applied for the renewal of an approved list of 1608 leases. The leases covered by the second dispensation are leases with expiry dates between March 2015 and March 2017. The process of renewing these leases will be concluded during the 2016/17 financial year.

Lead by DPME and NT, and Expenditure and Performance Review on Government leases was conducted and a final report was handed over to the Department in September 2015. The key findings of the Report confirmed that Government is paying higher than market-related rentals for leased in accommodation and that as a result, the State does not enjoy full Property Management services from the private sector due to generalised rental contracts inadequate negotiating skills and technical Property Management skills.

A Cost Model was also developed and handed over to the Department with different scenarios on how to reduce leasing-in costs, including the capping of escalation rates and the renegotiation of rental rates. The Cost Model shows, the amount of savings the Department can generate by implementing the different scenarios. The further development of the Cost Model is a priority and will be concluded by March 2016 in preparation for its implementation in the 2016/17 financial year.

During the *Stabilisation Phase* of the Real Estate environment, the Real Estate Management division has revised certain business processes and delegations to enable a more service delivery driven environment within the leasing-in unit. Through the Policy Review Project that has been launched as a project of the *Efficiency Enhancement Phase*, all Real Estate Management policies, including an all new BBBEE Policy will be reviewed, drafted and approved for implementation.

The process of finalising the new PMTE Functional Structure will assist in stabilising the leasing environment by enabling the appointment of much need Real Estate professionals. Through the Office of the Head of PMTE, discussions have also begun with the leading provider of Real Estate training, SAPOA, for the implementation of Skill Building Programmes for Real Estate officials within the PMTE.

In addition, a Steering Committee will be created, which will be comprised of the Asset Registry, Investment Management and Real Estate Divisions. The purpose of the Steering Committee will be to plan, monitor and evaluate the leasing-out process in order to encourage a more integrated approach to the provision of functional accommodation for client Departments in the short and long term.

5.5.4.2 GENERATION OF INCOME

With the progress made in completing the IAR, the PMTE has verified and confirmed the occupancy rate of thousands of State-owned properties. This realisation drove the PMTEs decision to utilise its Immovable Asset Portfolio to generate a revenue stream for the PMTE.

- i. Through the leasing-out of vacant land and buildings to the private sector for further development and/or business initiatives, the PMTE will be able to generate income which can be redirected towards the payment of Rates and Taxes or the redevelopment of strategic State-owned immovable assets. Due to the current condition of our immovable assets, the PMTE will not be in a position to charge market-related rental rates for our properties. However, we will be able to redirect rentals collected towards the payment of rates and taxes as well as renovations of other strategic State-owned buildings.
- ii. In line with the PMTE's responsibility of transforming the Real Estate environment, some properties have also been identified and ring-fenced to be released to small Black Owned Estate Agencies. Selected agencies will be responsible for the management and letting out of these properties. This will assist with our aim to generate revenue as well as to prevent illegal occupation and encroachment onto public land.

A project to regularise illegally occupied properties, has also been launched as part of the Efficiency Enhancement Intervention. The scope of the project includes physical verification, valuation and the conclusion of valid lease documents for all illegally occupied properties as well as to redirect all rentals to the State's account.

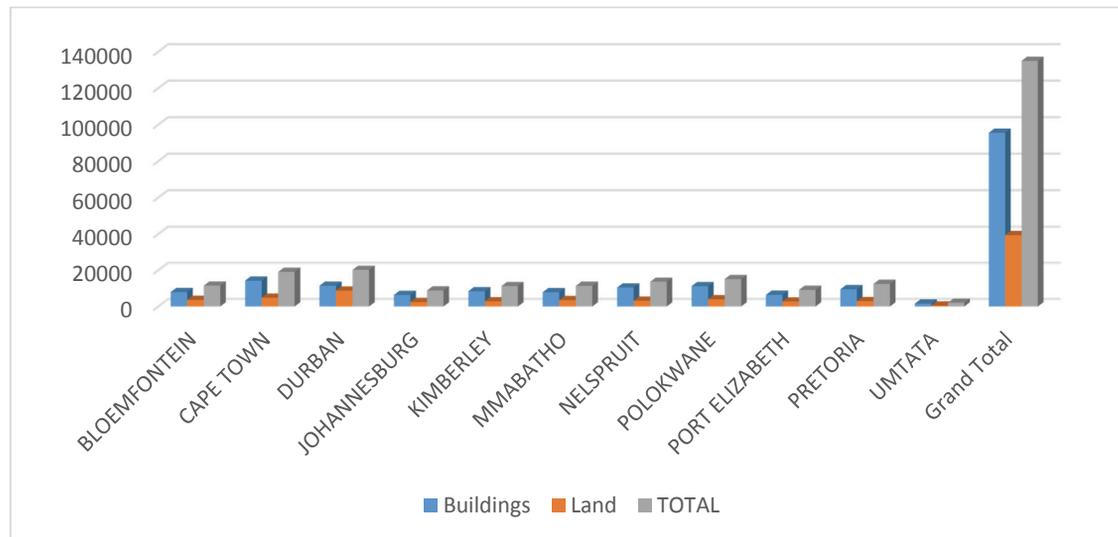
In addition, to the above strategies aimed at taking back control of the PMTE's leasing-in functions as well as the State's immovable assets, other smaller projects have been launched with the aim of assisting with the realisation of the PMTE's goal to optimally utilise the State's immovable asset and improve the PMTE's financial status. These projects include conducting negotiations with landlords, both private and State-owned Entities, nationally, to sign National Framework Agreements with preferential rental rates and lease conditions, as well as beginning with the process of reviewing current SCM policies and guidelines related to the leasing-in of accommodation for Client Departments.

5.5.5 STRATEGIC INTERVENTIONS FOR PROGRAMME 5: REAL ESTATE REGISTRY AND INFORMATION SERVICES (REIRS)

5.5.5.1 APPROVED DISPOSALS IN RESPECT OF SOCIO ECONOMIC PURPOSES PROCESSED FOR TRANSFER

The PMTE has a substantial and complex property portfolio which is frequently leveraged for the achievement of Government’s socio economic objectives. In this regard, PMTE is involved in a number of programmes for the disposal of strategically located land parcels to the Department of Human Settlements and the Department of Rural Development and Land Reform. This allows the PMTE to make a meaningful contribution towards addressing the housing backlog in the country and the Land Reform Programme by releasing suitable State-owned land. The disposal and transfer of land parcels to these Departments will assist in the delivery of housing projects to local communities and transformation of the farming sector and rural development. In this way the REIRS Branch makes a significant contribution towards a broader value chain in order to achieve change and upliftment of the citizens of South Africa. The following is a graphical representation of the PMTE property portfolio as at 15 January 2016¹⁸

Figure 3: Graphical Representation of the State’s Immovable Assets on the IAR



¹⁸ 39 399 land parcels include 7 557 state domestic facilities which have been built on non-State land.

5.5.5.2 IMMOVABLE ASSETS UPDATED ON THE IAR FOR COMPLETED PROJECTS

The PMTE Immovable Asset Management Policy states that project costs must be classified as either capital or current. Only capital projects will be capitalised to the Immovable Asset Register. The capital projects are deemed to be in the State that is ready for use as intended by management and qualify for capitalisation as per the definition of an asset in terms of GRAP. The recording of completed projects will ensure that the capital costs of projects are correctly reflected in the IAR. This will also contribute to the recognition and acceptance of immovable assets in terms of the IDMS model.

5.5.5.3 PROVIDE SUPPORT AND GUIDANCE TO THE PROVINCIAL PUBLIC WORKS SECTOR

The REIRS Branch has been established under PMTE to ensure efficient management and control of the IAR within the PMTE. In addition REIRS will provide support and guidance to the Provincial Public Works to ensure uniformity in accounting for immovable assets and compliant IARs. Accounting for State immovable assets has improved due to the ongoing collaborative efforts between National and Provincial custodians as demonstrated in the 2014/15 financial year audit reports in respect of immovable assets for these custodians. There was no audit qualification pertaining to Immovable Asset Registers for National and Provincial custodians in 2014/15. The REIRS branch has developed an IAR action plan to address management assertions (completeness, existence, rights & obligations, accuracy & valuation and presentation and disclosure) in order to ensure that DPW and Provincial IARs comply with the PFMA, GIAMA and National Treasury guidelines.

5.5.6 STRATEGIC INTERVENTIONS FOR PROGRAMME 6: FACILITIES MANAGEMENT

5.5.6.1 MAINTENANCE STRATEGY

The State's Property Portfolio is currently underutilised and neglected, leaving numerous properties vacant, and susceptible to theft, vandalism, vagrants and illegal occupation. The condition of some buildings is poor and, in many cases, does not enable the User Departments to fulfil their service delivery mandates. As part of the *Efficiency Enhancement Phase* of the Turnaround Strategy, the PMTE has identified the implementation of a Maintenance Programme to improve access to, and the quality of, the State's immovable assets.

To this extent a high-level Maintenance Strategy has been developed that sets out the details of the envisaged Programmes, the resources and the expected outputs and outcomes. This strategy aims to galvanise strong institutional capacity with qualified and experienced Project Managers to anchor a roll out of a Maintenance Programme with the aim of promoting skills development for Apprentices and Artisans, and Engineers.

In essence, the Programme includes:

- i. Conditional Assessments to develop sound Asset Management and Maintenance Plans.**

This allows for the conditional assessment of identified facilities by suitably qualified and competent professionals to ensure that the planning and scoping of agreed projects will be concluded by the end of the 2016/17 financial year for the current and the next two ensuing financial years.
- ii. Construction, refurbishments and maintenance.**

This project entails the construction activities including the installation of required equipment in terms of the List Allocation by the Department, as amended from time to time, in terms of the Implementation Plan.
- iii. Emergency, routine and planned maintenance of existing priority facilities in the manner that promotes job creation, appropriate skills and enterprise development.**

This project entails the repairs, renovations and maintenance planning of key facilities and infrastructure as prioritised in terms of the List Allocation. The focus will be on building the maintenance industry through long term Maintenance Contracts that promote job creation, SMMEs and Skill Development.

iv. **Capacity building and professionalisation of the DPW technical staff involved with Construction, Facilities and Property Management programmes.**

This will entail the development and implementation of Artisans, Engineering and Contractor Development Programmes aligned with the National imperatives. The Programme will focus on converting the Apprentices into Artisans that will be deployed to work on the PMTE or Public Infrastructure Projects but also by augmenting the current cohort of Artisans. Further Development Programmes will include a systematic and structured approach by assisting current cohort of young professional Engineers; Property Managers and Project Managers to be registered with relevant bodies such as the Engineering Council of South Africa etc.

5.5.6.2 *UNSCHEDULED MAINTENANCE*

Currently, the Department operates an in-house Call Centre, (24/7/365), that receives calls for unscheduled maintenance and routes it to relevant regions for execution. The table below depicts an upward trend in both the number of calls logged and the amount of time spent on unscheduled maintenance over five (5) year period.

Table 5: Scheduled VS. Unscheduled Maintenance

	2011/12	2012/13	2013/14	2014/15	2015/16
Logged Calls	25590	46868	47858	47808	51800
Growth (%)		83.15	2.11	-0.10	8.35
Expenditure Unscheduled		716 437 083	983 586 643	1 110 085 472	1 260 623 370
Expenditure Scheduled	1 412 577 601	1 630 271 035	1 156 029 342	2 100 393 417	1 224 004 934
% Cost proportion		30.53	45.97	34.58	50.74

Source: Worx4U

The Table above indicates an increase in both calls logged and unplanned maintenance, where the percentage proportion is above the industry norm of 20%. Although the increase is, to an extent, due to the increase in number of calls logged, higher expenditure is also caused by the lack of routine and corrective maintenance, which results in the costs of repairs being higher. Emergency repairs cost three to nine (3- 9) times more than planned maintenance. The focus thus needs to shift to planned maintenance where the aim is to reduce incidents of unplanned maintenance through the development of proper Maintenance Plans. Maintenance Budgets will be developed for all facilities (new, existing, and unoccupied) based, on condition Assessments. Monthly Inspections will be conducted on strategic buildings to ensure that regular servicing is undertaken and that the PMTE adheres to statutory legislation.

Further, in order to ensure the quality of maintenance and performance, incentivized-based Service Level Agreements (SLA) will be entered into with all service providers. Uniformity in all regions for executing day to day maintenance will be achieved through revising Business Process and Maintenance Guidelines with proper Delegations of Authority.

Up to 75 % of maintenance problems can be prevented at an early stage through proper training and development of staff. A number of training interventions, such as learnerships and skills transfer initiatives are being considered to grow the current skills base and support maintenance requirements.

5.6 DEMAND FOR SERVICES

The PMTE manages a large and diverse portfolio that includes specialised facilities such as prisons, military bases, magistrates' courts, police stations and office buildings. The stock of properties is not fully utilisable given the condition of some of the properties, their location, configuration and/or nature. The situation is exacerbated by inadequate funding to renovate, refurbish or reconfigure many of the immovable assets for other uses which, in turn, leads to over-reliance on leased accommodation from the private sector.

Currently however, there are no comprehensive Technical Condition Assessments for the immovable assets to inform maintenance, in accordance with its Immovable Asset Management Policy. For this reason, and to also ensure compliance with the GIAMA legislation, the PMTE will undertake condition assessments for all its immovable assets at an appropriate level over the five (5) year-term. A total of R2.1b was allocated for both Planned Maintenance and Refurbishment Programmes for the 2015/16 financial year. The baseline for the 2016/17 and 2017/18 financial years is R1.9b and R2.3b respectively.

5.6.1 Condition and utilisation of immovable assets under the custodianship of the PMTE

Based on a high-level condition assessment undertaken to date, 15% of the portfolio's immovable assets are in a poor condition and 85% are in a fair-to-good condition for State immovable assets. The figure below represents the current condition of the Immovable Assets within the PMTE's portfolio for which high-level condition assessments were conducted in the Custodian Asset Management Plan (C-AMP) of 2016/17.

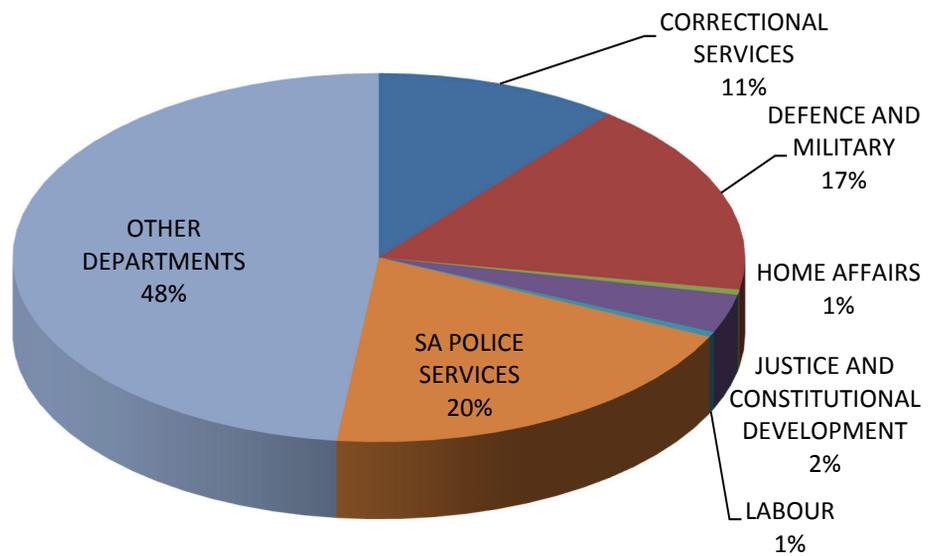
Table 6: The high level condition of State-owned immovable assets occupied by user departments

Department	Condition of State -owned Buildings										Total
	(Number and Percentage)										
	Very Good		Good		Fair		Poor		Very Poor		
	C5	C4	C3	C2	C1						
Defence	1	0%	30	12%	190	79%	12	5%	9	4%	242
Correctional Services	1	1%	11	6%	153	81%	20	11%	5	3%	190
Justice	3	0%	103	14%	580	79%	35	5%	9	1%	730
SAPS	43	3%	145	10%	1014	70%	232	16%	14	1%	1448
Other user departments	7	2%	86	23%	250	68%	21	6%	6	2%	370
Unutilized	0	0%	0	0%	0	0%	0	0%	103	100%	103
TOTAL	55	2%	375	12%	2187	71%	320	10%	146	5%	3083

Notes:

- i. The Justice and Constitutional Development portfolio excludes condition ratings for all residential accommodation.
- ii. The SAPS portfolio includes condition ratings for devolved police stations.
- iii. The number of properties under the Defence portfolio is derived from the U-AMP 2012-2015 and includes residential units within complexes.
- iv. Unutilised buildings comprise of offices only and reported at complex level.
- v. The Correctional Services portfolio excludes condition ratings for residential units both within and outside complexes.

Figure 4: Utilisation per User Department



5.6.2 Demand for new space by User Departments

Notwithstanding the number of properties within the portfolio and the aforementioned condition of the majority of assets, the demand for suitable and appropriate accommodation exceeds the supply leading to significant new construction, maintenance and leasing programmes.

The information provided in Tables 7 and 8 is aligned to the User Asset Management Plan (U-AMP) and is subject to an options analysis.

Table 7: Demand for new space by User Departments (capital requirements)

User department	Area required (m ²)	Total capital funds required - (R)	2016/17	2017/18	2018/19
			MTEF Year 1 requirements (R)	MTEF Year 2 requirements (R)	MTEF Year 3 requirements (R)
South African Police Services	496 800	1 151 235 740	508 426 958	389 545 027	253 263 755
Defence	60 585	517 256 017	83 048 213	115 189 338	319 018 466
Justice and Constitutional Development	29803	1 161 310 197	338 871 516	822 438 681	0
Correctional Services	64800	491 767 332	464 475 795	23 712 428	3 579 109
Home Affairs	9921	252 851 719	69 189 638	94 410 862	89 251 219
Labour	1754	347 028 935	18 232 041	326 013 348	2 783 546
Other Departments	198372	103 369 773	99 644 853	3 724 920	0
SUM TOTAL	862 035	4 024 819 713	1 581 889 014	1 775 034 604	667 896 095

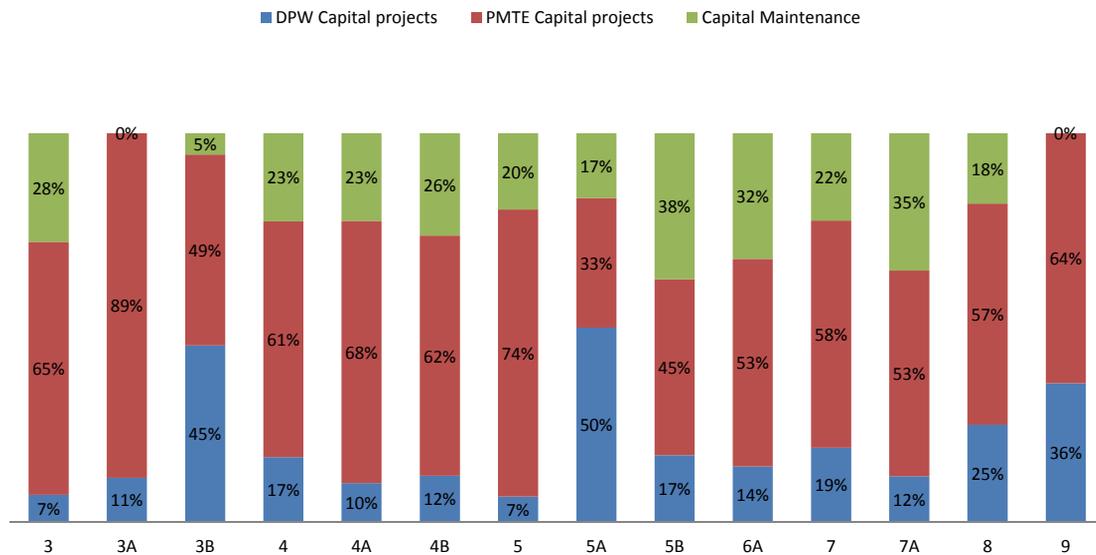
Table 8: Demand for new space by User Departments (leasing requirements)

User department	Area required (m ²)	Total needs for leased accommodation (R)	2016/17	2017/2018	2018/2019
			MTEF Year 1 requirements (R)	MTEF Year 2 requirements (R)	MTEF Year 3 requirements (R)
South African Police Services	45 114	348 905 304	107 474 527	116 072 489	125 358 288
Defence	32 500	115 241 114	35 449 605	38 289 712	41 501 797
Justice and Constitutional Development	7 270	27 443 473	7 999 349	9 467 329	9 976 795
Correctional Services	1544	5 791 865	1 735 839	1 957 486	2 098 540
Home Affairs	20 605	97 831 369	24 979 596	38 256 281	34 595 492
Labour	315	770 197	267 997	287 072	215 128
Other Departments	126 897	1 421 113 396	140 601 577	141 748 262	149 523 350
SUM TOTAL	234 245	1 027 856 511	318 508 490	346 078 631	363 269 390

5.6.3 Demand for construction

The Department has delivered a total of about 4 485 Capital and Maintenance projects in the past five years while confronting some difficult challenges. The delivery of these projects by the Department translates to a total actual expenditure of R24 969 602 926 in construction and planned maintenance budgets.

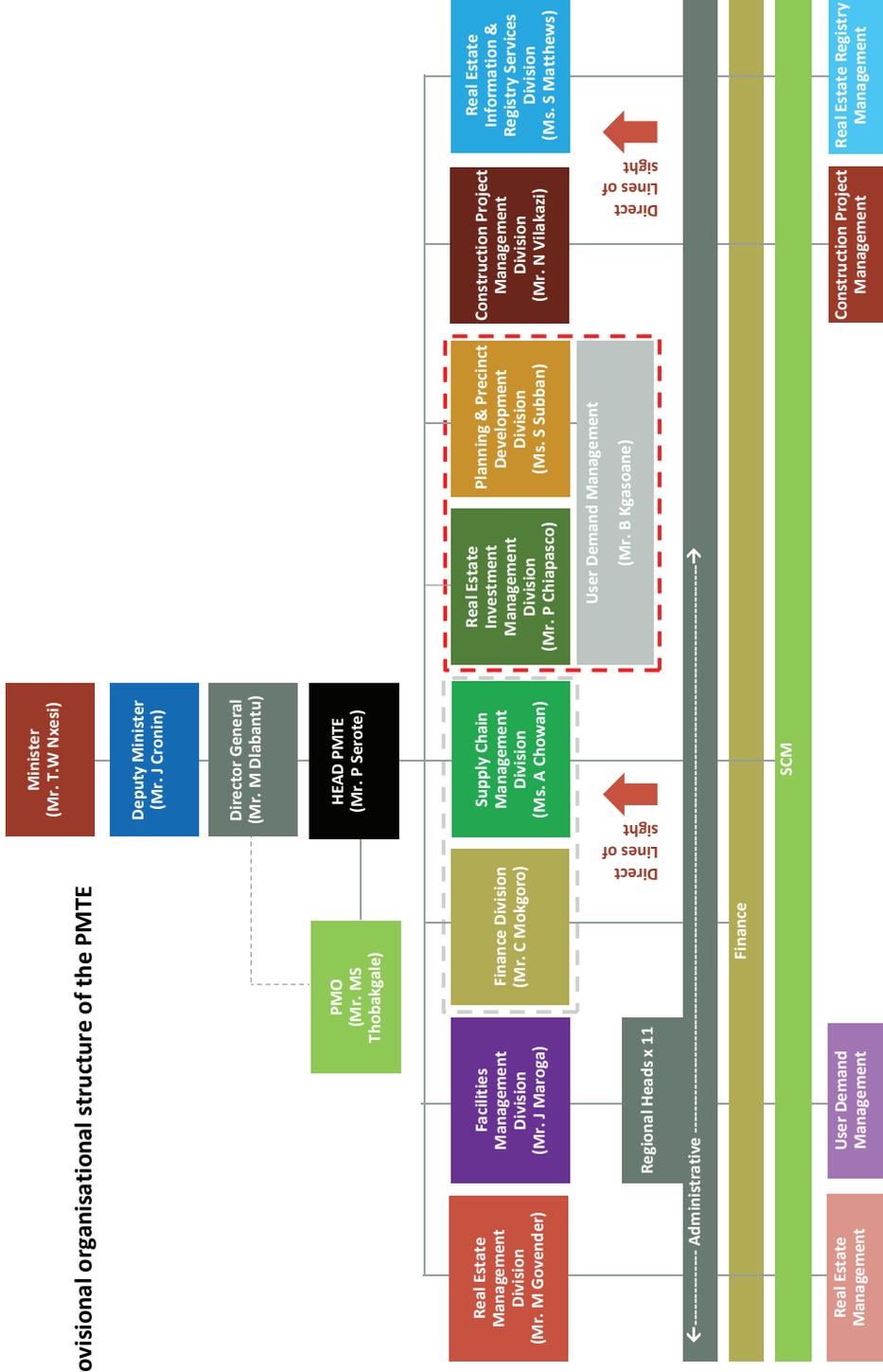
Figure 5: Project Type per Stage



Departmental building programmes pertaining to maintenance and capital works will continue to be implemented in the medium-term. Key projects will include the upgrading of facilities to ensure access to the disabled, the upgrading and construction of departmental offices, the development of National Government precincts and the refurbishment of infrastructure related border post centres. These projects will be funded from the infrastructure budgets of the Department and User Departments.

5.7 ORGANISATIONAL ENVIRONMENT

5.7.1 High level provisional organisational structure of the PMTE



5.7.1.1 Key issues relating to the organizational structure

With the PMTE assuming the responsibility for the implementation of the Construction and Property Management functions, as well as the management of the immovable asset life cycle on behalf of the Department, the PMTE structure provides the functions and functional areas required for the PMTE to discharge its mandates and priorities. The PMTE remains a Trading Entity under the Accounting Officer of the Department (i.e. the Director-General) until such time as a Government Component is established. This transition to the Government Component will be supported by an appropriate organisational design, with an envisaged longer term review, once the PMTE is fully operational and prepared to modify services and relevant operating models.

There has been extensive consultation on the revised PMTE organisational structure, internally as well as other relevant stakeholders, i.e. DPSA and the Department of Labour. The structure has been submitted to DPSA for final concurrence. In the interim, stability in key positions will be managed through appointments and secondments to ensure the continuation of services.

Taking the above into consideration, the functional Organisational Structure of the PMTE, which is aligned to the Public Works mandate, depicts the following three distinctive focal areas:

- **Core Business** - consisting of Real Estate Investment, Planning and Precinct development, Real Estate Management, Facilities Management, Real Estate Registry Services, and Construction Management.
- **Enabling Services** – consisting of Financial Management and Accounting, and Supply Chain Management.
- **DPW Shared Services** - consisting of Internal Audit, Office Support, Corporate Services, and Governance.

To ensure operational improvement, a **direct accountability model** for each area of service has been adopted. Functional areas within the National as well as Regional Offices now have direct accountability lines to their respective functional heads in the PMTE. The Regional Coordination function thus ceases to exist and Regional Offices, in essence, become the custodian for assets within the Region, on behalf of State.

The lack of proper Maintenance Strategies and Implementation Plans result in many properties being underutilised and neglected leaving properties vacant and susceptible to theft, vandalism, vagrants and illegal occupation. The poor condition of many buildings did not enable User Departments to fulfil their service delivery mandates. This necessitated the need to prioritise proper Portfolio Management, Client Relations and Maintenance of Properties through the Regions to build value to State assets and achieve the PMTE's Property Management objectives.

In line with the direct accountability model, the Regional Manager assumes the position of Regional Head and is accountable to the Divisional Head: Facilities Management in playing the pre-eminent role of strategic Portfolio and Facilities Management (Owner of Assets). Regional Heads - as the most senior officials in the regions - remain the “points of entry” for client engagement and remain responsible for various compliance and administrative processes, until the processes have been re-aligned to the suit and improve the new delivery model.

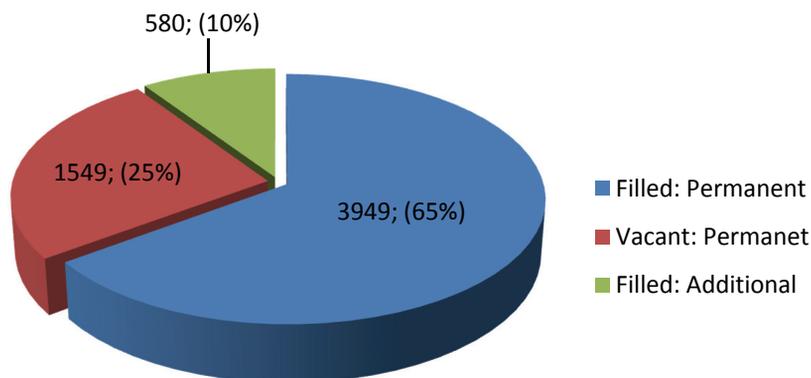
From an operational view, SCM and Finance will serve various functions within the Region, but be directly accountable to the respective Heads.

5.7.1.2 Factors within the organizational environment that have informed the Annual Performance Plan

The PMTE has, pending the approval and implementation of the PMTE Structure, prioritised the recruitment of suitably skilled and experienced professionals to assist with the operationalizing the PMTE. To this end, the secondment of the Head of the PMTE and critical management appointments for the Head of Facilities Management and Head of Real Estate Registry Services were finalised in 2015/16. In line with the revised organisational structure, the Department will also facilitate the recruitment and appointment of technical and professional experts in the property management environment.

The graphic representation below indicates provides the PMTE staff complement for the 2015/16 financial year, as at January 2016:

Figure 6: Property Management Trading Entity - Staff Establishment



The PMTE has a total staff establishment of 5 369 posts of which 3 932 are filled. An integrated Human Resource Plan has been developed to respond to Government’s priorities and to align the PMTE workforce with the mission, vision, strategic goals and financial resources of the PMTE. The Human Resource Plan, which identifies current and future human resources needs for the PMTE to achieve its strategic goals, is reviewed annually, in line with the strategy and structure, to ensure that the appropriately skilled people, are in the right place at the right time, to respond to critical areas in the course of delivering on the mandate of the PMTE.

Figure 7: Filled versus vacant positions (permanent plus additional)

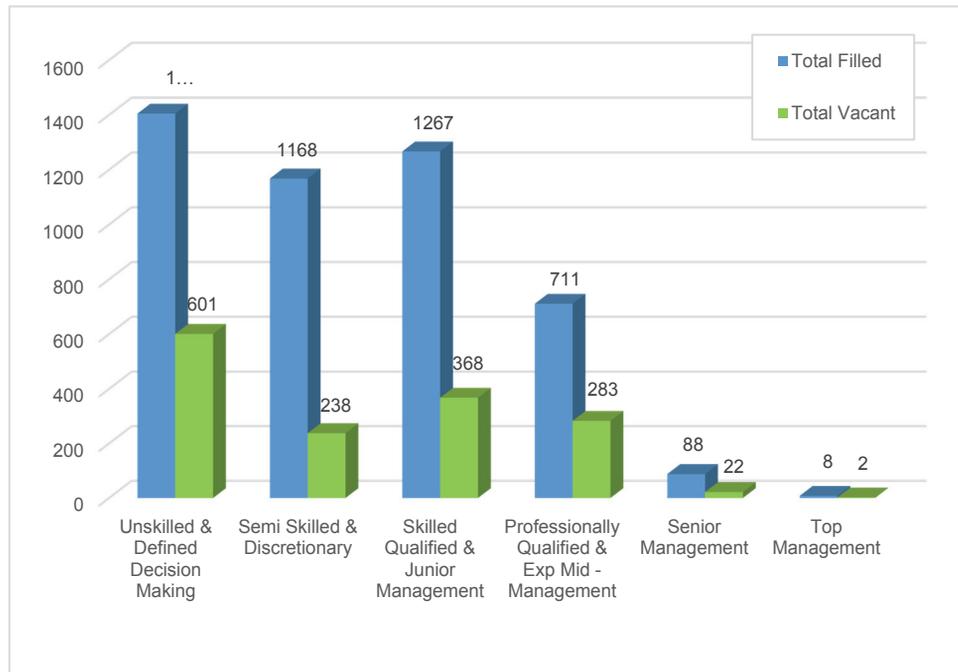


Table 9: Employment and vacancies by critical occupations

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Architects, town and traffic planners	70	59	15.71	4
Chemical and physical science technicians	12	11	38.89	2
Civil engineering technicians	27	13	45.83	1
Electrical and electronics engineering technicians	12	4	21.10	3
Engineers and related professionals	269	239	8.78	79
Mechanical engineering technicians	14	3	91.43	
Quantity surveyors & related prof	37	25	32.43	1
TOTAL	441	354	21.44	90

The Department is coordinating the Talent Pipeline Strategy that contributes to high level human capital development and to the creation of a pool of critical skills aiming at changing the profile of the workforce by growing a representative workforce for the built and property environment while growing the size and raising the quality of the human capital base, needed to improve the quality of life of all South Africans.

Through these Programmes young talent is targeted and inspired to take up careers in the built and property environment. Special effort is taken to provide access and assistance to disadvantaged students who want to further their careers. The implementation of the Pipeline Strategy supports Talent Management for the PMTE and is implemented in the form of the Schools Programme, the Bursary Scheme, Internships, Work Integrated Learning, Learnerships, Young Professionals, Management Trainee, Artisan Development and Mentorship Programmes.

5.8 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The strategic planning process for the PMTE is aligned to the Planning Framework of National Government. This Framework defines the cycles of policy, strategy, programme development, budgeting, monitoring and evaluation and the tabling of these documents for public consumption. In this regard, PMTE has taken cognisance of the NDP, the existing Strategic Plan, the Medium Term Strategic Framework, the New Growth Path (NGP) and Decade of Action and the African Millennium Development Goals in the compilation of this Annual Performance Plan.

As part of the operationalisation of the PMTE and separation of functions between the Department of Public Works and the PMTE a new Programme Budget Programme Structure was developed for PMTE in 2015/16. This resulted in the tabling of a Strategic Plan and Annual Performance Plan for PMTE for the first time in 2015/16. Whilst the Strategic Plan was well received, there were specific areas of improvement that were identified by the PMTE. These improvements relate to how effectively the Strategic Plan is cascaded down into the Annual Performance Plans, Business Plans and Performance Agreements whilst ensuring accountability for the delivery thereof. The Executive Committee of the Department subsequently resolved that there should be a review of the Strategic Overview of the Strategic Plan that would also take into consideration clarity of the future structure of the PMTE. Various strategic review sessions then followed with further discussion and debate about the alignment of functions, modes of delivery, Vision, Mission, Values, Strategic Oriented Goals and Objectives for PMTE.

The 2016-17 Annual Performance Plans sets out what the PMTE intends doing over the MTEF towards progressively achieving the full implementation of the five (5) year Revised Strategic Plan. The following process was followed in the development of the Annual Performance Plan:

Table 10: Description of the strategic planning process for PMTE

ACTIVITIES	PURPOSE	TIMEFRAMES
Development of (5) year Strategic Plan for the 2015-2020 planning cycle	This five year Strategic Plan was developed as part of the process to operationalise the PMTE and to reflect the policies and plans of the new Government. It distinguishes the implementation functions of the property and construction project management from the policy and regulatory role of the Department.	11 March 2015
Transfer of DPW functions to PMTE	On 01 April 2015 the Department of Public Works transferred the relevant personnel and its associated costs to the PMTE.	01 April 2015
Policy Statement of PMTE	The Minister of Public Works delivered an Updated Policy Statement in June 2015 which outlined the policy priorities that have become the strategic thrusts of the PMTE.	23 June 2015
Training on Strategic and Annual Performance Planning	Training sessions were conducted for PMTE management on strategic planning and monitoring and evaluation.	August and September 2015
Annual Strategic Planning Workshop	A Strategic Planning Session was convened from 13-15 August 2015 as attended by senior managers in the PMTE as well as the Chief Executive Officers of the Public Entities reporting to the Minister of Public Works. During the Strategic Planning Session, the PMTE expanded on its strengths, thus furthering its competitive advantage, to achieve effectiveness and success. The objective of the session was to inculcate integrated planning and highlight critical areas of performance, reprioritise current activities and related performance targets, define future targets to align to the newly defined priorities and affirm the second phase of the Turnaround Strategy for the PMTE, which is Efficiency Enhancement Phase.	13-15 August 2015
Submission of the 1st Draft Annual Performance Plan	The 1 st Draft APP was submitted to the National Treasury and the Department of Planning, Monitoring and Evaluation. The 1 st Draft APP was also presented to the Department's Audit Committee	31 August 2015 28 September 2015
1st Strategic Review Session for Branch Heads	A Strategic Review Session was held for all Heads of Branches within the PMTE to discuss the Strategic Overview of PMTE	04 November 2015

ACTIVITIES	PURPOSE	TIMEFRAMES
2nd Strategic Review Session for Branch Heads	A second Strategic Review Session was held for all Branch Heads within PMTE to discuss the key performance indicators for the various programmes within PMTE	12 November 2015
Compilation of 2nd Draft Annual Performance Plan	The outcomes from the Strategic Review Sessions and the inputs from the units and relevant information pertaining to the current strategic direction of the PMTE were taken into consideration in the compilation of the 2 nd draft for the Annual Performance Plan. The strategic interventions and projects for 2016/2017 were identified as part of this process.	21-26 November 2015
Submission of the 2nd Draft Annual Performance Plan to PMTE	The 2 nd Draft Annual Performance Plan was submitted to the National Treasury and the Department of Planning, Monitoring and Evaluation. The 2 nd Draft Annual Performance Plan was also presented to the Department's Audit Committee	30 November 2015
Final draft Annual Performance Plan tabled at Special EXCO	The final draft of the Annual Performance Plan was tabled at a Special EXCO workshop.	21 January 2016
Annual Performance Plan Workshop with Audit Committee	The final draft Annual Performance Plan was presented to the Audit Committee.	15 February 2016
Peer review workshop	A peer review workshop was held with National Treasury, the Departments of Planning, Monitoring and Evaluation and Public Service and Administration.	28 February 2016
Tabling of the Revised Strategic Plan and Annual Performance Plan	The Revised Strategic Plan and 2016/17 Annual Performance Plan are printed and distributed.	10 March 2016
PMTE Operational Plans	The Annual Performance Plans are translated into Operational Plans where strategic performance indicators are broken down into operational performance indicators which measure inputs, activities, processes and lower level outputs. The budget is, at this stage linked and done at an activity level. The objective is to link the Operational Plans to the key performance areas of management.	15 March 2016

6. STRATEGIC OUTCOME ORIENTED GOALS

6.1. STRATEGIC GOALS OF THE PMTE

In executing its mandate, the PMTE has identified eight strategic outcome oriented goals that define its direct service delivery responsibilities. These goals, which are linked to the mission, are:

Table 11: Strategic outcome oriented goal 1

Strategic Goal 1	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Goal Statement	Drive the Efficiency Enhancement Phase (Phase II) of the Turnaround Strategy of the Property Management Trading Entity to achieve full stabilization and improve efficiencies for rebuilding the PMTE by 2020 in a compliant manner.
Programme Name	Programme 1: Administration
Justification	The implementation of the Turnaround Strategy is a prerequisite for the performance of the PMTE and is based on the need to address critical and foundational aspects and immediate improvements in the manner that core programmes are supported.
Links	The National Development Plan highlights the need for well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritizing the nation's developmental objectives. Finance and Supply Chain Management functions are governed by the PFMA, Treasury Regulations, GRAP, PPPFA and BBBEE Acts.
Related Strategic Objectives	<ul style="list-style-type: none"> • To provide a compliant internal control and financial service • To provide a compliant Supply Chain Management service

Table 12: Strategic outcome oriented goal 2

Strategic Goal 2	To consolidate user demands that enables planning and budgeting
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning and budgeting
Programme Name	Programme 2: Real Estate Investment Services
Justification	Development depends on providing the right type of infrastructure, in the right places at the right times. Planning for user department’s accommodation requirements is a fundamental activity in the development of the State’s immovable asset portfolio.
Links	Outcome 12: An efficient, effective and development-oriented public service (Sub-Outcome 4: Efficient and effective management and operations systems) Highlights the need for more functional workplaces, leading to improved responsiveness to the needs of service-users
Related strategic objectives	To ensure that the user asset management plans are produced in compliance with relevant prescripts

Table 13: Strategic outcome oriented goal 3

Strategic Goal 3	To increase the value of the State’s immovable asset portfolio
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through informed investments
Programme Name	Programme 2: Real Estate Investment Services
Justification	To ensure that optimal value for money and a better rate of return on investment in the State’s immovable asset portfolio. Such investment has a multiplier effect throughout the economy, generating lasting economic, social and environmental benefits.
Links	Outcome 6: An efficient, competitive and responsive economic infrastructure network (Sub-outcome 1: Regulation, funding and investment improved) Highlights the need to lay the foundations for improvements in productivity, including infrastructure delivery and services.
Related strategic objectives	<ul style="list-style-type: none"> • To inform asset management decisions through optimal investment solutions • To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions

Table 14: Strategic outcome oriented goal 4

Strategic Goal 4	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning for spatial, economic and infrastructural integration in order to provide improved accommodation with specific reference to accessibility, quality and facility management for efficient service delivery to the country and its citizens.
Programme Name	Programme 2: Real Estate Investment Services
Justification	Redress spatial imbalances, elimination of the silo approach to infrastructure development and the creation of economies of scale whilst supporting improved service delivery.
Links	Contribute towards the integration of spatial development plans of rural municipalities as per Outcome 7 (Sub Outcome 2). Support efficient and effective public service by improved, integrated and accessible infrastructure as per Outcome 12 (Sub Outcome 4).
Related strategic objectives	To direct precinct planning and development for national government in urban and rural areas

Table 15: Strategic outcome oriented goal 5

Strategic Goal 5	To meet user departments accommodation requirements as per the approved Infrastructure Programme Implementation Plan (IPIP)
Goal statement	To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction and other infrastructure improvement programmes. This entails new construction, upgrades and additions and refurbishment of infrastructure over a 5 year period.
Programme name	Programme 3: Construction Project Management
Justification	The NDP identifies infrastructure investment as a key priority for South Africa to support socio-economic transformation and to build a new level of economic resilience in an increasingly challenging global environment. Construction is key in the achievement of this national objective.
Links	Provide reasonable functional accommodation that facilitates the attainment of user departments' service delivery objectives as outlined in Outcome 12 (Sub Outcome 4).
Related strategic objectives	<ul style="list-style-type: none"> • To develop detailed construction plans that direct the execution of construction projects • To ensure that construction programmes are implemented according to approved criteria

Table 16: Strategic outcome oriented goal 6

Strategic Goal 6	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Goal statement	To provide and manage the real estate portfolio in support of Government’s social, economic, functional and political objectives and reduce the PMTE’s financial dependency on Government.
Programme Name	Programme 4: Real Estate Management Services
Justification	The PMTE is the primary provider of accommodation for Government departments and is the biggest land owner in the country. Through the optimal utilisation of its immovable asset base and sourcing accommodation through other means, the PMTE assists user departments to provide suitable, cost-effective and functional accommodation to the end user.
Links	The provision of conducive accommodation enables user departments to improve service delivery and consumer satisfaction as outlined in Outcome 12.
Related strategic objectives	<ul style="list-style-type: none"> • To provide functional leased accommodation for user-departments • To increase revenue through the rental of State-owned property • To manage and administer contractual obligations for all accommodation solutions

Table 17: Strategic outcome oriented goal 7

Strategic Goal 7	To provide reliable immovable asset information that informs investment decisions and portfolio management
Goal statement	To develop and manage a complete, accurate and compliant Immovable Asset Register to meet service delivery objectives for the State, Department and Property Management Trading Entity business requirements.
Programme Name	Programme 5: Real Estate Information and Registry Services
Justification	A national immovable asset base is central to achieving socio-economic objectives as outlined in the NDP and performs a pivotal role in securing custody and control over the State’s immovable assets hence to importance of control and compliance in the management of the immovable asset information.
Links	The Immovable Asset Register is maintained and managed in a manner that contributes to the national objective of good corporate governance practices as outlined in the NDP and governed by the PFMA, Treasury Regulations and GIAMA.
Related strategic objectives	<ul style="list-style-type: none"> • To maintain a compliant Immovable Asset Register • To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers

Table 18: Strategic outcome oriented goal 8

Strategic Goal 8	To ensure optimal performance of the State’s immovable asset portfolio.
Goal statement	To ensure that immovable assets used by government departments and the public, are optimally utilised and maintained in a safe, secure healthy and ergonomic and environment while contributing to job creation, skills development and poverty alleviation.
Programme name	Programme 6: Facilities Management
Justification	Optimise the utilisation and performance of state assets that fall under the custodianship of PMTE through the implementation of a Maintenance and National Green Building plan.
Links	South Africa needs to invest and manage a strong infrastructure network designed to support the country’s long term economic and social objectives as outlined in Outcome 6 and 12.
Related strategic objectives	<ul style="list-style-type: none"> • To manage maintenance programmes in accordance with an approved plan • To reduce unscheduled repairs on State-owned buildings • To ensure resources efficiency in State-owned building

The strategic goals and strategic objectives of the PMTE are aligned to the following priority areas within the Medium Term Strategic Framework (2014-2019):

Table 19: Alignment to MTSF priority area:

MTSF PRIORITY	NATIONAL OUTCOME	STRATEGIC GOAL	PROGRAMME
¹⁹ Radical economic transformation, rapid economic growth and job creation	²⁰ 12: An efficient and effective development oriented Public Service	1: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.	1, 2, 3, 4, 5, 6
	²¹ 6: An efficient, competitive and responsive infrastructure network	2: To consolidate user demands that enables forward planning and budgeting 3: To increase the value of the State's immovable asset portfolio	
	²² 4 : Decent employment through inclusive economic growth	5: To meet user department accommodation requirements as per the approved IPMP 6: To provide quality accommodation and contribute to the financial sustainability of the PMTE	
	²³ 5: A skilled and capable workforce to support an inclusive growth path	7: To provide reliable immovable asset information that informs investment decisions and portfolio management 8: To ensure optimal performance of the State's immovable asset portfolio	
²⁴ Rural development, land and agrarian reform and food security	²⁵ 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	4: To develop accommodation solutions in collaboration with the relevant spheres of Government 5: To meet user department accommodation requirements as per the approved IPMP	2, 3, 5, 6
	²⁶ Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life	3: To increase the value of the State's immovable asset portfolio. 7: To provide reliable immovable asset information that informs investment decisions and portfolio management 8: To ensure optimal performance of the State's immovable asset portfolio	

¹⁹ MTSF 2016-2019 Page 6

²⁰ Outcome 12: Sub Outcome 4: Page 15

²¹ Outcome 6: Sub Outcome 2: Page 12 and Sub Outcome 3: Page 19

²² Outcome 4: Sub Outcome 1: Page 8

²³ Outcome 5: Sub Outcome 4: Page 16

²⁴ MTSF 2016-2019 Page 6

²⁵ Outcome 7: Sub Outcome: 1 Page: 4

²⁶ Outcome 8: Sub Outcome 1 Page: 8

6.2. LINKS TO GOVERNMENT-WIDE PLANS

The Constitution requires that all spheres of Government work together and participate in the development of programmes to redress poverty, underdevelopment, marginalisation of people and communities, and protect and enhance environmental assets and natural resources. It is clear that the implementation of the strategic agenda of Government and National priorities requires an effective National Government, as well as the smooth functioning and careful synchronisation of the three spheres of Government.

The National Development Plan (NDP) contains proposals for tackling the problems of poverty, inequality, unemployment and resource preservation in the country. It is a roadmap to a South Africa where all South Africans will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. Amongst the nine critical challenges identified in the NDP, of particular relevance to the PMTE, are:

- infrastructure is poorly located, inadequate and under-maintained;
- spatial divides impede inclusive development;
- public services are uneven and often of poor quality; and
- corruption levels are high.

Part of the 9 priorities identified to boost the economy, that directly affect the PMTE, are:

- Resolving the energy challenge;
- Unlocking the potential of SMMEs, cooperatives, townships and rural enterprises; and
- Operation Phakisa which aims to grow the ocean economy - such as the shipping and storage of energy products.

In the context of the NDP, Cabinet adopted a National Infrastructure Plan in 2012 to transform the economic infrastructure landscape while simultaneously creating significant numbers of new jobs, and strengthening the delivery of basic services. This Infrastructure Plan also supports the integration of African economies. The Presidential Infrastructure Coordinating Commission (PICC) is mandated by Cabinet to plan and coordinate the National Infrastructure Plan. Government is investing R827 billion in building new and upgrading existing infrastructures. These investments will improve access by South Africans to healthcare facilities, schools, water, sanitation, housing and electrification. On the other hand, investment in the construction and upgrading of ports, roads, railway systems, electricity plants and dams will contribute to faster economic growth. Eighteen Strategic Integrated Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest Provinces. Each SIP comprises a large number of specific infrastructure components and programmes.

The Medium-Term Strategic Framework (MTSF, 2014 - 2019) builds on the successes of the past 20 years of democracy and is the first five year building block of the NDP. The basic thrust of MTSF is to improve the living conditions of all South Africans and to build a better Africa and a better world. It is a statement of intent, identifying the development challenges facing South Africa and outlining improvements in the living conditions of South Africans for enhanced contribution to the cause of building a better world. The strategic focus of the MTSF (2014-2019) will not digress from the understanding that economic growth and development through sustainable job creation and investment in quality education and skills development, are at the centre of the Government's approach.

Directed by the mandate of the Department and the Performance Agreement between the President of the Republic of South Africa and the Minister of Public Works, the PMTE has identified five outcomes based on the Department's contribution to the MTSF:

1. Efficient, competitive and responsive economic infrastructure network (Outcome 6),
2. Comprehensive rural development (Outcome 7),
3. Sustainable human settlements and improved quality of household life (Outcome 8);
4. Protected and enhanced environmental assets and natural resources (Outcome 11); and
5. Efficient, effective and development orientated public service (Outcome 12).

Following hereunder are the specific links to Government-wide plans

Table 20: Small Harbour Development

NDP Chapter & MTSF National Outcome	Chapter 3, 4 and 5 Outcome 6: An efficient, competitive and responsive economic infrastructure network
Description	The PMTE as the State's infrastructure development organ will play a pivotal role in the development and modernisation of small harbours in order to stimulate South Africa's maritime economy. The PMTE in collaboration with the Department of Environmental Affairs, the Department of Economic Development, the Department of Agriculture, Forestry and Fisheries and the South African Maritime Safety Authority (SAMSA) will develop these harbours and state properties for economic development and revenue generation.
MTEF Budget	R20.6 million
Related performance indicators	<ul style="list-style-type: none"> • Percentage of revenue increased through rentals of harbour related properties • Percentage of DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes

Table 21: Energy Savings

NDP Chapter & MTSF National Outcome	Chapter 4 and 5 Outcome 6: An efficient, competitive and responsive economic infrastructure network
Description	Given the reality of South-Africa’s constrained Electricity supply; demand needs to be managed in a way that limits the impact of load shedding on Government’s economic and social priorities. The Property Management Trading Entity (PMTE), mainly through its Construction Project Management and Facilities Management Divisions, provides the opportunity to focus on electricity savings by ensuring electricity supply security by meeting its renewable energy targets and ensuring that all future construction and refurbishment projects are in line with DPW’s Green Building Policy.
MTEF Budget	R28 million
Related performance indicators	<ul style="list-style-type: none"> • Reduction in energy consumption (kilowatt hours) in identified property portfolio • Number of Kilowatt hours of renewable generated

Table 22: Water Conservation

NDP Chapter & MTSF National Outcome	Chapter 4 and 5 Outcome: 6 An efficient, competitive and responsive economic infrastructure network Outcome 11: Protected and enhanced environmental assets and natural resources
Description	Given the reality of the scarcity of water in South-Africa numerous initiatives need to be executed to educate South Africans on water saving, as well as utilising water saving devices in their homes, workplaces and all other institutions. The PMTE mainly through its Construction Project Management and Facilities Management Divisions, provides the opportunity to focus on water savings by ensuring water supply security by meeting its water saving targets and ensuring that tender specifications include water saving equipment for all future construction, refurbishment and facilities management projects including unscheduled maintenance.
MTEF Budget	R162 million
Related performance indicators	<ul style="list-style-type: none"> • Reduction in water consumption (kilolitres) in identified property portfolio

Table 23: Inclusive rural economy

NDP Chapter & MTSF National Outcome	Chapter 6 Outcome 7: Comprehensive rural development
Description	Rural development is a cross cutting mandate that requires significant institutional coordination for maximum impact. The PMTE will be collaborating with sector departments and rural municipalities to coordinate infrastructure planning and ensure maximum positive impact in rural areas by making public services more accessible with a particular focus on public services that are provided by the South African Social Security Agency, Department of Home Affairs, Department of Labour, South African Police Service, Department of Basic Education and Department of Justice and Constitutional Development. The role of the PMTE is to unlock the potential of its collective asset base to stimulate the local economy in meeting the accommodation requirements of its user departments.
MTEF Budget	R6 million
Related performance indicators	<ul style="list-style-type: none"> • Number of User Asset Management Plans received • Number of Custodian Asset Management Plans approved • Number of Government Precinct Development Proposals integrated with identified municipal (urban and rural) Integrated Development Plans (IDPs)

Table 24: Transforming Human Settlements

NDP Chapter & MTSF National Outcome	Chapter 8 Outcome 8: Sustainable human settlements and improved quality of household life.
Description	<p>The apartheid legacy of spatially marginalising the poor has meant that people live far from job opportunities and major services in “dormitory” type residential areas. Many South Africans continue to survive without basic services in informal settlements. Individuals who have jobs find it difficult to access subsidised houses on the one hand and mortgage products from commercial banks on the other.</p> <p>The Planning and Precinct Development Programme of the Department ensures integrated planning of infrastructure and urban efficiencies by aligning and consolidating Government services to reduce costs associated with accessing public services, particularly by those who live in remote areas. By making public services accessible, in close proximity to rural areas, Government will positively contribute to the livelihoods of the poor. In addition, the Department will release well located land and properties for developmental purposes to the Department of Human Settlements.</p>
MTEF Budget	R1.9 million
Related performance indicators	<ul style="list-style-type: none"> • Number of Government Precinct Development Proposals integrated with identified municipal (urban and rural) Integrated Development Plans (IDPs) • Number of sites established for development • Percentage of responsive disposal requests approved within scheduled timeframes

Table 25: Building a capable and developmental State

NDP Chapter & MTSF National Outcome	Chapter 13 Outcome 12 : An efficient and effective development-oriented Public Service
Description	The PMTE as the custodian of a significant portion of the State’s immovable assets ensures that immovable assets that are utilised for delivering various Government services yield functional, economic and social benefits to the State. The PMTE provides office, functional and official residential accommodation and ensures optimal utilisation of immovable assets that contribute to improved service delivery. Through the development of the Custodian Asset Management Plan and the User Asset Management Plan as principle strategic planning instruments, the PMTE provides accommodation to user departments that promotes integration, accessibility, sustainability, environmental sensitivity, economic growth and social empowerment.
MTEF Budget	The PMTE medium term budget allocation is R34 billion (Clients capital budget, repair and maintenance, cleaning and gardening, private leases, rates and taxes).
Related performance indicators	<ul style="list-style-type: none"> • Percentage of infrastructure projects completed within approved budget • Percentage of infrastructure projects completed within agreed construction period • Percentage reduction of identified leased-in functional accommodation within the security cluster • Percentage of accommodation procured for user departments that adhere to prescribed criteria • Percentage of unscheduled reported maintenance incidents resolved within prescribed time frames

7. OVERVIEW OF THE 2016/17 BUDGET AND MTEF ESTIMATES

7.1 EXPENDITURE ESTIMATES

Programmes	Audited outcome 2012/13 (R'000)	Adjusted appropriation 2013/14 (R'000)	Medium-term expenditure estimate					
			2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
Administration	4 357	1 016 723	1 702 587	847 287	904 936	876 970	844 000	
Real Estate Investment Services	-	-	-	105 850	116 521	129 274	136 780	
Construction Project Management	2 405 423	-	-	477 422	538 565	579 610	540 704	
Real Estate Management Services	4 128 294	4 431 449	5 047 922	5 567 961	5 992 578	6 494 269	7 031 380	
Real Estate Information & Registry Services	-	56 264	82 470	207 745	326 836	326 389	273 860	
Facilities Management Services	3 287 163	2 780 424	2 709 923	2 676 995	2 842 612	3 034 890	3 039 200	
Total for Programmes	9 825 237	8 284 860	9 542 902	9 883 260	10 722 048	11 441 402	11 865 924	

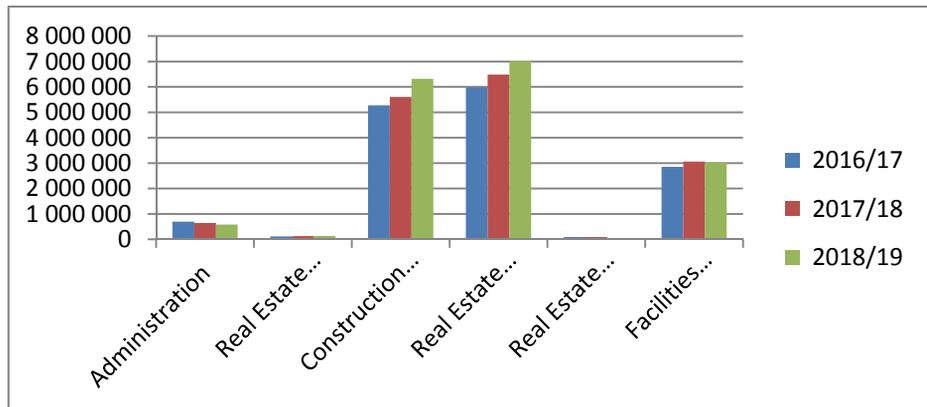
Economic Classification	Audited outcome 2012/13 (R'000)	Adjusted appropriation 2013/14 (R'000)	Medium-term expenditure estimate					
			2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
Current payments	9 330 912	6 791 550	7 393 731	8 902 082	9 560 252	10 163 426	10 460 151	
Compensation of employees	17 869	-	-	1 288 773	1 469 782	1 580 886	1 672 741	
Salaries and wages	15 639	-	-	1 108 345	1 264 013	1 359 562	1 438 557	
Social contributions	2 230	-	-	180 428	205 769	221 324	234 184	
Goods and services	9 041 372	6 427 134	7 101 284	7 298 777	7 643 579	8 123 245	8 314 956	
Agency and support/outsourced services	-	-	-	-	-	-	-	

Economic Classification	Audited outcome 2012/13 (R'000)	Adjusted appropriation 2013/14 (R'000)	Medium-term expenditure estimate					
			2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
Communication	25 668	-	-	-	-	-	-	-
Computer services	-	3 548	13 848	7 527	29 234	30 929	32 723	-
Consultants	-	50 406	44 658	-	-	-	-	-
Contractors	2 404 426	239	73 151	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Lease payments	3 330 966	3 557 111	3 939 379	4 020 000	4 320 000	4 665 600	5 038 848	-
Repairs and maintenance	3 119 300	2 581 046	2 442 025	1 936 623	2 056 694	2 175 982	2 302 189	-
Research and development	-	-	-	-	-	-	-	-
Training and staff development	2 362	-	-	12 428	13 692	14 744	15 599	-
Travel and subsistence	-	19 676	45 153	-	-	-	-	-
Other	158 650	215 108	543 070	1 322 199	1 223 959	1 235 990	925 597	-
Depreciation	-	56 264	82 470	120 000	240 000	240 000	240 000	-
Losses from	257 570	306 694	209 339	175 768	186 666	197 492	208 947	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Impairments and Adjustments to Fair Value	242 635	279 815	100 349	150 000	159 300	168 539	178 315	-
Adjustments to Fair value of financial assets	242 635	279 815	100 349	150 000	159 300	168 539	178 315	-
Impairments to non-financial assets	-	-	-	-	-	-	-	-
Other	14 935	26 879	108 990	25 768	27 366	28 953	30 632	-
Interest, dividends and rent on land	14 101	1 458	638	18 764	20 225	21 803	23 507	-
Interest	1 880	1 458	638	500	500	500	500	-
Dividends	-	-	-	-	-	-	-	-

Economic Classification	Audited outcome	Adjusted appropriation	Medium-term expenditure estimate					
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
Rent on land	12 221	-	-	18 264	19 725	21 303	23 007	
Transfers and subsidies	494 324	1 493 310	2 149 171	981 178	1 161 796	1 277 976	1 405 773	
National government	-	642 958	1 313 914	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	
Provinces	-	-	-	-	-	-	-	
Municipalities	494 324	850 352	835 257	981 178	1 161 796	1 277 976	1 405 773	
Total Expenditure	9 825 236	8 284 860	9 542 902	9 883 260	10 722 048	11 441 402	11 865 924	

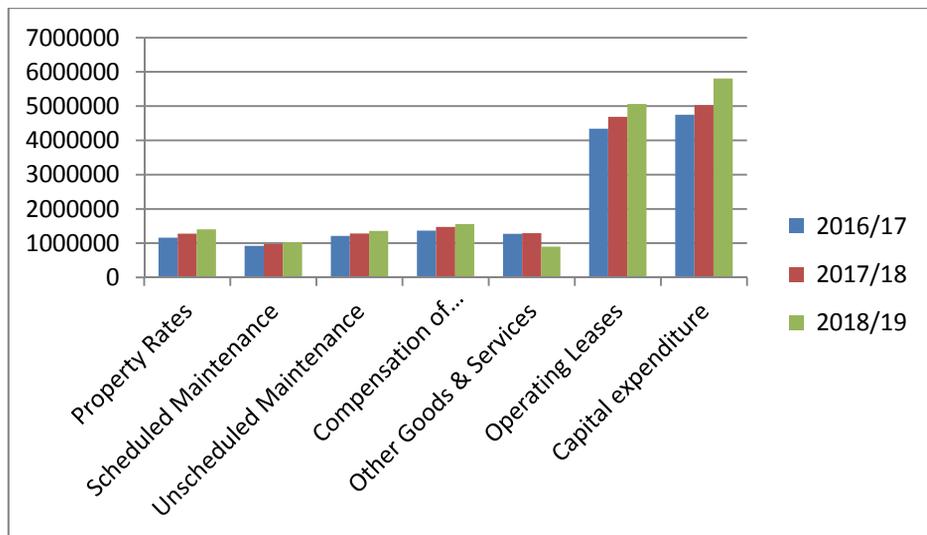
7.2 RELATING EXPENDITURE TRENDS TO STRATEGIC GOALS

Figure 8: Budget allocation per Programme



Note: Capital expenditure has been included under Programme 3: Construction Management Services

Figure 9: Summary Budget Allocations per Economic Classification



Over the medium term the PMTE will continue to enhance its operational efficiencies in the provision of office accommodation to user departments at National Government level, as well as in the planning, acquisition, management and disposal of immovable assets under the custody of the Department. Further, focus areas include rebuilding the PMTE's technical and professional capacity to support national infrastructure investment, reducing costs to the State, and becoming self-sustainable. These operational efficiencies will be enhanced through the implementation of Phase II of the Turnaround Strategy. The operationalisation of the PMTE commenced on 1 April 2014 with the transfer of functions to the PMTE. From 1 April 2015 the budget linked to the transferred functions were also transferred to the PMTE.

The compensation of employees' budget is expected to increase from R1.3 billion in 2015/16 to R1.7 billion in 2018/19 at an average annual rate of 7 per cent which is aligned to Cabinet's Wage Bill agreement. Goods and services is expected to increase from R7.5 billion in 2015/16 to R8.5 billion in 2018/19 at an average annual rate of 4.5 per cent. The main cost drivers of total goods and services are repairs and maintenance and operating leases. Goods and services include both operational activities (i.e. leasing and maintenance) and administrative activities. The expected expenditure for goods and services is over the medium term is 73.9 per cent. The Real Estate Management Services programme accounts for 57.2 per cent of the PMTE's total expenditure. The main goods and services items that are linked to this programme include operating lease and municipal services expenditure.

The PMTE has appointed various specialists to assist rebuild its technical and professional capacity. These skills were required to enhance the operational efficiencies in line with Phase II of the Turnaround Strategy. These appointments were funded by using the vacant positions which exist on the current approved structure. In addition, the PMTE has identified 238 vacant posts which are critical to the successful operationalization of the PMTE to be filled during 2016/17. The financial impact of making these appointments are estimated to be R76.9 million for 2016/17 and projected to be R167.9 million over 2017/18 and 2018/19. Baseline funding will be reprioritised to fill the prioritised vacant posts.

There has been a reduction of R164 million over the MTEF on the infrastructure budget which has resulted in proportional decreases across all infrastructure projects. The projects which the PMTE expects to deliver over the medium term are in different stages of implementation, ranging from planning, design and construction to finalisation, funded by the PMTE as well as those funded from user departments' infrastructure budgets. A total of 393 infrastructure projects and 436 repair and refurbishment projects will be completed over the MTEF. Key infrastructure projects that the PMTE will complete over the MTEF period and beyond include Bryntirion Heritage site in Pretoria, Research station on Antarctica Island, Department of Defence and the SAAF Air School in Pretoria, Eben Donges building in Port Elizabeth and Ndabeni and Epping in Cape Town. Key repair and refurbishments projects that the PMTE will complete over the MTEF period and beyond include the restoration of the Old Magistrate Court, integrated Facilities Management Services for Cape Town official and residential accommodation, repair to Masimanyani complex and repair and maintenance of Graaf Reinet Police College.

The augmentation allocation from the Department transfer was reduced by R250 million in 2016/17 following budget cuts during the Cabinet meeting in January 2016. The Turnaround Programme of the PMTE has a total budget allocation of R450 million for the 2016/17 financial year. The R250 million reduction can therefore not be implemented against this provision as it will effectively suspend this transformational initiative which is a key priority. The Department will subsequently not be able to deliver on its commitments to transform this entity into an effective organisation capable of generating optimum levels of revenue while delivering a high standard of property management services to its clients.

The Infrastructure Repair and Refurbishment budget is partly funded by the transfer. This is the only alternative where the proposed budget cut can be accommodated. This Programme aims to maintain, refurbish and upgrade government owned buildings to an acceptable standard. The funding allocated to this Programme amounts to R2.1 billion and, as the proposed reduction of R250 million represent 11.9% of the allocated budget, it has to be noted that this will have an adverse impact on the roll-out of the envisaged implementation plan. No new projects will be embarked upon during the 2016/17 financial year. The Programme is committed in terms of contractors already on site, design teams appointed and other contracts already in advanced stages of the procurement processes. It might be necessary to delay the award and implementation of these contracts.

The Department's capital infrastructure budget, specifically the Border Control Operations Coordination Committee (BCOCC) allocation, was reduced by R76 million for each year over the MTEF. No new projects will be initiated during the period of budget cuts which will slow down the delivery trend on the Infrastructure Programme as a whole in subsequent years.



PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2016/2017

PART B: PROGRAMME AND SUB
PROGRAMME PLANS

PROGRAMME BUDGET STRUCTURE

PROGRAMME		SUB-PROGRAMME
1. Administration	A	Management Leadership
	B	Operations Support Management (COO)
	C	Financial and Accounting Management
	D	Supply Chain Management
2. Real Estate Investment Services	A	User Demand Management
	B	Planning and Precinct Development Services
	C	Property Performance Management
		Investment Analysis
3. Construction Project Management	A	Construction Project Planning
	B	Construction Project Management
4. Real Estate Management Services	A	Management of Freehold Property
		Land Administration & Management
	B	Surplus Freehold (Revenue) Management
		Leasehold Management
5. Real Estate Information & Registry Services	A	Asset Registry Services
		Conveyancing
6. Facilities Management	A	Scheduled Maintenance
		SHERQ Management
	B	Unscheduled Maintenance Management

8. PROGRAMME AND SUB PROGRAMME PLANS

8.1 PROGRAMME 1: ADMINISTRATION

Purpose of the programme: Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE).

8.1.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1 To provide compliant internal controls and financial services	Clean audit outcome	Negative audit outcome	Negative audit outcome	Negative audit outcome (with improvement)	Qualified audit outcome for 2014/2015 (3 qualification areas and 10 negative emphasis of matter)	Unqualified audit outcome for 2015/2016 (7 negative emphasis of matter)	Unqualified audit outcome for 2016/2017 (3 negative emphasis of matter)	Unqualified audit outcome for 2017/2018 (2 negative emphasis of matter)
2 To provide compliant Supply Chain Management services	Clean audit outcome	Negative audit outcome	Negative audit outcome	Negative audit outcome (with improvement)	Qualified audit outcome for 2014/2015 (3 qualification areas and 11 negative emphasis of matter)	Unqualified audit outcome for 2015/2016 (8 negative emphasis of matter)	Unqualified audit outcome for 2016/2017 (With 5 negative emphasis of matter)	Unqualified audit outcome for 2017/2018 (3 negative emphasis of matter)

8.1.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective: To provide compliant internal controls and financial services							
1	Approved financial model	-	-	-	PMTE financial model approved	-	-
2	Percentage of compliant invoices settled within 30 days of receipt of invoice	88% (250 480) compliant invoices settled within 21 working days for DPW and PMTE	86% (183 414) compliant invoices settled within 21 working days for PMTE	76% (128 262) compliant invoices settled within 21 working PMTE	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice
Strategic objective: To provide compliant Supply Chain Management services							
3	Percentage reduction in non-compliance to SCM prescripts	621 SCM Deviations	518 SCM Deviations	421 SCM Deviations	30% reduction in non-compliance to SCM prescripts	60% reduction in non-compliance to SCM prescripts	90% reduction in non-compliance to SCM prescripts
4	Percentage of bids awarded within the prescribed timeframes	84 bids awarded for both PMTE and DPW	161 bids awarded for both PMTE and DPW	131 bids awarded for PMTE	60% bids awarded within the prescribed timeframes	70% bids awarded within the prescribed timeframes	80% bids awarded within the prescribed timeframes
5	Percentage of quotations awarded within agreed timeframes	40% (260) Quotations were awarded within 30 days	45% (333) Quotations awarded within 30 days	49% (419) Quotations awarded within 30 days	85% Quotations awarded within 30 days from requisition date	90% Quotations awarded within 21 days from requisition date	95% Quotations awarded within 14 days from requisition date

8.1.3 Quarterly targets 2016/17

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Approved financial model	Quarterly	PMTE financial model approved	Conceptualised Financial Model approved by EXCO	-	Development and systems integration	Financial Model approved by EXCO
2 Percentage of compliant invoices settled within 30 days of receipt of invoice	Quarterly	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days of receipt of invoice
3 Percentage reduction in non-compliance to SCM prescripts	Quarterly	30% reduction in non-compliance to SCM prescripts	7.50% reduction in non-compliance to SCM prescripts	7.50% reduction in non-compliance to SCM prescripts	7.50% reduction in non-compliance to SCM prescripts	7.50% reduction in non-compliance to SCM prescripts
4 Percentage of bids awarded within the prescribed timeframes	Quarterly	60% bids awarded within the prescribed timeframes				
5 Percentage of quotations awarded within agreed timeframes	Quarterly	85% Quotations awarded within 30 days from requisition date	85% Quotations awarded within 30 days from requisition date	85% Quotations awarded within 30 days from requisition date	85% Quotations awarded within 30 days from requisition date	85% Quotations awarded within 30 days from requisition date

8.1.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Administration	4 357	1 016 723	1 702 587	847 287	904 936	876 970	844 000

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Current payments	4 357	373 765	388 673	847 287	904 936	876 970	844 000
Compensation of employees				312 308	396 900	427 459	452 313
Salaries and wages				268 585	341 334	367 615	388 989
Social contributions				43 723	55 566	59 844	63 324
Goods and services	2 477	92 492	264 555	384 479	348 236	280 472	212 872
Of which 1							
Agency and support/outsourced services							
Communication							
Computer services		3 548	13 848	7 527	29 234	30 929	32 723
Consultants		50 406	44 658				
Contractors		239	73 151				
Inventory							
Lease payments							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION		MEDIUM-TERM EXPENDITURE ESTIMATE	
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
Repairs and maintenance								
Research and development								
Training and staff development	2 362			12 428	13 692	14 744	15 599	
Travel and subsistence		19 676	45 153					
Other	115	18 623	87 745	364 524	305 310	234 799	164 550	
Depreciation								
Losses from		279 815	123 982	150 000	159 300	168 539	178 315	
Sale of fixed assets								
Impairments and Adjustments to Fair Value		279 815	100 349	150 000	159 300	168 539	178 315	
Adjustments to Fair value of financial assets		279 815	100 349	150 000	159 300	168 539	178 315	
Impairments to non-financial assets								
Other			23 633					
Interest, dividends and rent on land	1 880	1 458	136	500	500	500	500	
Interest	1 880	1 458	136	500	500	500	500	
Dividends								
Rent on land								
Transfers and subsidies		642 958	1 313 914					
National government		642 958	1 313 914					
Departmental agencies and accounts								
Provinces								
Municipalities								
Total Expenditure	4 357	1 016 723	1 702 587	847 287	904 936	876 970	844 000	

Performance and expenditure trends

The spending focus over the medium-term will be on activities that are directed at developing the finance model for the PMTE, improving internal controls and monitoring compliance to the finance and supply chain management prescripts. The bulk of this expenditure is on compensation of employees, goods and services for day to day operation of the PMTE and Phase II of the Turnaround Strategy to enhance the PMTE's operational efficiencies.

Goods and services for the day to day operations of the PMTE has increased by 18% from 2015/16 to 2016/17 due to the transfer of the SCM and Business Improvement Unit (BIU) budgets from DPW to PMTE. Compensation for employees increased by 10% from 2015/16 to 2016/17 due to the transfer of the Business Improvement Unit (BIU) budget from DPW to PMTE.

Total expenditure is expected to reduce over the MTEF as Phase II of the Turnaround Strategy nears completion.

8.2 PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES

Purpose of the programme: To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning, analysis and informed investments.

8.2.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
User Demand Management								
1	To ensure User Asset Management Plans (U-AMPs) are produced in compliance with relevant prescripts	4% (U-AMPs) compliant with relevant prescripts	12% (U-AMPs) compliant with relevant prescripts	7% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts
Planning and Precinct Development Services								
2	To direct precinct planning and development for national government in urban and rural areas	24 accommodation solutions developed for user departments within identified precincts	-	-	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	5 accommodation solutions developed for user departments within identified precincts

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Real Estate Investment Management								
3	To inform asset management decisions through optimal investment solutions	-	-	-	260 investment solutions completed	136 investment solutions completed	128 investment solutions completed	100 investment solutions completed
4	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions	-	-	-	300 buildings' performance measured	400 buildings' performance measured	600 buildings' performance measured	800 buildings' performance measured

8.2.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
User Demand Management							
Strategic objective: To ensure user asset management plans are produced in compliance with relevant prescripts							
1	Number of User Asset Management Plans received	2 U-AMPs received	3 U-AMPs received	42 U-AMPs received	42 U-AMPs received	42 U-AMPs received	42 U-AMPs received
2	Number of signed off infrastructure work lists	-	-	-	10 signed off infrastructure work lists	10 signed off infrastructure work lists	10 signed off infrastructure work lists
Planning and Precinct Development							
Strategic objective: To direct precinct planning and development for national government in urban and rural areas							
3	Number of Government Precinct Development Proposals integrated with identified municipal (urban and rural) Integrated Development Plans (IDPs)	1 Master plan and 2 precinct development plans completed	2 Precinct development plans completed	5 Precinct development plans completed	2 Government Precinct Development Proposals integrated with identified (urban and rural) municipal (IDPs)	2 Government Precinct Development Proposals integrated with identified (urban and rural) municipal IDPs	4 Government Precinct Development Proposals integrated with identified (urban and rural) municipal IDPs
4	Number of sites established for development	-	1 site established for development	1 site established for development	1 site established for development	3 sites established for development	4 sites established for development
5	Number of concept designs completed for identified user departments	-	-	1 concept design completed (DPW and SAPS)	1 concept design completed for identified user departments	3 concept designs completed for identified user departments	6 concept designs completed for identified user departments

PERFORMANCE INDICATOR		AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
		2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Real Estate Investment Management									
Strategic objective: To inform asset management decisions through optimal investment solutions									
6	Percentage of feasibility studies completed within scheduled timeframes	100 feasibility studies completed	150 feasibility studies completed	87 feasibility studies completed	260 (50%) feasibility studies completed	80% feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	
7	Percentage of valuations completed within scheduled timeframes	200 valuations completed	250 valuations completed	300 valuations completed	60% (350) valuations completed within scheduled timeframes	80% valuations completed within scheduled timeframes	85% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	
Strategic objectives: To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions									
8	Percentage of responsive disposal requests approved within scheduled timeframes	2 disposal requests approved	1 disposal requests approved	3 disposal requests approved	80% (19) disposal requests approved	80% disposal requests approved within scheduled timeframes	85% disposal requests approved within scheduled timeframes	90% disposal requests approved within scheduled timeframes	
9	Number of Custodian Asset Management Plans approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	
10	Number of buildings performance assessed in identified performance areas	-	-	-	300 of buildings performance assessed in identified performance areas	400 of buildings performance assessed in identified performance areas	600 of buildings performance assessed in identified performance areas	800 of buildings performance assessed in identified performance areas	

8.2.3 Quarterly Targets for 2016/17

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
User Demand Management						
1	Number of User Asset Management Plans received	Annually	42 U-AMPs received	-	-	42 U-AMPs received
2	Number of signed off infrastructure work lists	Annually	10 signed off infrastructure work lists	-	-	10 signed off infrastructure work lists
Planning and Precinct Development						
3	Number of Government Precinct Development Proposals integrated with identified municipal (urban and rural) Integrated Development Plans (IDPs)	Annually	2 Government Precinct Development Proposals integrated with identified (urban and rural) municipal (IDPs)	-	-	2 Government Precinct Development Proposals integrated with identified (urban and rural) municipal IDPs
4	Number of sites established for development	Annually	3 sites established for development	-	-	3 sites established for development
5	Number of concept designs completed for identified user departments	Bi-Annually	3 concept designs completed for identified user departments	1 concept design completed for identified user departments	-	2 concept designs completed for identified user departments
Real Estate Investment Management						
6.	Percentage of feasibility studies completed within scheduled timeframes	Quarterly	80% feasibility studies completed within scheduled timeframes	80% feasibility studies completed within scheduled timeframes	80% feasibility studies completed within scheduled timeframes	80% feasibility studies completed within scheduled timeframes

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
7. Percentage of valuations completed within scheduled timeframes	Quarterly	80% valuations completed within scheduled timeframes	80% valuations completed within scheduled timeframes	80% valuations completed within scheduled timeframes	80% valuations completed within scheduled timeframes	80% valuations completed within scheduled timeframes
8. Percentage of responsive disposal requests approved within scheduled timeframes	Annually	80% disposal requests approved within scheduled timeframes	-	-	-	80% disposal requests approved within scheduled timeframes
9. Number of Custodian Asset Management Plans approved	Annually	1 Custodian Asset Management Plan approved	1 Custodian Asset Management Plan approved	-	-	-
10. Number of buildings performance assessed in identified performance areas	Quarterly	400 of buildings performance assessed in identified performance areas	100 buildings performance assessed in identified performance areas	100 buildings performance assessed in identified performance areas	100 buildings performance assessed in identified performance areas	100 buildings performance assessed in identified performance areas

8.2.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Real Estate Investment Services	-	-	-	105 850	116 521	129 274	136 780
ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Current payments	-	-	-	105 850	116 521	129 274	136 780
Compensation of employees				97 081	105 335	119 249	126 174
Salaries and wages				83 490	90 588	102 554	108 510
Social contributions				13 591	14 747	16 695	17 664
Goods and services				8 769	11 186	10 025	10 606
Of which 1							
Agency and support/outsourced services							
Communication							
Computer services							
Consultants							
Contractors							
Inventory							
Lease payments							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Repairs and maintenance							
Research and development							
Training and staff development							
Travel and subsistence							
Other				8 769	11 186	10 025	10 606
Depreciation							
Losses from							
Sale of fixed assets							
Impairments and Adjustments to Fair Value							
Adjustments to Fair value of financial assets							
Impairments to non-financial assets							
Other							
Interest, dividends and rent on land							
Interest							
Dividends							
Rent on land							
Transfers and subsidies							
National government							
Departmental agencies and accounts							
Provinces							
Municipalities							
Total Expenditure	-	-	-	105 850	116 521	129 274	136 780

Performance and expenditure trends

The spending focus over the medium-term will be directed at the implementation of IDMS through the completion of User Asset Management Plans and the Custodian Asset Management Plan. The PMTE will also direct precinct planning through the development of Government Precinct proposals and concept designs. To ensure sound investment solutions the PMTE will be conducting investment analysis, feasibility studies and valuations. The bulk of the expenditure within Programme 2 will be on compensation of employees.

8.3 PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Purpose of the programme: To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction and other infrastructure improvement programmes

8.3.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1	²⁷ To develop detailed construction plans that direct the execution of construction projects	5 design solutions completed for identified user departments	7 design solutions completed for identified user departments	20 design solutions completed for identified user departments	36 design solutions completed for identified user departments	113 design solutions completed for identified user departments	117 design solutions completed for identified user departments	53 design solutions completed for identified user departments
2	To ensure that construction programmes are implemented according to approved criteria	-	-	-	-	60% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments	80% implementation of IDMS for key user departments

²⁷ The baseline information relates to Head Office only, the MTEF targets relates to Head Office and Regional Offices

8.3.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Strategic objective: To develop detailed construction plans that direct the execution of construction projects								
1	100 approved infrastructure project designs	151 approved infrastructure project designs	224 approved infrastructure project designs	336 approved infrastructure project designs	300 approved infrastructure project designs	330 approved infrastructure project designs	156 approved infrastructure project designs	156 approved infrastructure project designs
2	Number of approved infrastructure projects ready for tender	100 approved infrastructure projects ready for tender	151 approved infrastructure projects ready for tender	224 approved infrastructure projects ready for tender	336 approved infrastructure projects ready for tender	406 approved infrastructure projects ready for tender	180 approved infrastructure projects ready for tender	156 approved infrastructure projects ready for tender
3	Number of infrastructure sites handed over for construction	100 infrastructure sites handed over for construction	138 infrastructure sites handed over for construction	145 infrastructure sites handed over for construction	145 infrastructure sites handed over for construction	175 infrastructure sites handed over for construction	156 infrastructure sites handed over for construction	156 infrastructure sites handed over for construction
4	Number of IPMPs for new construction projects submitted to the Project Management Office (PMO)	-	-	-	-	4 IPMPs for new construction projects submitted to the Project Management Office (PMO)	4 IPMPs for new construction projects submitted to the Project Management Office (PMO)	4 IPMPs for new construction projects submitted to the Project Management Office (PMO)
5	Number of IPIPs for new construction projects submitted to the Project Management Office (PMO)	-	-	-	-	3 IPIPs for new construction projects submitted to the Project Management Office (PMO)	4 IPIPs for new construction projects submitted to the Project Management Office (PMO)	4 IPIPs for new construction projects submitted to the Project Management Office (PMO)

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Strategic objective: To ensure that construction programmes are implemented according to approved criteria								
6	Percentage of infrastructure projects completed within agreed construction period	214 infrastructure projects completed within agreed construction period	179 infrastructure projects completed within agreed construction period	180 (33%) infrastructure projects completed within agreed construction period	103 (75%) infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period
7	Percentage of infrastructure projects completed within budget	214 infrastructure projects completed within budget	179 infrastructure projects completed within budget	180 (33%) infrastructure projects completed within budget	103 (75%) infrastructure projects completed within budget	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget
8	Number of EPWP work opportunities created through construction projects	7 046 EPWP work opportunities created through construction projects	5 309 EPWP work opportunities created through construction projects	1 482 EPWP work opportunities created through construction projects	15 000 EPWP work opportunities created through construction projects	16 500 EPWP work opportunities created through construction projects	18 150 EPWP work opportunities created through construction projects	19 965 EPWP work opportunities created through construction projects
9	Percentage reduction of backlogs in infrastructure projects	54 infrastructure project backlogs reduced	62 infrastructure project backlogs reduced	73 infrastructure project backlogs reduced	135 infrastructure project backlogs reduced	15% reduction of backlogs in infrastructure projects	36% reduction of backlogs in infrastructure projects	50% reduction of backlogs in infrastructure projects

8.3.3 Quarterly Targets for 2016/17

	PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
				1 ST	2 ND	3 RD	4 TH
1	Number of approved infrastructure project designs	Quarterly	300 approved infrastructure project designs	75 approved infrastructure project designs	75 approved infrastructure project designs	75 approved infrastructure project designs	75 approved infrastructure project designs
2	Number of approved infrastructure projects ready for tender	Quarterly	406 approved infrastructure projects ready for tender	50 approved infrastructure projects ready for tender	100 approved infrastructure projects ready for tender	125 approved infrastructure projects ready for tender	131 approved infrastructure projects ready for tender
3	Number of infrastructure sites handed over for construction	Quarterly	216 infrastructure sites handed over for construction	54 infrastructure sites handed over for construction	54 infrastructure sites handed over for construction	54 infrastructure sites handed over for construction	54 infrastructure sites handed over for construction
4	Number of IPMPs for new construction projects submitted to the Project Management Office (PMO)	Quarterly	3 IPMPs for new construction projects submitted to the Project Management Office (PMO)	-	-	1 IPMP for new construction projects submitted to the Project Management Office (PMO)	2 IPMPs for new construction projects submitted to the Project Management Office (PMO)
5	Number of IPIPs for new construction projects submitted to the Project Management Office (PMO)	Quarterly	3 IPIPs for new construction projects submitted to the Project Management Office (PMO)	-	-	1 IPIP for new construction projects submitted to the Project Management Office (PMO)	2 IPIPs for new construction projects submitted to the Project Management Office (PMO)
6	Percentage of infrastructure projects completed within agreed construction period	Quarterly	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period	60% infrastructure projects completed within agreed construction period

	PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
				1 ST	2 ND	3 RD	4 TH
7	Percentage of infrastructure projects completed within budget	Quarterly	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget	60% infrastructure projects completed within budget
8	Number of EPWP work opportunities created through construction projects	Quarterly	16 500 EPWP work opportunities created through construction projects	3 500 EPWP work opportunities created through construction projects	4 000 EPWP work opportunities created through construction projects	4 500 EPWP work opportunities created through construction projects	4 500 EPWP work opportunities created through construction projects
9	Percentage reduction of backlogs in infrastructure projects	Quarterly	15% reduction of backlogs in infrastructure projects	-	-	-	15% reduction of backlogs in infrastructure projects

8.3.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Construction Management Services	2 405 423	-	-	477 422	538 565	579 610	540 704

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	2 405 423	-	-	477 422	538 565	579 610	540 704
Compensation of employees	17 869			382 878	422 346	457 764	484 364
Salaries and wages	15 639			329 275	363 218	393 677	416 553
Social contributions	2 230			53 603	59 128	64 087	67 811
Goods and services	2 420 725			94 544	116 219	121 846	56 340
Of which 1							
Agency and support/outsourced services							
Communication	25 668						
Computer services							
Consultants							
Contractors	2 404 426						
Inventory							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Lease payments								
Repairs and maintenance								
Research and development								
Training and staff development								
Travel and subsistence								
Other	(9 369)			94 544	116 219	121 846	56 340	
Depreciation								
Losses from	(33 171)							
Sale of fixed assets								
Impairments and Adjustments to Fair Value	(48 106)							
Adjustments to Fair value of financial assets	(48 106)							
Impairments to non-financial assets								
Other	14 935							
Interest, dividends and rent on land								
Interest								
Dividends								
Rent on land								
Transfers and subsidies								
National government								
Departmental agencies and accounts								
Provinces								
Municipalities								
Total Expenditure	2 405 423	-	-	477 422	538 565	579 610	540 704	

Performance and expenditure trends

The spending focus over the medium-term will be on the design and implementation of construction programmes for user departments. The bulk of the expenditure for Programme 3 will be for refurbishments, upgrades and new infrastructure projects.

The total current expenditure is expected to reduce over the MTEF as Phase II of the Turnaround Strategy nears completion. Hence capital expenditure will increase sharply by 15% in 2018/19 (compared to an average annual escalation of 5.5% between 2015/16 to 2017/18) as the funds which were utilised for Phase II of the Turnaround Strategy (PMTE as a whole) in previous years will be allocated for infrastructure development.

8.4 PROGRAMME 4: REAL ESTATE MANAGEMENT SERVICES

Purpose of the programme: To provide and manage Real Estate Portfolio in support of Government social, economic, functional and political objectives.

8.4.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1 To provide functional leased accommodation for user departments	80% of leases procured for user departments compliant with prescribed criteria	-	-	-	70 new leases procured	55% of leases procured for user departments compliant with prescribed criteria	60% of leases procured for user departments compliant with prescribed criteria	70% of leases procured for user departments compliant with prescribed criteria
2 To increase revenue through the rental of State owned property	37.5% increase in revenue generated through rentals of state owned property	-	-	-	R20m income generated through the rental of State-owned property	7.5% increase in revenue generated through rentals of State-owned property	7.5% increase in revenue generated through rentals of State-owned property	7.5% increase in revenue generated through rentals of state owned property
3 To manage contractual obligations for accommodation solutions	90% leases procured aligned to headline inflation	-	-	-	95% backlog leases renewed	80% leases procured aligned to headline inflation	80% leases procured aligned to headline inflation	85% leases procured aligned to headline inflation

8.4.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Strategic objective: To provide functional leased accommodation for user departments								
1	-	-	-	-	70 new leases procured for user departments	55% new leases procured for user departments that adhere to prescribed criteria	60% new leases procured for user departments that adhere to prescribed criteria	70% new leases procured for user departments that adhere to prescribed criteria
2	1616 total leased-in functional accommodation for the security cluster	1721 total leased-in functional accommodation for the security cluster	1680 total leased-in functional accommodation for the security cluster	1675 total leased-in functional accommodation for the security cluster	1675 total leased-in functional accommodation for the security cluster	20% (4 of 20) reduction of identified-in properties within the security cluster	20% (4 of 20) reduction of identified-in properties within the security cluster	20% (4 of 20) reduction of identified-in properties within the security cluster
3	-	-	-	-	-	3 IPMPs for new leased accommodation submitted to the Project Management Office (PMO)	4 IPMPs for new leased accommodation submitted to the Project Management Office (PMO)	4 IPMPs for new leased accommodation submitted to the Project Management Office (PMO)
4	-	-	-	-	-	3 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)	3 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)	3 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Strategic objective: To increase revenue through the rental of State owned property								
5	-	-	-	R11 213 592.00	10% increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties
6	-	-	-	7 (100%) DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes
7	-	-	-	3 properties let out for revenue generation	50% of approved list of immovable assets let out for revenue generation	55% of approved list of immovable assets let out for revenue generation	60% of approved list of immovable assets let out for revenue generation	60% of approved list of immovable assets let out for revenue generation
Strategic objective: To manage and administer contractual obligations for all accommodation solutions								
8	-	-	27% (86) of contracts renewed or terminated within the prescribed timeframes	75% (1068) of contracts renewed or terminated within the prescribed timeframes	80% of contracts renewed or terminated within the prescribed timeframes	90% of contracts renewed or terminated within the prescribed timeframes	95% of contracts renewed or terminated within the prescribed timeframes	95% of contracts renewed or terminated within the prescribed timeframes
9	-	-	-	32% (849) of the total leased in portfolio allocated to BEE compliant companies	20% of leases awarded to black owned companies	25% of leases awarded to black owned companies	30% of leases awarded to black owned companies	30% of leases awarded to black owned companies

8.4.3 Quarterly Targets for 2016/17

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Percentage of new leases procured for user departments that adhere to prescribed criteria	Quarterly	55% new leases procured for user departments that adhere to prescribed criteria	55% new leases procured for user departments that adhere to prescribed criteria	55% new leases procured for user departments that adhere to prescribed criteria	55% new leases procured for user departments that adhere to prescribed criteria	55% new leases procured for user departments that adhere to prescribed criteria
2 Percentage reduction of identified leased-in functional accommodation within the security cluster	Annually	20% (4 of 20) reduction of identified-in properties within the security cluster	-	-	-	20% (4 of 20) reduction of identified-in properties within the security cluster
3 Number of IPMPs for new leased accommodation submitted to the Project Management Office (PMO)	Quarterly	3 IPMPs for new leased accommodation submitted to the Project Management Office (PMO)	-	-	1 IPMP for new leased accommodation submitted to the Project Management Office (PMO)	2 IPMPs for new leased accommodation submitted to the Project Management Office (PMO)
4 Number of IPIPs for new leased accommodation submitted to the Project Management Office (PMO)	Quarterly	3 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)	-	-	1 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)	2 IPIPs for new leased accommodation submitted to the Project Management Office (PMO)
5 Percentage of revenue increased through rentals of harbour related properties	Annually	10% increase in revenue through rentals of harbour related properties	-	-	-	10% increase in revenue through rentals of harbour related properties

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
6 Percentage of DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	Annually	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes	-	-	-	100% DAFF certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes
7 Percentage of approved list of immovable assets let out for revenue generation	Bi-annual	50% of approved list of immovable assets let out for revenue generation	-	50% of approved list of immovable assets let out for revenue generation	-	50% of approved list of immovable assets let out for revenue generation
8 The percentage of contracts renewed or terminated within the prescribed timeframes	Quarterly	80% of contracts renewed or terminated within the prescribed timeframes	80% of contracts renewed or terminated within the prescribed timeframes	80% of contracts renewed or terminated within the prescribed timeframes	80% of contracts renewed or terminated within the prescribed timeframes	80% of contracts renewed or terminated within the prescribed timeframes
9 Percentage of leases awarded to black owned companies	Quarterly	20% of leases awarded to black owned companies	20% of leases awarded to black owned companies	20% of leases awarded to black owned companies	20% of leases awarded to black owned companies	20% of leases awarded to black owned companies

8.4.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
	Real Estate Management Services	4 128 294	4 431 449		5 047 922	5 567 961	5 992 578

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
	Current payments	3 633 969	3 581 097		4 212 665	4 586 783	4 830 782
Compensation of employees				189 555	207 380	219 051	231 772
Salaries and wages				163 017	178 347	188 384	199 324
Social contributions				26 538	29 033	30 667	32 448
Goods and services	3 331 007	3 581 097	4 212 163	4 378 964	4 603 677	4 975 939	5 370 828
Of which 1							
Agency and support/outourced services							
Communication							
Computer services							
Consultants							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	
Contractors								
Inventory								
Lease payments	3 330 966	3 557 111	3 939 379	4 020 000	4 320 000	4 665 600	5 038 848	
Repairs and maintenance								
Research and development								
Training and staff development								
Travel and subsistence								
Other	41	23 986	272 784	358 964	283 677	310 339	331 980	
Depreciation								
Losses from	290 741							
Sale of fixed assets								
Impairments and Adjustments to Fair Value	290 741							
Adjustments to Fair value of financial assets	290 741							
Impairments to non-financial assets								
Other								
Interest, dividends and rent on land	12 221		502	18 264	19 725	21 303	23 007	
Interest			502					
Dividends								

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
	Rent on land	12 221					21 303
Transfers and subsidies	494 324	850 352	835 257	981 178	1 277 976	1 405 773	
National government							
Departmental agencies and accounts	494 324	850 352	835 257	981 178	1 277 976	1 405 773	
Provinces							
Municipalities	494 324	850 352	835 257		1 277 976	1 405 773	
Total Expenditure	4 128 293	4 431 449	5 047 922	5 567 961	6 494 269	7 031 380	

Performance and expenditure trends

The spending focus over the medium-term will be on providing and managing leased accommodation, letting out of identified properties for revenue generation and improving contract management. The bulk of the expenditure in this programme is spent towards operating leases, property rates and municipal services.

The goods and services expenditure for this programme represents 57.2% of the PMTE's total spending.

8.5 PROGRAMME 5: REAL ESTATE INFORMATION & REGISTRY SERVICES

Purpose of the programme: To develop and manage a complete, accurate and compliant Immovable Asset Register to meet service delivery objectives for the State, Department and Property Management Trading Entity business requirements.

8.5.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1 To maintain a compliant Immovable Asset Register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	-	-	-	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)
2 To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers	Average increase of 60% in the compliance of provincial and national immovable asset registers	-	-	-	Compliance criteria agreed with Provinces	30% (average) compliance of provincial and national immovable asset registers	40% (average) compliance of provincial and national immovable asset registers	50% (average) compliance of provincial and national immovable asset registers

8.5.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective: To maintain a compliant Immovable Asset Register							
1	-	-	-	-	60% of disposals approved in 2016/17 processed for transfer	70% of disposals approved in 2017/18 processed for transfer	80% of disposals approved in 2018/19 processed for transfer
2	-	-	-	100 infrastructure projects capitalised and updated on the IAR	100% of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects
Strategic objective: To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers							
3	-	-	-	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance

8.5.3 Quarterly Targets for 2016/17

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Percentage of approved disposals (in respect of socio economic purposes) processed for transfer	Annually	60% of disposals approved in 2016/17 processed for transfer	-	-	-	60% of disposals approved in 2016/17 processed for transfer
2 Percentage of immovable assets updated on the IAR for completed infrastructure projects	Bi-annually	100% of immovable assets updated on the IAR for completed infrastructure projects	-	100% of immovable assets updated on the IAR for completed infrastructure projects	-	100% of immovable assets updated on the IAR for completed infrastructure projects
3 Number of Provincial Immovable Asset Registers assessed for compliance	Quarterly	9 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance	3 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance

8.5.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
	-	56 264	82 470		207 745	326 836	326 389

Real Estate Registry Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
	-	56 264	82 470		207 745	326 836	326 389
Current payments				26 285	28 893	30 569	
Compensation of employees				22 605	24 848	26 289	
Salaries and wages				3 680	4 045	4 280	
Social contributions				61 460	57 496	3 291	
Goods and services							
Of which 1							
Agency and support/outourced services							
Communication							
Computer services							
Consultants							
Contractors							
Inventory							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	
Lease payments								
Repairs and maintenance								
Research and development								
Training and staff development								
Travel and subsistence								
Other				61 460	57 496	3 291		
Depreciation		56 264	82 470	120 000	240 000	240 000		
Losses from								
Sale of fixed assets								
Impairments and Adjustments to Fair Value								
Adjustments to Fair value of financial assets								
Impairments to non-financial assets								
Other								
Interest, dividends and rent on land								
Interest								
Dividends								
Rent on land								
Transfers and subsidies								
National government								
Departmental agencies and accounts								
Provinces								
Municipalities								
Total Expenditure	-	56 264	82 470	207 745	326 836	326 839	273 860	

Performance and expenditure trends

The spending focus over the medium-term will be on activities directed at maintaining a complete and compliant immovable asset register which is an important deliverable towards the full operationalisation of the PMTE. In addition, the PMTE will provide ongoing support to other national provincial custodians on the compilation of immovable asset registers that are complaint.

The bulk of the expenditure in this programme is spent towards compensation of employees and Phase II of the Turnaround Strategy to enhance the PMTE's operational efficiencies. Total expenditure is expected to reduce over the MTEF as Phase II of the Turnaround Strategy nears completion.

8.6 PROGRAMME 6: FACILITIES MANAGEMENT

Purpose of the programme: To ensure that immovable assets used by government departments and the public, are optimally utilised and maintained in a safe, secure healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation.

8.6.1 Strategic objective and annual targets for 2016/17 – 2018/19

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM TERM TARGETS		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1	To manage maintenance programmes in accordance with an approved plan	-	-	-	300 buildings maintained through scheduled maintenance as per approved maintenance plan	350 buildings maintained through scheduled maintenance as per approved maintenance plan	400 buildings maintained through scheduled maintenance as per approved maintenance plan	450 buildings maintained through scheduled maintenance as per approved maintenance plan
2	To reduce unscheduled repairs on State-owned buildings	46 868 unscheduled maintenance incidents reported	47 858 unscheduled maintenance incidents reported	49 741 unscheduled maintenance incidents reported	53 835 unscheduled maintenance incidents reported	5% reduction in unscheduled maintenance incidents	10% reduction in unscheduled maintenance incidents	15% reduction in unscheduled maintenance incidents
3	To ensure resource efficiency in State-owned buildings	-	-	-	National Green Building Plan approved	50% implementation of water and energy management plans	80% implementation of water and energy management plans	100% implementation of water and energy management plans

8.6.2 Performance indicators and annual targets for 2016/17 – 2018/19

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Strategic objective: To manage maintenance programmes in accordance with an approved plan							
1	-	-	-	300 buildings with scheduled maintenance in place	350 buildings with scheduled maintenance in place	400 buildings with scheduled maintenance in place	450 buildings with scheduled maintenance in place
2	-	-	-	Number of IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	3 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	4 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	4 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)
3	-	-	-	Number of IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	3 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	4 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	4 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)
4	-	-	-	Number of EPWP work opportunities created through maintenance projects	5 000 EPWP work opportunities created through maintenance projects	6 050 EPWP work opportunities created through maintenance projects	6 655 EPWP work opportunities created through maintenance projects
5	-	-	-	Percentage of SMME contracts awarded on the planned maintenance programme	50% SMME contracts awarded on the planned maintenance programme	60% SMME contracts awarded on the planned maintenance programme	70% SMME contracts awarded on the planned maintenance programme

PERFORMANCE INDICATOR		AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
		2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Strategic objective: To reduce unscheduled repairs on State-owned buildings									
6	Percentage of unscheduled reported maintenance incidents resolved within prescribed timeframes	55% (25000) unscheduled reported maintenance incidents resolved	56% (26800) unscheduled reported maintenance incidents resolved	60% (29845) unscheduled reported maintenance incidents resolved	65% (34995) unscheduled reported maintenance incidents resolved within prescribed timeframes	70% unscheduled reported maintenance incidents resolved within prescribed timeframes	75% unscheduled reported maintenance incidents resolved within prescribed timeframes	80% unscheduled reported maintenance incidents resolved within prescribed timeframes	
Strategic objective: To ensure resource efficiency in State-owned buildings									
7	Reduction in energy consumption (kilowatt hours) in identified property portfolio	172 529 811kWh Reduction in energy consumption for identified property portfolio	188 833 980kWh Reduction in energy consumption for identified property portfolio	190 000 000kWh Reduction in energy consumption for identified property portfolio	220 000 000kWh Reduction in energy consumption for identified property portfolio	250 000 000kWh Reduction in energy consumption for identified property portfolio	300 000 000kWh Reduction in energy consumption for identified property portfolio	350 000 000kWh Reduction in energy consumption for identified property portfolio	
8	Number of kilowatt hours of renewable energy generated	-	-	-	-	2,215,000kWh of renewable energy generated	10,400,000kWh of renewable energy generated	100,000,000kWh of renewable energy generated	
9	Reduction in water consumption (kilolitres) in identified property portfolio	517 463kl Reduction in water consumption for identified property portfolio	1 328 627kl Reduction in water consumption for identified property portfolio	3 550 480kl Reduction in water consumption for identified property portfolio	3 905 528kl Reduction in water consumption for identified property portfolio	4 100 000kl Reduction in water consumption for identified property portfolio	4 725 688kl Reduction in water consumption for identified property portfolio	5 195 688kl Reduction in water consumption for identified property portfolio	

8.6.3 Quarterly Targets for 2016/17

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Number of buildings with scheduled maintenance contracts in place	Quarterly	350 buildings with scheduled maintenance contracts in place	50 buildings with scheduled maintenance contracts in place	75 buildings with scheduled maintenance contracts in place	125 buildings with scheduled maintenance contracts in place	100 buildings with scheduled maintenance contracts in place
2 Number of IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	Quarterly	3 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)	-	-	1 IPMP for new maintenance projects submitted to the Project Management Office (PMO)	2 IPMPs for new maintenance projects submitted to the Project Management Office (PMO)
3 Number of IPIPs for new maintenance projects submitted to the Project Management Office (PMO)	Quarterly	3 IPIPs for new maintenance projects submitted to the Project Management Office (PMO)	-	-	1 IPIP for new maintenance projects submitted to the Project Management Office (PMO)	2 IPIPs for new maintenance projects submitted to the Project Management Office (PMO)
4 Number of EPWP work opportunities created through maintenance projects	Quarterly	5500 EPWP work opportunities created through maintenance projects	1000 EPWP work opportunities created through maintenance projects	1400 EPWP work opportunities created through maintenance projects	1800 EPWP work opportunities created through maintenance projects	1300 EPWP work opportunities created through maintenance projects
5 Percentage of SMME contracts awarded on the planned maintenance programme	Quarterly	50% SMME contracts awarded on the planned maintenance programme	50% SMME contracts awarded on the planned maintenance programme	50% SMME contracts awarded on the planned maintenance programme	50% SMME contracts awarded on the planned maintenance programme	50% SMME contracts awarded on the planned maintenance programme
6 Percentage of unscheduled reported maintenance incidents resolved within prescribed timeframes	Quarterly	70% unscheduled reported maintenance incidents resolved within prescribed timeframes	70% unscheduled reported maintenance incidents resolved within prescribed timeframes	70% unscheduled reported maintenance incidents resolved within prescribed timeframes	70% unscheduled reported maintenance incidents resolved within prescribed timeframes	70% unscheduled reported maintenance incidents resolved within prescribed timeframes
7 Reduction in energy consumption (kilowatt hours) in identified property portfolio	Quarterly	250 000 000kWh Reduction in energy consumption for identified property portfolio	62,000,000kWh Reduction in energy consumption for identified property portfolio	62,500,000kWh Reduction in energy consumption for identified property portfolio	63,000,000kWh Reduction in energy consumption for identified property portfolio	62,500,000kWh Reduction in energy consumption for identified property portfolio

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2016/17	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
8	Quarterly	2,215,000kWh of renewable energy generated	-	-	1,107,500kWh of renewable energy generated	1,107,500kWh of renewable energy generated
9	Quarterly	4 100 000kl Reduction in water consumption for identified property portfolio	-	1,025,000kl Reduction in water consumption for identified property portfolio	1,025,000kl Reduction in water consumption for identified property portfolio	2,050,000kl Reduction in water consumption for identified property portfolio

8.6.4 Reconciling performance targets with the Budget and MTEF

Expenditure estimates

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Facilities Management Services	3 287 163	2 780 424	2 709 923	2 676 995	2 842 612	3 034 890	3 039 200

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	3 287 163	2 780 424	2 709 923	2 676 995	2 842 612	3 034 890	3 039 200
Compensation of employees				280 666	310 513	328 470	347 549
Salaries and wages				241 373	267 041	282 484	298 892
Social contributions				39 293	43 472	45 986	48 657
Goods and services	3 287 163	2 753 545	2 624 566	2 370 561	2 504 733	2 677 467	2 661 019
Of which 1							
Agency and support/outsourced services							
Communication							
Computer services							
Consultants							
Contractors							
Inventory							

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2015/16 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	
Lease payments								
Repairs and maintenance	3 119 300	2 581 046	2 442 025	1 936 623	2 056 694	2 175 982	2 302 189	
Research and development								
Training and staff development								
Travel and subsistence								
Other	167 863	172 499	182 541	433 938	448 039	501 485	358 830	
Depreciation								
Losses from		26 879	85 357	25 768	27 366	28 953	30 632	
Sale of fixed assets								
Impairments and Adjustments to Fair Value								
Adjustments to Fair value of financial assets								
Impairments to non-financial assets								
Other		26 879	85 357	25 768	27 366	28 953	30 632	
Interest, dividends and rent on land								
Interest								
Dividends								
Rent on land								
Transfers and subsidies								
National government								
Departmental agencies and accounts								
Provinces								
Municipalities								
Total Expenditure	3 287 163	2 780 424	2 709 923	2 676 995	2 842 612	3 034 890	3 039 200	

Performance and expenditure trends

The spending focus over the medium-term will be on the implementation of Scheduled Maintenance Programmes as per the approved plan, to manage and minimize unscheduled maintenance incidents and to reduce the consumption of water and electricity in State-owned buildings.

The bulk of the expenditure in this programme is for the compensation of employees, repair and maintenance and cleaning and gardening.



PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2016/2017

PART C: LINKS TO OTHER PLANS

9. LINKS TO LONG-TERM INFRASTRUCTURE PLAN

New, replacement, upgrades and additions

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION 2015/16	ADJUSTED APPROPRIATION 2015/16	REVISED ESTIMATE 2015/16	MEDIUM TERM ESTIMATES		
					2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
67	Various	Departmental	Various	Various	228 106 000	250 041 000	139 832 000	203 000 000	-	203 000 000	187 000 000	170 661 000	180 560 000
156	Various	Accessibility	Various	Various	4 992 000	7 098 000	10 156 000	23 000 000	-	23 000 000	20 000 000	24 479 000	15 320 000
29	Various	Dolomite Risk Management	Various	Various	32 355 000	24 717 000	85 026 000	135 336 000	-	135 336 000	120 000 000	114 370 000	121 000 000
84	Various	Land Ports of Entry	Various	Various	233 892 000	191 684 000	137 164 000	115 000 000	-	115 000 000	185 159 000	200 664 000	216 553 000
7	Various	Inner City Regeneration	Various	Various	94 838 000	36 199 000	3 718 000	83 000 000	-	83 000 000	9 400 000	61 786 000	84 676 000
50	Various	Prestige	Various	Various	118 820 000	57 626 000	46 524 000	174 000 000	-	174 000 000	180 850 000	176 279 000	186 500 000

Scheduled Maintenance and Repairs

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1400	Various	Various	Various	Various	1 633 909 601	966 310 619	827 787 779	867 916 938	-	867 916 938	914 145 185	975 188 675	1 031 749 000

Refurbishment (Scheduled maintenance: Capital and Rehabilitation)

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
720	Various	Various	Various	Various	784 520 968	1 004 617 375	1 272 605 637	1 225 322 235	-	1 225 322 235	1 243 637 815	1 316 763 000	1 865 350 000

10. STRATEGIC RISK PLAN FOR 2016/2017

The Risk Management processes are guided by the Risk Management Policy and Risk Management Strategy which are intended to provide a systematic approach and also create an environment that allows for risk taking while ensuring that public interest and investment is protected. The risk appetite and tolerance levels have been set for the PMTE which is aimed at improving actual business decision-making and revolves around the PMTE's strategic objectives.

The PMTE has integrated Risk Management principles and practices in its strategic and operational decision making. This will assist the PMTE in minimizing the negative impacts of events resulting from uncertainty, while maximizing opportunities to improve on service delivery and add value to the operations of our User Departments. The aim of Risk Management is to reinforce a risk based, informed and ethical decision - making culture into the department.

The PMTE faced a number of external and internal risks in 2015/16 financial year. The dominant external risks focused on the growing operational demands associated with major project initiatives such as National Infrastructure to the Government's National Development Plan.

For the PMTE to effectively deliver on its strategic objectives, attention and resources are being focused on the areas of most significant risk and concern to its stakeholders.

The Risk Management unit facilitates the process to assess both Strategic and detailed operational risk assessments with the aim to:

- Provide management with a basis for executing a formal and structured system of risk management for the PMTE, as mandated by the Public Finance Management Act, 1999 (Act No. 1 of 1999) and as recommended by the King III Report on corporate governance,
- Assist the Internal Audit activity in reviewing its strategic and operational risk-based audit plans as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) and Treasury Regulations.

RISK NO.	STRATEGIC GOALS	RISK TITLE	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT CONTROLS	RR	ACTION PLAN	DATE	RESPONSIBLE BRANCH
1	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Uncertainty of Business Continuity	Inadequately funded mandate Lack of approved business model	Inability to operationalize PMTE Inadequate decision making Inability to meet expectations from client departments Client departments undertaking Public Works functions	High	Change Management office in place	High	Effective change management office	31/03/2017	Corporate Services
2	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Exposure to Fraud and Corruption	Inadequate Procurement process in leasing	Irregular expenditure Litigation against the Department	High	Updated SCM policy and delegations in place	High	Development of a Contract Management Framework. Implementation of a leasing dispensation framework	31/03/2017	Finance and Supply Chain Management
3.	To increase the value of states immovable asset portfolio	Inability to perform Property Performance and Investment management	Non-existence of the Immovable Asset Management system Non submission and incomplete submission of the UAMP's	Inadequately informed custodial planning and investment decisions,	High	Reliance on existing non-integrated property and project management information systems	High	Full implementation of the integrated Immovable Asset Management system including WCS. Fast racking completion the UAMP's	31/03/2017	Corporate Services User Demand Management

RISK NO.	STRATEGIC GOALS	RISK TITLE	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT CONTROLS	RR	ACTION PLAN	DATE	RESPONSIBLE BRANCH
4	To develop accommodation solutions in collaboration with relevant spheres of Government	Non-Integration of spatial planning activities with national, provincial and local spheres of government	No signed agreements with municipalities to support spatial development of government infrastructure priorities.	Inefficient infrastructure delivery leading to ineffective service delivery.	High	Individual agreements with municipalities	High	Signed agreements with municipalities	31/03/2017	Planning and Precinct Development
5	To meet user department accommodation requirements as per the approved IIP	Inability to plan and implement construction programmes	Insufficient technical and professional capacity, Inadequate contract management	Non-delivery in terms of time and costs,	High	Project Management Office in place Integrated development plan in place	High	Implementation of Infrastructure planning (strategic brief and concept report)	31/03/2017	Construction Project Management
6	To provide quality accommodation and contribute to the financial sustainability of the PMTE	Inability to optimally utilize freehold properties for User Departments and National Strategic priorities	Lack of requisite skills to perform complex analyses of property portfolio Lack of Revenue Recovery and Collection Strategy and plan	Fragmented delivery of services Land invasion	High	Business processes, policies and delegations in place Security in place for vacant buildings	High	Approval of the PMTE structure and filling of critical vacant posts Finalization of the Lease Agreement Framework for User Departments which will be used to recover revenue from User Departments	31/03/2017	Real Estate Management Services
7	To ensure optimal performance of the State's immovable asset portfolio	Ineffective maintenance of freehold properties	Lack of scheduled maintenance plan	High levels of unscheduled maintenance High maintenance costs	High	Day to day maintenance guidelines and business processes in place	High	Revision of the Facilities Management Policy and Strategy Develop maintenance plan	31/03/2017	Facilities Management
8	To ensure optimal performance of the State's immovable asset portfolio	High consumption of water and electricity	Lack of Measurement & Verification (M&V) of achieved energy savings	Degradation of the natural environment Load shedding	High	Energy and water savings projects (retrofitting programme)	High	Implementation of energy and water saving projects (retrofitting programme)	31/03/2017	Facilities Management

RISK NO.	STRATEGIC GOALS	RISK TITLE	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT CONTROLS	RR	ACTION PLAN	DATE	RESPONSIBLE BRANCH
9	To provide reliable immovable asset information that informs investment decisions and portfolio management	Inability to maintain complaint asset register	Lack of an integrated Information Asset Register (IAR) system Inadequate internal capacity to maintain a compliant asset register Lack of integrated REIRS business processes Dependencies on external stakeholders	Missed investment opportunities No integration of asset registry for all spheres of government	High	Measuring and verification process by service provider Costing plan in place Use of Excel Spread sheets Use of consultants and contract workers Usage of DPW business processes and use of circulars Quarterly GIAMA forums	High	Provide inputs on the implementation of the Property Management System (ARCHIBUS) Appointment of the Business Analyst to develop REIRS's Business processes.	31/03/2017	Real Estate Information Registry Services
10	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Inadequate Procurement process in Leasing	Normal procurement process undertaken for procurement of leases (Procurement process not aligned to type of services offered by the entity)	Delayed implementation of service delivery projects Inadequate procurement of leases	High	Implementation of SCM infrastructure projects framework	High	SCM procurement policy developed awaiting approval Implementation of a leasing dispensation framework Put change management strategy in place	31/03/2017	Finance and Supply Chain Management

11. SERVICE DELIVERY IMPROVEMENT PLAN (SDIP)

In line with Chapter 1, Part 111 C of the Public Service Regulations, 1999 (as amended), the Department has developed its Service Delivery Improvement Plan (SDIP) which enables the Executing Authority to institute and support service delivery within the context of a comprehensive improvement programme. The focus of the SDIP is to promote efficient and effective service delivery based on the Batho Pele principles and seeks to achieve the following objectives:

- Identifies the services provided to its user-departments and stakeholders while improving service delivery;
- Provides details of the strategies to remove barriers to access to services and meet user-department needs within improved response times;
- Indicates the high standards that will be maintained for services to be delivered;
- Outlines the Department's commitment to improve efficiencies; and
- Increase outputs and eliminate waste and related costs.

Accordingly, the SDIP lays out a detailed plan with targets to be achieved to improve the Department's performance going forward. These areas include the following-

- Provisioning of accommodation through construction (aligned to the IDIP);
- Provisioning of accommodation through private leases (aligned to IDIP); and
- Customer relationship management.

The SDIP, which has been widely consulted on with all relevant stakeholders, covers a 3-year period in line with the medium term planning cycle and will form part of the Annual Report of the PMTE. During this three-year period, a detailed process of monitoring and evaluating the implementation of the plan will be undertaken, including the process of evaluating the impact thereof.

SERVICE DELIVERY IMPROVEMENT PLAN

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
			Client relationship management					
	Active management of client relations (Consultation, Access, Courtesy, Openness & Transparency, Information, Redress and Value for Money) - (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a))	<ul style="list-style-type: none"> Develop Key Account Managers: Client target ratio²⁸ Capacitate Key Accounts Management Develop and implement a CRM approach and system Train resources in KAM and CRM Agree minimum thresholds for number of client meetings Develop and implement client service survey/questionnaire²⁹ 	<p>Clear and shared expectations.</p> <p>Accessible DPW resources for issue resolution.</p> <p>Potential issues pro-emptively addressed.</p> <p>Improved client satisfaction.</p>	Key Account Managers: user department ratio	1:15	1:1 (Big user departments) 1:6 Other user departments	1:1 (Big user departments) 1:6 Other user departments	1:1 (Big user departments) 1:6 Other user departments
User Departments				Number of customer relationship management meetings per user department	2 per annum	2 per user department	2 per user department	2 per user department
				Client survey index	(New indicator)	Information towards the development of the survey index researched and collated.	Minimum rating of 3 out of 5	Minimum rating of 4 out of 5
User Departments	Reduction of leasing backlog ³⁰ (Quantity and Quality) - DP1: Portfolio	<ul style="list-style-type: none"> Clarify lease management policy 	Reduced levels of inconvenience, embarrassment and reputational damage.	Number of expired leases ³² Number of lock-outs	1,303 (New indicator)	0 expired leases 0 lock outs	0 expired leases 0 lock outs	0 expired leases 0 lock outs

²⁸ Key Account Managers (KAMs) are presently under-capacity. A target ratio has been developed that takes account of client size and complexity and allocates sufficient resources to each to enable satisfactory relationships. Different targets apply to six big user departments and 46 in "other".

²⁹ A client service survey goes beyond formal SLA compliance and measures client perceptions of consultation, access, courtesy, openness and transparency, information provision, information accuracy, redress and value for money.

³⁰ The DPW presently manages 2,771 private leases for client departments. Private leases are defined as leases contracted for properties not owned by the State. Backlog leases are those which are about to expire or have already expired and require renewal, extension or termination. In practical terms it is virtually impossible to have a zero backlog as leases are entered into at different times with different terms and anniversary dates. The intention is to focus on reducing expired leases as these result in significant inconvenience to clients potentially culminating in lock-outs. This reflected in the KPI.

³² This KPI relates specifically to leases that are not to be terminated.

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
	Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a) ³¹	<ul style="list-style-type: none"> Develop three stratified lease agreements Institute effective procurement planning Re-engineer business processes Sign SLAs with all lessees Capacitate leasing/ up-skill personnel Proactively analyse lease portfolio to avoid backlog 	<p>Adequate warning of impending issues.</p> <p>Reduction of irregular expenditure on leases.</p>	% signed SLAs Ratio of leasing resources to leases	52% signed SLAs 1:38 ³³	80% signed SLAs 1:25	90% signed SLAs 1:15	100% signed SLAs 1:10
	Build sustainable and predictable leasing solutions (Quality) - (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a))	<ul style="list-style-type: none"> Develop lease strategy Develop lease review prioritization process (need/value/size) Re-engineer leasing processes 	<p>Enhanced interaction with the DPW as a reliable, predictable and professional leasing partner.</p> <p>Lease budget compliance.</p>	SLA compliance ³⁴	(New indicator)	100% SLA compliance	100% SLA compliance	100% SLA compliance
	Deliver demonstrable Value for Money to clients - (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a))	<ul style="list-style-type: none"> Establish market-related rates for property categories by region Adjust DPW rates Move towards market price leadership 	<p>Improved client confidence in the DPW delivery of value for money.</p>	Budget compliance ³⁵ DPW rates indexed to market variance %	(New indicator) (New indicator)	100% Budget compliance <15% (+/-)	100% Budget compliance <10% (+/-)	100% Budget compliance <5% (+/-)

³¹ As noted, this scope is presently limited to private leases. Scope will be expanded to include residential and other non-office leases from 2014/15 onwards.

³³ Based on 72 staff and 2,771 leases at October 2013.

³⁴ SLA compliance measures the mechanics of service delivery, specifying service levels, lead times required for service, etc.

³⁵ While availability of approved budget remains the client's responsibility, budget compliance in terms of disbursements made according to plan is a key indicator for the DPW Leases Branch.

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
Acquisition of new accommodation through construction								
National Government Departments	Improved planning (as a key driver for measuring delivery performance in relation to the provision of accommodation through construction)	<ul style="list-style-type: none"> The adoption of IDMS as a primary system for managing delivery Provisioning of training on the IDMS Re-engineering of business processes Provisioning of support to user Departments in formulating their U-AMPS Compilation of the C-AMP 	Clear and shared expectations	Number of user departments who have approved IPIPs	CWIP and PMIP	11 User departments with IPIPs (DoA, DAC, DCS, DoD, DoH, DHET, DHA, DoJ&CD, DoL, DRDLR, SAPS)	11 User departments with IPIPs	11 User departments with IPIPs
1. SAPS 2. DoD 3. Justice 4. Correctional Services 5. Arts & Culture 6. Home Affairs 7. Public Works 8. Labour								
9. Agriculture, Forestry and Fisheries 10. Rural Development and Land Reform 11. Health 12. Higher Education	Quantity and Quality <ul style="list-style-type: none"> (DP1: Portfolio Management, DP1-1: Infrastructure Planning, DP1-1: C-AMP, Gate 1(b), DP1-2: Programme Management, CPS - Gate 2 and IPMP) DP2: Project Management, DP2-1: Implementation 	<ul style="list-style-type: none"> Effective project planning Improved procurement planning Management of SCM dependencies/ improvement in procurement processes Effective construction management Establishment of institutional structures to drive delivery (Acquisition Committee and PMOs) Roll out of the IDMS 	Shared understanding of the needs of the clients and how projects will be delivered Improved delivery of construction projects (within time, cost and quality requirements) Improved client satisfaction and perception of value for money	Number of planned projects completed (Works Completion Report – PEP 7) ³⁶ % of new projects completed within stipulated timeframes, cost and quality % of current projects with approved project scopes (Backlog)	300 projects completed (New indicator) (New indicator)	440 projects completed Establish baseline 50 % of current projects with approved project scopes	305 projects completed 100% of projects based on the completed IPIPs ³⁷ 100% current projects with approved project scopes ³⁹	167 projects completed 100% of projects based on the completed IPIPs ³⁸ 100% current projects with approved project scopes Not applicable

³⁶ Dependent on effective procurement; Qualified suppliers; Improved planning

³⁷ Projects for one of six of the big user departments (DoD) and one of the remaining user departments should at least be in line with time frames and cost

³⁸ Projects for two of the remaining five big user departments and three of the small user departments should at least be in line with time frames and cost

³⁹ The DPW will explore the need to establish user department specific Programme Management Offices

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
	Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)	<ul style="list-style-type: none"> Investigate the need for establishing user department specific programme management offices 		established for all executing units		Offices established		
	Value for Money - DP2: Project Management, DP2-1: Implementation Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)	<ul style="list-style-type: none"> Effective project planning Improved procurement planning Improvement in procurement processes Effective construction management 	Improved delivery of construction projects within cost	% budget variance on completed projects	(New indicator)	<15%	<15%	<15%
	Human Resources - DP2: Project Management, DP2-1: Implementation Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)	<ul style="list-style-type: none"> Staffing of organisational structure with appropriately qualified personnel Up-skilling and mentoring of existing staff 	Improved delivery of construction projects (within time, cost and quality requirements)	Number of project managers registered with the South African Council for Project and Construction Management Professions (SACPCMP) ⁴⁰	(New indicator)	0 ⁴¹	10	15
				Ratio of project managers to projects ⁴²	1:20 (plus)	1:10	1:10	1:10

⁴⁰ Dependent on the approval of a fast track process for certifying the project managers.

⁴¹ The fast track process will take no less than one year, delivery will commence in year two.

12. CONDITIONAL GRANTS

There are no conditional grants being managed by the Property Management Trading Entity

13. PUBLIC ENTITIES

There are no public entities reporting to the Property Management Trading Entity.

14. PUBLIC PRIVATE PARTNERSHIPS

There are no Public Private Partnerships that are funded by the Property Management Trading Entity.



PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2016/2017

PART D: ANNEXURES TO THE ANNUAL
PERFORMANCE PLAN

15. TECHNICAL INDICATOR DESCRIPTIONS

15.1 PROGRAMME 1: ADMINISTRATION

Indicator 1.1

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements			
Strategic Objective:	To provide compliant internal control and financial service			
Indicator Title	Approved financial model			
Short description	To develop and approve a financial model for the PMTE that supports the projection of expenditure and revenue over the medium term.			
Purpose/importance	To develop a tool that will assist the PMTE with the determination of the break-even point of revenue and costs based on different tariff structures and / or alternative revenue streams.			
Source/collection of data	Needs assessment document. Principles, drivers and criteria for the finance model.			
Method of calculation	None			
Unit of Measure	-			
Data limitations	None			
Type of indicator	Input			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	Yes			
Desired performance	An approved financial modelling tool that is operational and directs expenditure and revenue streams of the trading account to a position of financial sustainability over an agreed timeframe.			
Indicator owner	Head of Finance: PMTE			
Indicator updater	Chief Director Financial Planning: PMTE			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	-
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	-	PMTE financial model approved	-	-
Portfolio of Evidence	-	Minutes of EXCO Meeting approving the implementation of the system	-	-
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Conceptualisation of financial model approved by EXCO	-	Development and systems integration	Financial model approved by EXCO
Portfolio of Evidence	EXCO minutes indicating approval of conceptualised model	-	System download	Minutes providing EXCO approval for implementation of system

Indicator 1.2

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective:	To provide a compliant internal control and financial service				
Indicator Title	Percentage of compliant invoices settled within 30 days of receipt of invoice				
Short description	This indicator is measuring the percentage of compliant invoices, received from service providers, that are paid within 30 days in line with legislative requirements				
Purpose/importance	To indicate how effectively the PMTE is paying suppliers in line with the statutory requirements of the PFMA and Treasury Regulations.				
Source/collection of data	Invoices received from service providers, payments register and Basic Accounting System (BAS)				
Method of calculation	Count the number of compliant invoices settled within 30 days and express this as a percentage of the total number of compliant invoices received. <u>Number of compliant invoices paid within 30 days</u> Total number of compliant invoices received for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Activity				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	The PMTE will ensure that all valid invoices within 30 days.				
Indicator owner	Chief Director: Finance				
Indicator updater	Director: Finance				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	88%	86%	76%	80%	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/20
	80%	100%	100%	100%	100%
Portfolio of Evidence	Payments register	Payments register	Payments register	Payments register	Payments register
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100%	100%	100%	100%	
Portfolio of evidence	Payments register	Payments register	Payments register	Payments register	

Indicator 1.3

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements			
Strategic Objective:	To provide a compliant Supply Chain Management service			
Indicator Title	Percentage reduction in non-compliance to Supply Chain Management prescripts			
Short description	To reduce the number of Supply Chain Management deviations by enforcing compliance and ensuring adherence to internal controls within the PMTE			
Purpose/importance	To demonstrate improvement in the compliance to Supply Chain Management prescripts thus reducing irregular expenditure			
Source/collection of data	Register of deviations (including approve and non-approved deviations). Register of all Supply Chain Management transactions.			
Method of calculation	Count the number of deviations as per the deviation register and express this as a percentage of the total number of Supply Chain Management transactions. Compare this percentage with the previous period to determine the percentage reduction. <u>Count of the number of deviations as per the deviation register</u> Total number of supply chain management transactions for the same period			
Unit of Measure	Percentage			
Data limitations	None			
Type of indicator	Input			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	Yes			
Desired performance	To reduce the Supply Chain Management deviation rate with 90% over the next 5 years that will ensure a fair, competitive, transparent, equitable and cost effective Supply Chain Management transactions			
Indicator owner	Head of Supply Chain Management : PMTE			
Indicator updater	Chief Director: Supply Chain Management : Acquisition			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	621 SCM Deviations	518 SCM Deviations	421 SCM Deviations	360 SCM Deviations
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19
	360 SCM deviations	30%	60%	90%
Portfolio of Evidence	Register of deviations for SCM transactions	Register of deviations for SCM transactions	Register of deviations for SCM transactions	Register of deviations for SCM transactions
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	7.50%	7.50%	7.50%	7.50%
Portfolio of Evidence	Register of deviations for SCM transactions	Register of deviations for SCM transactions	Register of deviations for SCM transactions	Register of deviations for SCM transactions

Indicator 1.4

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective:	To provide a compliant Supply Chain Management service				
Indicator Title	Percentage of bids awarded within the prescribed timeframes				
Short description	To ensure that all bids are awarded within the legislated timeframes to support the delivery of services within time and cost				
Purpose/importance	To indicate the efficiency in which Supply Chain Management is acquiring goods, services and works over the R500 000 threshold				
Source/collection of data	Register of all bids awarded for services within the PMTE				
Method of calculation	Count the number of bids awarded within timeframes and express this as a percentage of the total number of bids awarded. <u>Count the number of bids awarded within prescribed timeframes</u> Total number of bids awarded for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Input				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	The aim is to award 80% of all bids within the legislated timeframe within the next three years.				
Indicator owner	Chief Director: Supply Chain Management				
Indicator updater	Director: Supply Chain Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	84	161	131	222	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19	2019/20
	222	60%	70%	80%	90%
Portfolio of Evidence	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	60%	60%	60%	60%	
Portfolio of Evidence	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	Register of bids awarded (above R500 000) with timeframes	

Indicator 1.5

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective:	To provide a compliant Supply Chain Management service				
Indicator Title	Percentage of quotations awarded within agreed timeframes				
Short description	To ensure that all quotations are awarded within the legislated timeframes to support the delivery of services within time and cost				
Purpose/importance	To indicate the efficiency in which Supply Chain Management is acquiring goods, services and works below the R500 000 threshold				
Source/collection of data	Register of all quotations awarded for PMTE services				
Method of calculation	Count the number of quotes awarded within timeframes and express this as a percentage of the total number of quotes awarded. <u>Count the number of quotes awarded within agreed timeframes</u> Total number of quotes awarded within the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Input				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	The aim is to award quotations within the prescribed timeframes for the next three years.				
Indicator owner	Chief Director: SCM				
Indicator updater	Director: Demand and Acquisition Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	40% (260)	45% (333)	49% (419)	47% (229)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19	2019/2020
	47% (229)	85%	90%	95%	95%
Portfolio of Evidence	Quotations register with timeframes	Quotations register with timeframes	Quotations register with timeframes	Quotations register with timeframes	Quotations register with timeframes
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	85%	85%	85%	85%	
Portfolio of Evidence	Quotations register with timeframes	Quotations register with timeframes	Quotations register with timeframes	Quotations register with timeframes	

15.2 PROGRAMME 2: REAL ESTATE INVESTMENT MANAGEMENT

USER DEMAND MANAGEMENT

Indicator 2.1

Strategic Goal:	To consolidate user demands that enables accommodation infrastructure planning and budgeting				
Strategic Objective:	To ensure User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Number of User Asset Management Plans received				
Short description	To count the number of U-AMPS which is a document containing the list of users' prioritised property and construction projects requests for accommodation received by the Department for execution in line with the requirements of GIAMA. User Departments are assisted by the User Demand Management Unit to produce the User Asset Management Plans.				
Purpose/importance	To inform planning and budgeting of infrastructure requirements for both the user and the custodian.				
Source/collection of data	User Prioritized Accommodation Requirements, accommodation currently occupied by user departments (as per the IAR)				
Method of calculation	Simple count of the number of User Asset Management Plans received form User Departments				
Unit of Measure	Number				
Data limitations	Adequacy of information received from user departments and entities.				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To receive user asset management plans from all user departments and entities.				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	2	5	3	42	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/20
	42	42	42	42	42
Portfolio of Evidence	42 User Asset Management Plans for User Departments and Entities	42 User Asset Management Plans for User Departments and Entities	42 User Asset Management Plans for User Departments and Entities	42 User Asset Management Plans for User Departments and Entities	42 User Asset Management Plans for User Departments and Entities
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	42	
Portfolio of Evidence	-	-	-	42 User Asset Management Plans for User Departments and Entities	

Indicator 2.2

Strategic Goal:	To consolidate user demands that enables accommodation infrastructure planning and budgeting				
Strategic Objective:	To ensure User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Number of signed off infrastructure work lists				
Short description	To develop a worklist of infrastructure projects in line with IDMS that are based on the User Asset Management Plans which contain a schedule of prioritised and funded projects for the financial year ahead				
Purpose/importance	To enable the PMTE to mobilise its resources for the execution of the prioritised and funded capital works projects.				
Source/collection of data	User Asset Management Plans for all User Departments and Entities				
Method of calculation	Simple count of the number of signed-off work lists completed for user departments				
Unit of Measure	Number				
Data limitations	Data integrity on WCS				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	To obtain signed off on infrastructure worklists a year in advance for user department that have capital projects				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19	2019/20
	-	10	10	10	10
Portfolio of Evidence	-	List of User's prioritised accommodation requirements	List of User's prioritised accommodation requirements	List of User's prioritised accommodation requirements	List of User's prioritised accommodation requirements
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	10	
Portfolio of Evidence	-	-	-	List of User's prioritised accommodation requirements for 2017/18	

PLANNING AND PRECINCT DEVELOPMENT

Indicator 2.3

Strategic Goal:	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government			
Strategic Objective:	To direct precinct planning and development programme for national government in urban and rural areas			
Indicator Title	Number of Government Precinct Development Proposals integrated with identified municipal (urban and rural) Integrated Development Plans (IDPs)			
Short description	A precinct development proposal is the packaging of a state catalyst project including site development plans and conceptual design solution to address the accommodation needs of an individual or a number of national state departments.			
Purpose/importance	Various National Government Departments have confirmed their urgent need for permanent State-owned accommodation. State property development will also contribute towards the reduction in leased-in accommodation. Integrating infrastructure development of Government addresses the historic spatial imbalances and improves efficiencies for Government through the creation of Government precincts in urban and rural areas.			
Source/collection of data	Framework document; map of Government estate			
Method of calculation	Simple count of the precinct development proposal completed			
Unit of Measure	Number			
Data limitations	Incomplete framework document and mapping. Precinct development proposal not signed off. Incapacity at local and/or provincial levels. Liaison constraints			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Annually			
New indicator	No			
Desired performance	Precinct development proposals developed and approved within planned timeframes			
Indicator owner	Deputy Director-General: Planning and Precinct Development			
Indicator updater	Chief Director: Planning and Precinct Development			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current year
	1 Master plan and 2 precinct development plans completed	2 Precinct development plans completed	5 Precinct development plans completed	2 Government Precinct Development Proposals integrated with identified (urban and rural) municipal IDPs ²
Annual Targets	2015 / 16	2016 / 17	2017 / 18	2018 /19
	2	2	3	4
Portfolio of Evidence	Precinct Development Proposal report	Precinct Development Proposal report	Precinct Development Proposal report	Precinct Development Proposal report
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	2
Portfolio of Evidence	-	-	-	Precinct Development proposal report

Indicator 2.4

Strategic Goal:	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government			
Strategic Objective:	To direct precinct planning and development programme for national government in urban and rural areas			
Indicator Title	Number of sites established for development			
Short description	To ensure that the identified sites are fully ready for development by meeting the requirements in terms of legalisation, feasibility and ownership of the sites encapsulated in a site clearance certificate			
Purpose/importance	To deliver a site that is ready for design, documentation and development.			
Source/collection of data	Site clearance progress report. IDPS, Legislation, Municipal information			
Method of calculation	Simple count of sites established for development			
Unit of Measure	Number			
Data limitations	Source data on the sites not available or incomplete			
Type of indicator	Output			
Calculation type	Non –cumulative			
Reporting cycle	Annually			
New indicator	Yes			
Desired performance	100% of the identified sites established within the required timeframes			
Indicator owner	Deputy Director-General Planning and Precinct Development			
Indicator updater	Chief Director Planning and Precinct Development			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year
	-	1	1	1
Annual Targets	2015 / 16	2016 / 17	2017 / 18	2018 /19
	3	3	3	4
Portfolio of Evidence	3 Site Clearance certificates	3 Site Clearance certificates	3 Site Clearance certificates	3 Site Clearance certificates
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	3 Site Clearance certificates
Portfolio of Evidence	-	-	-	Site clearance certificates

Indicator 2.5

Strategic Goal:	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government			
Strategic Objective:	To direct precinct planning and development programme for national government in urban and rural areas			
Indicator Title	Number of concept designs completed for identified user departments			
Short description	A count of the number of concept designs which provide accommodation solutions for User Departments in the form of 3D design models, sketches, diagrams, plans or drawings with estimated costs for the development			
Purpose/importance	To provide a development package to guide the investment decision and procurement options for a User Department			
Source/collection of data	User needs, certified staff structures and established site with development parameters			
Method of calculation	Simple count of the number of concept designs completed for identified user departments			
Unit of Measure	Number			
Data limitations	Needs not received from user departments, no certified staff structure, no approved site establishment			
Type of indicator	Development performance will be measured against activities successfully completed in achieving the desired output.			
Calculation type	Non-cumulative			
Reporting cycle	Bi-annually			
New indicator	No.			
Desired performance	All concept designs completed for identified user departments within agreed timeframes			
Indicator owner	Deputy Director-General Planning and Precinct Development			
Indicator updater	Chief Director Planning and Precinct Development			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year
	-	-	1	1
Annual Targets	2015 / 16	2016 / 17	2017 / 18	2018 /19
	1	3	4	6
Portfolio of Evidence	Concept design drawings	Concept design drawings	Concept design drawings	Concept design drawings
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	1	-	2
Portfolio of Evidence	-	Concept design drawing	-	Concept design drawings

REAL ESTATE INVESTMENT MANAGEMENT

Indicator 2.6

Strategic Goal:	To increase the value of the State's immovable asset portfolio				
Strategic Objective:	To inform asset management decisions through optimal investment solutions				
Indicator Title	Percentage of feasibility studies completed within scheduled timeframes				
Short description	The indicator is measuring the percentage of formalised structured studies completed to determine the best investment/disinvestment accommodation solution				
Purpose/importance	To recommend preferred accommodation options in a credible manner and within an agreed turnaround time				
Source/collection of data	List of all scheduled feasibility reports completed for the period.				
Method of calculation	Count the completed feasibility reports within the scheduled timeframes and express this as a percentage of the total number of feasibility studies that were completed for the same period. <u>Count the number of feasibility reports completed within the scheduled timeframes</u> Total number of feasibility studies completed for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	With increased capacity, automated processes and a significant improvement in credible information the PMTE will improve our turnaround times from 65% to 85% over the next five years.				
Indicator owner	Deputy Director-General: Real Estate Investment Management				
Indicator updater	Chief Director: Investment Analysis				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	100	150	87	260	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	260	80%	85%	90%	95%
Portfolio of Evidence	Feasibility report indicating the timeframes	Feasibility report indicating the timeframes	Feasibility report indicating the timeframes	Feasibility report indicating the timeframes	Feasibility report indicating the timeframes
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	80%	80%	80%	80%	
Portfolio of Evidence	Feasibility reports indicating the timeframes	Feasibility reports indicating the timeframes	Feasibility reports indicating the timeframes	Feasibility reports indicating the timeframes	

Indicator 2.7

Strategic Goal:	To increase the value of the State's immovable asset portfolio				
Strategic Objective:	To inform asset management decisions through optimal investment solutions				
Indicator Title	Percentage of scheduled valuations completed within scheduled timeframes				
Short description	The indicator is measuring the completion of valuations undertaken of immovable assets within the scheduled timeframes for all requests received within the respective financial year				
Purpose/importance	To conduct compliant valuations that determine the market value of PMTE immovable assets within the scheduled timeframe				
Source/collection of data	Schedule of valuations completed for identified immovable assets on the immovable asset register within relevant timeframes				
Method of calculation	Count the number of valuations completed in accordance with the schedule and express this as a percentage of the total number of scheduled valuation requests received for the same period. <u>Count the number of valuations completed within scheduled timeframes</u> Total number of valuations completed for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	Through increased and retained capacity the PMTE will be able to increase the number of valuation done to 90% over the next three years				
Indicator owner	Deputy Director-General: Real Estate Investment Management				
Indicator updater	Chief Director: Investment Analysis				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	200	250	300	60% (350)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	60% (350)	80%	85%	90%	95%
Portfolio of Evidence	Valuation report indicating date received and date completed.	Valuation report indicating date received and date completed	Valuation report indicating date received and date completed	Valuation report indicating date received and date completed	Valuation report indicating date received and date completed
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	80%	80%	80%	80%	
Portfolio of Evidence	Valuation report indicating date received and date completed.	Valuation report indicating date received and date completed.	Valuation report indicating date received and date completed.	Valuation report indicating date received and date completed.	

Indicator 2.8

Strategic Goal:	To increase the value of the State's immovable asset portfolio				
Strategic Objective:	To measure the level of performance of the immovable asset portfolio that informs property and portfolio strategies				
Indicator Title	Percentage of responsive disposal requests approved within scheduled timeframes				
Short description	The indicator is measuring the percentage of properties approved for disposal for socio-economic purpose for all requests received within the respective financial year				
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements and to Department of Rural Develop				
Source/collection of data	List of signed-off approved disposals. List of total requests received from HDA, municipalities and DRD&LR.				
Method of calculation	Count the number of received requests processed for disposal for socio-economic purposes and express this as a percentage of the total number of received requests for the same period <u>Count the number of requests processed for disposal</u> Total number of disposal requests received for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To release the total number of properties that have been identified by the Department of Human Settlements and the Department of Rural Development and Land Reform which contribute to the Government's socio-economic objectives				
Indicator owner	Deputy Director-General: Real Estate Investment Management				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	2	1	3	80% (19)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	80% (19)	80%	85%	90%	95%
Portfolio of Evidence	Request received for disposal. Disposal approval submission or proof of referral.	Request received for disposal. Disposal approval submission or proof of referral.	Request received for disposal. Disposal approval submission or proof of referral.	Request received for disposal. Disposal approval submission or proof of referral.	Request received for disposal. Disposal approval submission or proof of referral.
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	80%	
Portfolio of Evidence	-	-	-	Request received for disposal. Disposal approval submission or proof of referral.	

Indicator 2.9

Strategic Goal:	To increase the value of the State’s immovable asset portfolio				
Strategic Objective:	To measure the level of performance of the immovable asset portfolio that informs property and portfolio strategies				
Indicator Title	Number of Custodian Asset Management Plans approved				
Short description	The C-AMP is produced in line with the requirements of GIAMA that measures the development of an infrastructure plan that indicates how the custodian intends to meet the accommodation requirements of the User Departments				
Purpose/importance	To align the use of immovable assets with service delivery objectives of national government departments in compliance with GIAMA				
Source/collection of data	Approved Custodian Asset Management Plan, User Asset Management Plans				
Method of calculation	Simple count of the number of approved C-AMPs completed annually in line with GIAMA				
Unit of Measure	Number				
Data limitations	Lack of User Asset Management Plans to inform the C-AMP				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To ensure comprehensive and reliable life cycle planning on all immovable assets under PMTE custodianship through the compilation of the C-AMP.				
Indicator owner	Deputy Director-General: Real Estate Investment Management				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	1	1	1	1	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	1	1	1	1	1
Portfolio of Evidence	Signed off C-AMP 2016/17	Signed off C-AMP 2017/18	Signed off C-AMP 2018/19	Signed off C-AMP 2019/20	Signed off C-AMP 2020/21
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1	-	-	-	
Portfolio of Evidence	Signed off C-AMP 2017/18	-	-	-	

Indicator 2.10

Strategic Goal:	To increase the value of the State’s immovable asset portfolio				
Strategic Objective:	To measure the level of performance of the immovable asset portfolio that informs property and portfolio strategies				
Indicator Title	Number of buildings performance assessed in identified performance areas				
Short description	To measure the performance of the immovable asset portfolio in relation to operating cost and utilisation at facility level in compliance with GIAMA				
Purpose/importance	To ensure that immovable assets are performing at required /acceptable levels				
Source/collection of data	Schedule of properties from the immovable asset register that have been identified for performance measurement				
Method of calculation	Simple count of the number of buildings assessed against identified performance areas				
Unit of Measure	Number				
Data limitations	Completeness and accuracy of the immovable asset register				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To increase the number of performance assessments completed that support decision making over the next five years.				
Indicator owner	Deputy Director-General: Real Estate Investment Management				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	300	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	300	400	600	800	800
Portfolio of Evidence	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100	100	100	100	
Portfolio of Evidence	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	Schedule of performance reports completed for identified properties	

15.3 PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Indicator 3.1

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP				
Strategic Objective:	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of approved infrastructure project designs				
Short description	To measure the development of infrastructure project designs that have been approved by the Sketch Plan Committee				
Purpose/importance	To ensure that infrastructure projects are timeously planned and delivered based on proper infrastructure designs.				
Source/collection of data	Needs assessments of user departments, site clearance reports, working drawings, Minutes of sketch plan committee meetings				
Method of calculation	Simple count of the number of sketch plans approved by the sketch plan committee				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	To ensure that infrastructure planning is done within specified timeframes in accordance with the specifications of the user departments				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Planning				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	100	151	224	336	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19	2019 / 20
	336	300	330	156	156
Portfolio of Evidence	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	75	75	75	75	
Portfolio of Evidence	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	Sketch Plan Committee approval certificate (PA 16)	

Indicator 3.2

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP				
Strategic Objective:	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of approved infrastructure projects ready for tender				
Short description	This indicator measures the number of projects that have completed the planning stages and that are ready for tender advertisement				
Purpose/importance	To ensure that infrastructure projects are timeously delivered based on proper infrastructure designs.				
Source/collection of data	User departments requirements, sketch plan approvals, minutes of bid committee indicating submission of tender specifications				
Method of calculation	Simple count of the number of tender specifications submitted to the bid committee				
Unit of Measure	Number				
Data limitations	Incomplete designs and documentation				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	To ensure that infrastructure projects are ready for tender within timeframes that have been agreed to with user departments and delivered within time and cost				
Indicator owner	Deputy Director-General Construction Project Management				
Indicator updater	Chief Director: Planning				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	100	151	224	336	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	336	406	180	156	156
Portfolio of Evidence	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	50	100	125	131	
Portfolio of Evidence	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	Approved copy of NBAC or RBAC PA 12	

Indicator 3.3

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP				
Strategic Objective:	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of infrastructure sites handed over for construction				
Short description	This indicator measures the number of infrastructure project sites that have been handed over to the appointed contractor for commencement of construction of the project				
Purpose/importance	To ensure that infrastructure projects are timeously delivered within time, cost and quality requirements.				
Source/collection of data	User departments requirements, sketch plan approvals, bill of quantities, tender documentation, contract documentation.				
Method of calculation	Simple count of the number of sites that have been handed over to the appointed contractor to commence construction				
Unit of Measure	Number				
Data limitations	Incomplete designs and contract documentation				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	To ensure that infrastructure projects commence construction within timeframes that have been agreed to with user departments and delivered within time and cost				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	100	138	214	145	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	145	216	175	156	156
Portfolio of Evidence	Site hand over certificates	Site hand over certificates	Site hand over certificates	Site hand over certificates	Site hand over certificates
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	54	54	54	54	
Portfolio of Evidence	Site hand over certificates	Site hand over certificates	Site hand over certificates	Site hand over certificates	

Indicator 3.4

Strategic Goal:	To meet user department accommodation requirements as per the approved IPMP				
Strategic Objective:	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of IPMPs (Infrastructure Programme Management Plan) for new construction projects submitted to the Project Management Office (PMO)				
Short description	The indicator is measuring the number of IPMPs developed in consultation with the identified user departments for the 2017/18 financial year and related MTEF. The construction IPMP is a component of the complete IPMP which is consolidated per identified user department by the Project Management Office (PMO). The Infrastructure Programme Management Plan (IPMP) is a formal approved document prepared for the User Department that specifies how the infrastructure programme will be executed, monitored and controlled over the current MTEF period				
Purpose/importance	To develop a structured way of infrastructure delivery that embeds government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.				
Source/collection of data	User Asset Management Plans and Procurement Strategy				
Method of calculation	Simple count of the number of IPMPs submitted to the Project Management Office (PMO)				
Unit of Measure	Number				
Data limitations	Inaccurate U-AMPS or Procurement Strategies				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	IPMPs completed for all user departments with new infrastructure requirements over the 5 year period				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Planning				
Baseline	Year – 3 Audited Actual		Year – 2 Audited Actual		Year – 1 Audited Actual
	-		-		-
Annual Targets	2015 / 16 (EP)		2016 / 17		2017 / 18
	-		3		4
Portfolio of Evidence			IPMPs for 3 user departments		IPMPs for 4 user departments
			IPMPs for 4 user departments		IPMPs for 4 user departments
Quarterly targets 2016/17	Quarter 1		Quarter 2		Quarter 3
	-		-		1
Portfolio of Evidence	-		-		IPMP for 1 user department
					IPMPs for 2 user departments

Indicator 3.5

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP				
Strategic Objective:	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of IPIPs (Infrastructure Programme Implementation Plan) for new construction projects submitted to the Project Management Office (PMO)				
Short description	The indicator is measuring the number of IPIPs which is developed in response to the IPMP for identified user departments for the 2017/18 financial year and related MTEF, indicating the allocation of the MTEF budget to the projects to be implemented over the MTEF period. The construction IPIP is a component of the complete IPIP which is consolidated per identified user department by the Project Management Office (PMO).				
Purpose/importance	To develop a structured way of infrastructure delivery that embeds government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.				
Source/collection of data	User Asset Management Plans and Procurement Strategy, IPMP				
Method of calculation	Simple count of the number of IPIPs submitted to the Project Management Office				
Unit of Measure	Number				
Data limitations	Inaccurate U-AMPS, IPMPs and Procurement Strategies				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	IPIPs completed for all user departments will new infrastructure requirements over the 5 year period				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Planning				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	-	3	4	4	4
Portfolio of Evidence	-	IPIPs for 3 user departments	IPIPs for 4 user departments	IPIPs for 4 user departments	IPIPs for 4 user departments
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	2016/17	-	-	1	2
Portfolio of Evidence	-	-	IPIP for 1 user department	IPIPs for 2 user departments	

Indicator 3.6

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP			
Strategic Objective:	To ensure that construction programmes are implemented according to approved criteria			
Indicator Title	Percentage of infrastructure projects completed within agreed construction period			
Short description	The measure of percentage of completed awarded infrastructure projects within contractual time periods (including any variations that have been approved).			
Purpose/importance	The completion of infrastructure projects within set timeframes to demonstrate progress in service delivery and utilisation of allocated budgets that ensures that accommodation requirements are met.			
Source/collection of data	List of all Works Completion Certificates that were completed within the construction period. Contract for each completed project indicating the agreed construction period. List of all Works Completion Certificates for all new projects completed within the period			
Method of calculation	Count of the number of infrastructure projects completed within the agreed construction period and express this as a percentage of the total number of construction projects that were due to be completed during the same time period. <u>Count the number of infrastructure projects completed within agreed construction period</u> Total number of construction projects completed for the same time period			
Unit of Measure	Percentage			
Data limitations	None			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	To accelerate service delivery by ensuring that 90% of new infrastructure projects are completed within the agreed construction time-period.			
Indicator owner	Deputy Director-General: Construction Project Management			
Indicator updater	Chief Director: Projects			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	214	179	180 (33%)	103 (75%)
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19
	103 (75%)	60%	60%	60%
Portfolio of Evidence	Practical completion certificates	Practical completion certificates	Practical completion certificates	Practical completion certificates
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	60%	60%	60%	60%
Portfolio of Evidence	Practical completion certificates	Practical completion certificates	Practical completion certificates	Practical completion certificates

Indicator 3.7

Strategic Goal:	To meet user department accommodation requirements as per the approved IPMP				
Strategic Objective:	To ensure that construction programmes are implemented according to approved criteria				
Indicator Title	Percentage of infrastructure projects completed within the approved budget				
Short description	The measure the completion of awarded infrastructure projects within approved budgets (including any variations that have been approved) and adherence to statutory requirements.				
Purpose/importance	To ensure that new infrastructure projects are delivered within the approved budget to improve the cost-effectiveness of the project. To ensure transparency and accountability in the expenditure of the infrastructure budget.				
Source/collection of data	List of all Works Completion Certificates that were completed within the approved budget. Contract for each completed project indicating the approved budget. List of all Works Completion Certificates for all new projects completed within the budget.				
Method of calculation	Count of the number of infrastructure projects completed within the agreed budget and express this as a percentage of the total number of construction projects that were completed during the same time period. <u>Count the number of projects completed within approved budget</u> Total number of projects completed within the same time period				
Unit of Measure	Percentage				
Data limitations	Incomplete designs and documentation for new infrastructure projects				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To accelerate service delivery by ensuring that new infrastructure projects are completed within the approved budget.				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	214	179	180 (33%)	103 (75%)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	103 (75%)	60%	60%	60%	60%
Portfolio of Evidence	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	60%	60%	60%	60%	
Portfolio of Evidence	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	Expenditure report indicating total payments on each contract against the approved project budget	

Indicator 3.8

Strategic Goal:	To meet user department accommodation requirements as per the approved IPIP			
Strategic Objective:	To ensure that construction programmes are implemented according to approved criteria			
Indicator Title	Number of EPWP work opportunities created through construction projects			
Short description	The indicator is measuring the number of work opportunities created by the PMTE through the implementation of labour intensive methodologies within the construction programme of the PMTE			
Purpose/importance	To measure the downstream job creation benefits on infrastructure projects			
Source/collection of data	WCS report print-out indicating number of work opportunities created			
Method of calculation	Simple count of the number of work opportunities created using the WCS report.			
Unit of Measure	Number			
Data limitations	Accuracy of work opportunities reported by the contractor			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities on construction projects			
Indicator owner	Deputy Director-General: Construction Project Management			
Indicator updater	Chief Director: Projects			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	7 046	5 309	1 482	15 000
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	15 000	16 500	18 150	19 965
Portfolio of Evidence	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	3 500	4 000	4 500	4 500
Portfolio of Evidence	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter	Labour list or salary advice or appointment letter

Indicator 3.9

Strategic Goal:	To meet user department accommodation requirements as per the approved IPMP				
Strategic Objective:	To ensure that construction programmes are implemented according to approved criteria				
Indicator Title	Percentage reduction of backlogs in infrastructure projects.				
Short description	The indicator is measuring the reduction in the number of existing infrastructure project backlogs that have been delayed in the planning phase and are therefore not progressing as per the planned timeframes				
Purpose/importance	To reduce the existing backlogs on infrastructure projects by fast tracking implementation				
Source/collection of data	Schedule of projects on the infrastructure programme that have not been completed as per agreed timeframes (backlogs)				
Method of calculation	Count the number of backlogged infrastructure projects completed and express that as a percentage of the total number of backlogged infrastructure projects. Then subtract the percentage backlog from the previous year to work out the reduction. <u>Count the number of backlogged infrastructure projects planning completed</u> Total number of infrastructure backlogged projects identified on the infrastructure programme				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	To accelerate service delivery by ensuring that all project backlogs are cleared.				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	54	62	73	135	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	135	15%	36%	50%	60%
Portfolio of Evidence	Site handover certificates	Site handover certificates	Site handover certificates	Site handover certificates	Site handover certificates
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	2016/17	-	-	-	15%
Portfolio of Evidence	-	-	-	Site handover certificates	

15.4 PROGRAMME 4: REAL ESTATE MANAGEMENT

Indicator 4.1

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective:	To provide functional leased accommodation for user departments				
Indicator Title	Percentage of new leases procured for user departments that adhere to prescribed criteria				
Short description	Ensure that all new leased accommodation is procured for user departments according to predetermined prescribed criteria				
Purpose/importance	To ensure that user departments are accommodated in functional accommodation as per the specified user requirements				
Source/collection of data	Lease Checklist: Individual lease files PMIS/Archibus system report indicating all leases procured. Prescribed criteria.				
Method of calculation	Count the number of leases procured that comply with prescribed criteria and express this as a percentage of the total number of leases procured for the same time period. <u>Count the number of leases procured as per prescribed criteria</u> Total number of leases procured for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Through the alignment of applicable policies and procedures, the PMTE will increase performance from 55% to 80% within the next 5 years				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Regional Managers				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	70	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/20
	70	55%	60%	70%	75%
Portfolio of Evidence	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company

	registration forms/ bank details/ signed lease agreement/ certificate of occupation	registration forms/ bank details/ signed lease agreement/ certificate of occupation	registration forms/ bank details/ signed lease agreement/ certificate of occupation	registration forms/ bank details/ signed lease agreement/ certificate of occupation	registration forms/ bank details/ signed lease agreement/ certificate of occupation
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	55%	55%	55%	55%	
Portfolio of Evidence	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company registration forms/ bank details/ signed lease agreement/ certificate of occupation	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company registration forms/ bank details/ signed lease agreement/ certificate of occupation	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company registration forms/ bank details/ signed lease agreement/ certificate of occupation	Lease checklist Approved procurement strategy followed (checklist) Lease documents: tax clearance certificate/ Company registration forms/ bank details/ signed lease agreement/ certificate of occupation	

Indicator 4.2

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective:	To provide functional leased accommodation for user departments				
Indicator Title	Percentage reduction of identified leased-in functional accommodation within the security cluster				
Short description	<p>Systematically moving away from leasing in functional accommodation for the security cluster departments namely: Department of Justice, Department of Defence, Department of Correctional Services, and South African Police Service. The Department is currently leasing in a total of 1 675 functional properties as follows:</p> <ul style="list-style-type: none"> • Department of Justice (147) • Department of Defence (180) • Department of Correctional Services (136) • South African Police Service (1212) <p>The Department will identify 20 leases of strategic functional accommodation and translate it into permanent solutions.</p>				
Purpose/importance	To reduce the strategic risks associated with the security, confidentiality and the disturbance of the essential services cluster and increase utilisation of State-owned accommodation				
Source/collection of data	PMIS / WCS / Asset Register				
Method of calculation	<p>Count of the number of privately leased accommodation for the security cluster departments that have been replaced with State-owned accommodation and express this as a percentage of the total number of private leases that have been identified for replacement for the same time period.</p> <p><u>Count the number of private leases for the security cluster that have been replaced with State-owned accommodation</u></p> <p>Total number of private leases that have been identified for replacement with State-owned accommodation in the security cluster for the same time period.</p>				
Unit of Measure	Percentage				
Data limitations	Lack of reliable Immovable Asset Register. Lack of reliable property valuations				
Type of indicator	Outcome				
Calculation type	Cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	The gradual reduction of leased in accommodation for security cluster departments through various methods of procurement				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Regional Managers				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current year	
	1616	1721	1680	1675	
Annual Targets	2015 / 16	2016 / 17	2017 / 18	2018 /19	2019 /20
	1675	20%	20%	20%	20%
Portfolio of Evidence	Signed leased document for State accommodation	Signed leased document for State accommodation	Signed leased document for State accommodation	Signed leased document for State accommodation	Signed leased document for State accommodation
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	20%	
Portfolio of Evidence	-	-	-	Signed leased document for State accommodation	

Indicator 4.3

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE			
Strategic Objective:	To provide functional leased accommodation for user departments			
Indicator Title	Number of IPMPs (Infrastructure Programme Management Plan) for new leased accommodation submitted to the Project Management Office (PMO)			
Short description	The indicator is measuring the number of IPMPs developed for new leased accommodation in consultation with the identified user departments for the 2017/18 financial year and related MTEF. The leasing IPMP is a component of the complete IPMP which is consolidated per identified user department by the Project Management Office (PMO). The Infrastructure Programme Management Plan (IPMP) is a formal approved document prepared for the User Department that specifies how the infrastructure programme will be executed, monitored and controlled over the current MTEF period			
Purpose/importance	To develop a structured way of infrastructure delivery that embeds Government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.			
Source/collection of data	User Asset Management Plans and Procurement Strategy			
Method of calculation	Simple count of the number of IPMPs submitted to the Project Management Office (PMO)			
Unit of Measure	Number			
Data limitations	Inaccurate U-AMPS or Procurement Strategies			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	Yes			
Desired performance	IPMPs completed for all user departments with new infrastructure requirements over the 5 year period			
Indicator owner	Deputy Director-General: Real Estate Management			
Indicator updater	Chief Director: Property Management			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	-	-	-	-
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 / 19
				2019 / 20
	-	3	4	4
Portfolio of Evidence		IPMPs for 3 user departments	IPMPs for 4 user departments	IPMPs for 4 user departments
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	1	2
Portfolio of Evidence			IPMP for 1 user department	IPMPs for 2 user departments

Indicator 4.4

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE			
Strategic Objective:	To provide functional leased accommodation for user departments			
Indicator Title	Number of IPIPs (Infrastructure Programme Implementation Plans) for new leased accommodation submitted to the Project Management Office (PMO)			
Short description	The indicator is measuring the number of Infrastructure Programme Implementation Plans which are developed in response to the IPMP for identified user departments for the 2017/18 financial year and related MTEF, indicating the allocation of the MTEF budget to the projects to be implemented over the MTEF period. The leasing IPIP is a component of the complete IPIP which is consolidated per identified user department by the Project Management Office (PMO).			
Purpose/importance	To develop a structured way of infrastructure delivery that embeds Government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.			
Source/collection of data	User Asset Management Plans and Procurement Strategy, IPMP			
Method of calculation	Simple count of the number of IPIPs submitted to the Project Management Office			
Unit of Measure	Number			
Data limitations	Inaccurate U-AMPS, IPMPs and Procurement Strategies			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	Yes			
Desired performance	IPIPs completed for all user departments will new leased-in requirements over the 5 year period			
Indicator owner	Deputy Director-General: Real Estate Management			
Indicator updater	Chief Director: Real Estate Management			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	-
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	-	3	3	3
Portfolio of Evidence		IPIPs for 3 user departments	IPIPs for 3 user departments	IPIPs for 3 user departments
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	1	2
Portfolio of Evidence	-	-	IPIP for 1 user department	IPIPs for 2 user departments

Indicator 4.5

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective:	To increase revenue through the rental of State owned property				
Indicator Title	Percentage of revenue increased through rentals of harbour related properties				
Short description	To increase the revenue generated for PMTE through the leasing out of State owned properties				
Purpose/importance	To promote economic development and localised job creation around the countries harbours as well as to prevent illegal and criminal activities at our harbours.				
Source/collection of data	PMIS Immovable Asset Register				
Method of calculation	Count of revenue generated through harbour related leases in the current year expressed as a percentage of revenue generated through harbour related leases in the previous year <u>Count of the revenue generated through harbour related leases in the current year</u> Revenue generated through harbour related leases in the previous financial year				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	Increase of 10% in current revenue baseline				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Divisional Head: Small Harbours Unit				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	R11 213 592.00	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/20
	-	10%	10%	10%	10%
Portfolio of Evidence	-	Signed lease agreements	Signed lease agreements	Signed lease agreements	Signed lease agreements
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	10%	
Portfolio of Evidence	-	-	-	Signed lease agreements	

Indicator 4.6

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective:	To increase revenue through the rental of State-owned property				
Indicator Title	Percentage of DAFF (Department of Agriculture Forestry and Fisheries) certified Operation Phakisa Ocean economy leasing requests processed within agreed timeframes				
Short description	Measures the number of leases signed with private sector companies which have been pre-approved and recommended by the Department of Agriculture Forestry and Fisheries for the purposes of economic development through marine and aqua – culture projects, etc.				
Purpose/importance	To maximise the use of state land for the purpose of socio-economic development and job creation and in so doing grow the ocean economy				
Source/collection of data	PMIS / Asset Register				
Method of calculation	<p>Number of certified Operation Phakisa Ocean economy leasing requests approved within agreed timeframes expressed as a percentage of the total number of certified Operation Phakisa Ocean economy leasing requests received for the same period</p> <p><u>Count the number of certified Operation Phakisa Ocean economy leasing requests approved within agreed timeframes</u> Total number of certified Operation Phakisa Ocean economy leasing requests received for the same period</p>				
Unit of Measure	Percentage				
Data limitations	Inaccurate data on the Immovable Asset Register.				
Type of indicator	Output				
Calculation type	Non - Cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	100% percent leases signed within required timeframes				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Divisional Head: Small Harbours Unit				
Baseline	Year – 3	Year – 2	Year – 1	Current year	
	Audited Actual	Audited Actual	Audited Actual	Estimated Performance	
	-	-	-	7 (100%)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	7 (100%)	100%	100%	100%	100%
Portfolio of Evidence	Signed leased document	Signed leased document	Signed leased document	Signed leased document	Signed leased document
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	100%	
Portfolio of Evidence	-	-	-	Signed leased document	

Indicator 4.7

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective:	To generate revenue through the rental of state owned property				
Indicator Title	Percentage of approved list of immovable assets let out for revenue generation				
Short description	The indicator measures the leasing out of identified surplus state owned properties in order to generate revenue				
Purpose/importance	To ensure the optimal use of surplus state owned immovable assets and to generate income				
Source/collection of data	List of identified State owned properties to let out for revenue generation Signed lease agreements				
Method of calculation	Count the number of the immovable assets leased out for revenue generation and express this as a percentage of the total number of properties identified for letting out for revenue generation <u>Count the number of the immovable assets leased out for revenue generation</u> Total number of properties identified for letting out for revenue generation				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Bi annually				
New indicator	Yes				
Desired performance	100% of surplus immovable assets leased out in line with up to date valuations and market rentals				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Regional Managers				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	3 properties	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	3 properties	50%	55%	60%	65%
Portfolio of Evidence	Valid lease agreements	Valid lease agreements	Valid lease agreements	Valid lease agreements	Valid lease agreements
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	50%	-	50%	
Portfolio of Evidence	-	Valid lease agreements	-	Valid lease agreements	

Indicator 4.8

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE			
Strategic Objective:	To manage contractual obligations for all accommodation solutions			
Indicator Title	The percentage of contracts renewed or terminated within the prescribed timeframes			
Short description	The indicator measures the progress on renewal or termination of lease agreements before the expiry date			
Purpose/importance	To ensure that adequate and compliant contract management processes are in place			
Source/collection of data	Contracts register indicating all lease agreements with their start and end dates. Valid termination or renewal letters for all contracts that expired during the period.			
Method of calculation	Count the number of leases renewed or terminated within the prescribed timeframes and express this as a percentage of the total number of expired leases for the same time period <u>Count the number of leases renewed or terminated within the prescribed timeframes</u> Total number of expired leases for the same time period			
Unit of Measure	Percentage			
Data limitations	None			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	Ensure that 95% of all leases are renewed or terminated prior to the contractual expiry date.			
Indicator owner	Deputy Director-General: Real Estate Management			
Indicator updater	Regional Managers			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	-	-	27% (86)	75% (1068)
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	75% (1068)	80%	90%	95%
Portfolio of Evidence	Valid termination or renewal letter	Valid termination or renewal letter	Valid termination or renewal letter	Valid termination or renewal letter
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	80%	80%	80%	80%
Portfolio of Evidence	Valid termination or renewal letter	Valid termination or renewal letter	Valid termination or renewal letter	Valid termination or renewal letter

Indicator 4.9

Strategic Goal:	To provide quality accommodation and contribute to the financial sustainability of the PMTE			
Strategic Objective:	To manage contractual obligations for all accommodation solutions			
Indicator Title	Percentage of leases awarded to black owned companies			
Short description	The indicator measures the awarding of private leases contracts to 100% black owned companies			
Purpose/importance	To drive transformation in the property industry. The Government has therefore targeted the SMME sector as an economic empowerment vehicle for previously disadvantaged people.			
Source/collection of data	Lease files SCM procurement documentation PMIS			
Method of calculation	Number of private leases awarded to 100% black owned companies expressed as a percentage of the total number of private leases awarded <u>Count the number of private leases awarded to 100% black owned companies</u> Total number of private leases awarded for the same time period			
Unit of Measure	Percentage			
Data limitations	Incomplete procurement documents			
Type of indicator	Outcome			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	A minimum of 20% leases are allocated to 100% black owned companies			
Indicator owner	Head of Real Estate Management			
Indicator updater	Regional Managers			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	32% of the total leased in portfolio is allocated to BEE compliant companies
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	32% of the total leased in portfolio is allocated to BEE compliant companies	20%	25%	30%
Portfolio of Evidence	SCM procurement documentation	SCM procurement documentation	SCM procurement documentation	SCM procurement documentation
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	20%	20%	20%	20%
Portfolio of Evidence	SCM procurement documentation	SCM procurement documentation	SCM procurement documentation	SCM procurement documentation

15.5 PROGRAMME 5: REAL ESTATE INFORMATION REGISTRY

Indicator 5.1

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Percentage of approved disposals (in respect of socio economic purposes) processed for transfer				
Short description	The indicator is measuring the percentage of properties that have been processed for transfer as per the approved disposals within the respective financial year for socio-economic purpose				
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements and to the Department of Rural Development and Land Reform				
Source/collection of data	List of signed-off approved disposals by the Minister of Public Works and the National Treasury				
Method of calculation	Count the number of transfers processed for socio-economic purposes and express this as a percentage of the total number of approved disposals received for the same time period. <u>Count the number of transfers processed for socio-economic purposes</u> Total number of approved disposals received for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To release the total number of properties that have been identified by the Department of Human Settlements and the Department of Rural Development and Land Reform and thereby contribute the Government's socio-economic objectives				
Indicator owner	Deputy Director-General: Real Estate Information and Registry Services				
Indicator updater	Chief Director: Real Estate Information and Registry Services				
Baseline	Year – 3 Audited Actual		Year – 2 Audited Actual		Year – 1 Audited Actual
	-		-		-
Annual Targets	2015 / 16 (EP)		2016 / 17		2017 / 18
	-		60%		70%
Portfolio of Evidence	-		Copy of transfer application lodged with the Deeds Office		Copy of transfer application lodged with the Deeds Office
	-		Copy of transfer application lodged with the Deeds Office		Copy of transfer application lodged with the Deeds Office
Quarterly targets 2016/17	Quarter 1		Quarter 2		Quarter 3
	-		-		-
Portfolio of Evidence	-		-		Copy of transfer application lodged with the Deeds Office

Indicator 5.2

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Percentage of immovable assets updated on the IAR for completed infrastructure projects				
Short description	The indicator is measuring the updating of the information on the IAR based on newly completed projects where completion certificates have been issued				
Purpose/importance	To ensure that the IAR is continuously updated with information in line with the IDMS Model that corresponds to the newly completed infrastructure projects (new construction, additions, upgrades renovations) .				
Source/collection of data	Schedule of completed projects (project files) with description of work completed downloaded from WCS				
Method of calculation	<p>Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed and express this as a percentage of the total number of completion certificates that have been received by REIRS for construction projects that have been completed for the same timeframe</p> <p><u>Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed</u> Total number of completion certificates that have been received for construction projects that have been completed for the same timeframe</p>				
Unit of Measure	Percentage				
Data limitations	Insufficient details of new construction work completed. Construction projects undertaken by user departments without the involvement of the PMTE				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Bi Annually				
New indicator	Yes				
Desired performance	To ensure that the IAR is continuously updated to reflect the most recent information of the asset portfolio taking into consideration newly completed projects				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	100 capitalised projects updated on the IAR	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	100 capitalised projects updated on the IAR	100%	100%	100%	100%
Portfolio of Evidence	Schedule of properties that have been updated on the IAR based on newly completed projects	Schedule of properties that have been updated on the IAR based on newly completed projects	Schedule of properties that have been updated on the IAR based on newly completed projects	Schedule of properties that have been updated on the IAR based on newly completed projects	Schedule of properties that have been updated on the IAR based on newly completed projects
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	100%	-	100%	
Portfolio of Evidence	-	Schedule of properties that have been updated on the IAR based on newly completed projects	-	Schedule of properties that have been updated on the IAR based on newly completed projects	

Indicator 5.3

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management			
Strategic Objective:	To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers			
Indicator Title	Number of Provincial Immovable Asset Registers assessed for compliance			
Short description	Measure progress on compliance of provincial immovable asset registers in accordance with set criteria for other custodians			
Purpose/importance	Provide improve the completeness and compliance of immovable asset registers of other custodians by performing compliance assessments that are focussed on specific aspects that are analysed in each quarter.			
Source/collection of data	Signed off compliance checklist			
Method of calculation	Simple count of the number of immovable asset registers of other custodians assessed for compliance			
Unit of Measure	Number			
Data limitations	None			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	Yes			
Desired performance	Through continuous assessments all provincial IARs are compliant and serve as a tool to inform investment decisions for the sector			
Indicator owner	Deputy Director-General Real Estate Registry Services			
Indicator updater	Chief Director Real Estate Registry Services			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	-	-	-	9
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	9	9	9	9
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	2	2	3	2
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist

15.6 PROGRAMME 6: FACILITIES MANAGEMENT

Indicator 6.1

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Number of buildings with scheduled maintenance contracts in place				
Short description	To measure the number of scheduled maintenance contracts in place for identified buildings that will improve the condition of the buildings and avoid costly repairs over a long period				
Purpose/importance	To minimise ad-hoc breakdowns and maintain facilities in a proactive manner				
Source/collection of data	Approved scheduled maintenance plan as integrated for all regional offices indicating scheduled maintenance work completed against the plan				
Method of calculation	A simple count the number of maintenance contracts in place based on the approved maintenance plan				
Unit of Measure	Number				
Data limitations	Inadequate and/or incomplete needs assessment reports				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Maintenance contracts in place for all State-owned buildings				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	300	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/ 20
	300	350	400	450	500
Portfolio of Evidence	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	50	75	125	100	
Portfolio of Evidence	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	Schedule of buildings with details of approved maintenance contracts in place	

Indicator 6.2

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Number of IPMPs for new maintenance projects submitted to the Project Management Office (PMO)				
Short description	The indicator is measuring the number of IPMPs (Infrastructure Programme Management Plans) for new maintenance projects developed in consultation with the identified user departments for the 2017/18 financial year and related MTEF. The maintenance IPMP is a component of the complete IPMP which is consolidated per identified user department by the Project Management Office (PMO). The Infrastructure Programme Management Plan is a formal approved document prepared for the User Department that specifies how the infrastructure programme will be executed, monitored and controlled over the current MTEF period				
Purpose/importance	To develop a structured way of infrastructure delivery that embeds government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.				
Source/collection of data	User Asset Management Plans and Procurement Strategy				
Method of calculation	Simple count of the number of IPMPs for new maintenance projects submitted to the Project Management Office (PMO)				
Unit of Measure	Number				
Data limitations	Inaccurate U-AMPS or Procurement Strategies				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	IPMPs completed for all user departments with new infrastructure requirements over the 5 year period				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	-	3	4	4	4
Portfolio of Evidence		IPMPs for 3 user departments	IPMPs for 4 user departments	IPMPs for 4 user departments	IPMPs for 4 user departments
Quarterly targets	Quarter 1	Quarter 2		Quarter 3	Quarter 4
	2016/17	-	-	1	2
Portfolio of Evidence	-	-	IPMP for 1 user department	IPMPs for 2 user departments	

Indicator 6.3

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Number of IPIPs for new maintenance projects submitted to the Project Management Office (PMO)				
Short description	The indicator is measuring the number of IPIPs (Infrastructure Programme Implementation Plan) which is developed for new maintenance projects in response to the IPMP for identified user departments for the 2017/18 financial year and related MTEF, indicating the allocation of the MTEF budget to the projects to be implemented over the MTEF period. The maintenance IPIP is a component of the complete IPIP which is consolidated per identified user department by the Project Management Office (PMO).				
Purpose/importance	To develop a structured way of infrastructure delivery that embeds government's budgeting and expenditure cycles into the planning, delivery and operation and maintenance of infrastructure.				
Source/collection of data	User Asset Management Plans and Procurement Strategy, IPMP				
Method of calculation	Simple count of the number of IPIPs for new maintenance projects submitted to the Project Management Office				
Unit of Measure	Number				
Data limitations	Incomplete C-AMPS, IPMPs and Procurement Strategies				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	IPIPs completed for all user departments will new planned maintenance requirements over the 5 year period				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	-	3	4	4	4
Portfolio of Evidence		IPIPs for 3 user departments	IPIPs for 4 user departments	IPIPs for 4 user departments	IPIPs for 4 user departments
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	1	2	
Portfolio of Evidence	-	-	IPIP for 1 user department	IPIPs for 2 user departments	

Indicator 6.4

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Number of EPWP work opportunities created through maintenance projects				
Short description	Work opportunities created through the implementation of labour intensive methodologies within the planned maintenance programme of the PMTE				
Purpose/importance	To measure the downstream job creation benefits on planned maintenance projects				
Source/collection of data	WCS report print-out indicating number of work opportunities created				
Method of calculation	Simple count of the number of work opportunities created using the WCS report.				
Unit of Measure	Number				
Data limitations	Accuracy of work opportunities reported by the contractor				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities on maintenance projects				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	5 000	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/20
	5 000	5 500	6 050	6 655	7 100
Portfolio of Evidence	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1000	1400	1800	1300	
Portfolio of Evidence	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	Schedule of projects indicating the number of work opportunities created	

Indicator 6.5

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Percentage of SMMEs contracts awarded on the scheduled maintenance programme				
Short description	The indicator is measuring the SMMEs (Small, Medium and Micro-sized Enterprises) that are being appointed directly or sub contracted o undertake scheduled maintenance on State owned buildings				
Purpose/importance	To support the advancement of Small, Medium and Micro-sized Enterprises (SMMEs) as the catalyst to achieving economic growth and development. The Government has therefore targeted the SMME sector as an economic empowerment vehicle for previously disadvantaged people.				
Source/collection of data	Schedule of scheduled maintenance projects where SMMEs have been appointed				
Method of calculation	A count of the number of SMME contracts awarded on the scheduled maintenance programme expressed as a percentage of the total number of contracts awarded for the same time period. <u>A count of the number of SMME contracts awarded on the scheduled maintenance programme</u> Total number of scheduled maintenance contracts awarded for the same time period.				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	The aim is to create opportunities for Small, Medium and Micro-sized Enterprises (contractors) whilst implementing scheduled maintenance in our buildings.				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	-	50%	60%	70%	80%
Portfolio of Evidence		Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	50%	50%	50%	50%	
Portfolio of Evidence	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	Schedule of SMMEs appointed directly or indirectly on the scheduled maintenance programme	

Indicator 6.6

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To reduce unscheduled repairs on all state owned buildings				
Indicator Title	Percentage of unscheduled reported maintenance incidents resolved within prescribed time frames				
Short description	To ensure that maintenance breakdowns on buildings that are reported at the call centre by user departments are resolved within agreed timeframes				
Purpose/importance	To attend to logged incidents of breakages as reported by user/client departments according to prescribed standards so that there is no disruption in service delivery				
Source/collection of data	Worx 4 U system print out indicating unscheduled maintenance work completed within the prescribed timeframe. Total list of unscheduled maintenance work completed.				
Method of calculation	Count the number of completed unscheduled maintenance work within the prescribed timeframes and expressed as percentage of the total unscheduled maintenance work completed for the same time period <u>Count the number of completed unscheduled maintenance work within the prescribed time period</u> Total unscheduled maintenance work completed for the same time period				
Unit of Measure	Percentage				
Data limitations	Calls not logged or incorrectly logged at the call centre				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	All logged calls are resolved within agreed timeframe or less to ensure that services are not disrupted				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	55% (25 000)	56% (26 800)	60% (29 845)	65% (34 995)	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019/ 20
	65% (34 995)	70%	75%	80%	85%
Portfolio of Evidence	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	70%	70%	70%	70%	
Portfolio of Evidence	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	Worx 4 U incident report showing the date of reported incident and date of completion (estimated and actual)	

Indicator 6.7

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To ensure resource efficiency in government buildings				
Indicator Title	Reduction in energy consumption (kilowatt hours) in identified property portfolio				
Short description	The indicator is measuring the reduction in energy consumption per identified building through energy saving interventions.				
Purpose/importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030.				
Source/collection of data	List of buildings with energy savings installations based on audit conducted Certificates of building with energy savings installations Energy Management Report indicating actual consumption based on municipal accounts				
Method of calculation	Difference between (The Kilowatt hours of energy consumed at the end of the previous financial year) and (The Kilowatt hours of energy consumed at the end of the current financial year)				
Unit of Measure	Kilowatt hours				
Data limitations	Non-delivery of Municipal Bills/Incomplete Energy Audits				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To implement energy saving initiatives to achieve or exceed set targets in order to meet national targets for energy consumption				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	172 529 811	188 833 980	190 000 000	220 000 000	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	220 000 000	250 000 000	300 000 000	350 000 000	400 000 000
Portfolio of Evidence	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	62,000,000KWh	62,500,000KWh	63,000,000KWh	62,500,000KWh	
Portfolio of Evidence	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	Energy Management Report indicating reduced consumption	

Indicator 6.8

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective:	To ensure resource efficiency in State-owned buildings				
Indicator Title	Number of kilowatt hours of renewable energy generated				
Short description	Installation of roof top solar panels, photo voltaic in selected buildings to generate energy for the respective building. The renewable energy targets are based on the National and Provincial Green Building Sector Plan and cooperation between the Department of Energy, Environmental Affairs and Public Works.				
Purpose/importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030 and the climate change strategy.				
Source/collection of data	List of identified buildings with energy generating installations Desktop research on existing solar panel buildings from Government and Private Sector				
Method of calculation	A simple count of the renewable energy generated in Kilowatt hours				
Unit of Measure	Kilowatt hours				
Data limitations	Complete assessment and audit of office roof top space and unutilised land / parking space around the buildings for solar panel installations.				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To use less energy from the national grid through generating renewable energy interventions				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	-	
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19	2019 /20
	-	2 215 000 kwh	10 400 000 kwh	100 000 000 kwh	
Portfolio of Evidence		Schedule of renewable energy generated at identified sites	Schedule of renewable energy generated at identified sites	Schedule of renewable energy generated at identified sites	Schedule of renewable energy generated at identified sites
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	1 107 500 kwh	1 107 500 kwh	
Portfolio of Evidence	-	-	Schedule of renewable energy generated at identified sites	Schedule of renewable energy generated at identified sites	

Indicator 6.9

Strategic Goal:	To ensure optimal performance of the State's immovable asset portfolio			
Strategic Objective:	To ensure resource efficiency in State-owned buildings			
Indicator Title	Reduction in water consumption (kilolitres) in identified property portfolio			
Short description	The indicator measure the reduction in water consumption per identified building through water savings interventions.			
Purpose/importance	The indicator contributes towards water security in the country and to achieve water resource efficiency in Government buildings.			
Source/collection of data	List of buildings with water savings installations based on audit conducted Certificates where water saving installations done Water Management Report and Dashboard based on municipal water accounts			
Method of calculation	Difference between (The kilolitres of water consumed at the end of the previous financial year) and (The kilolitres of water consumed at the end of the current financial year)			
Unit of Measure	Number			
Data limitations	Non-delivery of Municipal Bills/Faulty meters			
Type of indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	To implement resource reduction initiatives to achieve or exceed targets set for water savings thereby contributing to the national targets for water consumption			
Indicator owner	Deputy Director-General: Facilities Management			
Indicator updater	Chief : Facilities Management			
Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	517 463kl	1 328 627kl	3 550 480kl	3 905 528kl
Annual Targets	2015 / 16 (EP)	2016 / 17	2017 / 18	2018 /19
	3 905 528kl	4 100 000kl	4 725 688kl	5 195 688kl
Portfolio of Evidence	Water Management Report indicating savings in water consumption	Water Management Report indicating savings in water consumption	Water Management Report indicating savings in water consumption	Water Management Report indicating savings in water consumption
Quarterly targets 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	1,025,000kl	1,025,000kl	2,050,000kl
Portfolio of Evidence	-	Water Management Report indicating savings in water consumption	Water Management Report indicating savings in water consumption	Water Management Report indicating savings in water consumption

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