

**(CSOS)**

**ANNUAL PERFORMANCE PLAN**

**2016/2017**

**FEBRUARY 2016**

**Official sign-off**

It is hereby certified that this Annual Performance Plan:

* Was developed by the management of the Community Schemes Ombud Service under the guidance of the Department of Human Settlements;
* Was prepared in line with the Strategic Plan of the Community Schemes Ombud Service (as revised in February 2015); and
* Accurately reflects the performance targets which the Community Schemes Ombud Service will endeavour to achieve given the resources made available in the budget for 2016/17.

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**MR THEMBA D. MABUYA**

**CHIEF FINANCIAL OFFICER**

**COMMUNITY SCHEMES OMBUD SERVICE**

**DATE:**

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**MR THEMBA P. MTHETHWA**

**CHIEF OMBUD**

**COMMUNITY SCHEMES OMBUD SERVICE**

**DATE:**

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**REV. DR. VUKILE C. MEHANA**

**CHAIRPERSON OF THE BOARD**

**COMMUNITY SCHEMES OMBUD SERVICE**

**DATE:**

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**HONORABLE MS. LINDIWE N. SISULU, MP**

**MINISTER FOR HUMAN SETLLEMENTS**

**EXECUTIVE AUTHORITY**

**DATE:**

**CHAIRPERSON’S FOREWORD**

It gives me great pleasure, as the Chairperson of the Board of the Community Schemes Ombud Service (CSOS), to present this Annual Performance Plan for the period 2016/17 to our Executive Authority, the Ministry and the Department of Human Settlements, represented by the Honourable Minister, Lindiwe Sisulu. These plans seek to fit into and contribute to the broader MTEF objectives, indicators and targets that are aimed at ensuring that the 1,495 million housing opportunities in quality living environments by 2019 are realised through the various human settlements housing programmes.

After a lot of hard research and planning work by the Ministry of Human Settlements that culminated in the appointment of first CSOS Board and the recruitment of the Executive management, the CSOS embarked on a very firm path of set-up and operational readiness during 2014/15 financial year. A fully functional head office was established, and regional offices were set-up in three (3) provinces, namely Gauteng, KwaZulu Natal, and Western Cape. These regional offices were envisioned as operational “hubs”, able to service the adjacent provinces in a manner that will provide effective accessibility of the CSOS services to community schemes nationally. The successes achieved in these initial stages were carried into the 2015/16 financial year, with effective dispute resolution activities being carried out, albeit limited to conciliation services only (no adjudication services).

There were also difficult challenges faced by the entity during 2015/16, mainly related to the activities that necessarily have to be conducted in order to complete the legislative process of Regulations approval and proclamation of the CSOS Act by the President. The original estimate for the Proclamation was the first quarter of the 2015/16 financial year. However, that target date was not met due to various process and logistical challenges that came to the fore along the way. The primary effect of these delays is that the CSOS is unable to fully operate in the dispute resolution arena, hence the limitation of current service to conciliation services for instance. The secondary effect of the delay is that the CSOS was unable to raise own funding to finance the critical programmes that the entity is tasked with delivering. The latter effect has not only resulted in the entity having to revise its current targets and associated budgets, but also having to revise the future targets and budgets that were included in the original Five Year Strategic Plan 2014/15 – 2018/19. The baselines and plans have moved so significantly away from “actuals” that a material revision of the Five Year Strategic Plan over the remainder of this MTEF was virtually unavoidable. This APP and all future plans have accordingly been re-based.

As we present this re-based Annual Performance Plan for 2016/17 to the Ministry, it is with renewed hope and confidence that the legislative process will unfold without any undue delays, thus enabling the CSOS to open its doors to the eager public during 2016/17. During the public consultation process conducted between October and November 2015, the urgent and massive demand for the CSOS services in the community schemes was established beyond any doubt. With the benefit of hindsight, the challenges experienced during 2015/16 have prepared the entity well to remain alert, vigilant and flexible in its operational planning. The CSOS has also developed a fair amount of experience in the dispute resolution space over the 2015/16 period, and this will stand it in good stead to swiftly move into full operation when the legislative processes are completed and the entity can extend to adjudication work as well.

There are no changes made to the mandate of the CSOS, so the focus in 2016/17 remains firmly on contributing meaningfully to the MTEF targets of the Department in the following areas:

* Provision of an effective dispute resolution mechanism, thus affirming the rights and obligations of owners and residents of community schemes in a manner that enhances their enjoyment in these types of human settlements;
* Provision of effective, quality training to Adjudicators and Conciliators, as well as other stakeholders with interests in Community Schemes;
* Improving governance documentation in community schemes to promote acceptability and compliance by those who live in them;
* Improving neighbourly relations amongst community schemes residents, whilst sustaining the improvement of the property markets of the area; and
* Maintain best corporate governance, financial management and legal processes within CSOS, and ensuring that the entity is effective and sustainable.

These functions form the core of our plans as key strategic objectives. It is my desire and determination that, together with my fellow Board members, the Chief Ombudsman and the entire management and staff of the CSOS, as well as the unwavering support of the NDHS, we will drive towards the achievement of our mandated objectives in the most effective, efficient and expeditious manner, and thus make a meaningful contribution to the MTSF targets of the NDHS. This in turn is intended to deliver a progressive improvement and enhanced quality in the living conditions of our people in the country generally.

**CHAIRPERSON OF THE BOARD**

**COMMUNITY SCHEMES OMBUD SERVICE**

**Table of Contents**

[PART A: STRATEGIC OVERVIEW - 1 -](#_Toc444683623)

[1 Situational Analysis - 1 -](#_Toc444683624)

[1.1 Performance Environment - 2 -](#_Toc444683625)

[1.1.1 The Political Environment - 2 -](#_Toc444683626)

[1.1.2 The Economic Environment - 2 -](#_Toc444683627)

[1.1.3 The Social Environment - 3 -](#_Toc444683628)

[1.1.4 The Technological Environment - 4 -](#_Toc444683629)

[1.1.5 CSOS Operating in a Generally Complex Environment - 4 -](#_Toc444683630)

[1.2 Organisational Environment - 4 -](#_Toc444683631)

[1.2.1 The CSOS Board of Directors - 4 -](#_Toc444683632)

[1.2.2 CSOS Board Committees - 5 -](#_Toc444683633)

[1.2.3 Human Resources and Remuneration Committee - 6 -](#_Toc444683634)

[1.2.4 Audit, Risk and Finance Committee - 7 -](#_Toc444683635)

[1.2.5 CSOS Levies, Regulation and Registration Committee - 8 -](#_Toc444683636)

[1.2.6 CSOS Executive Management Committee (EXCO - 9 -](#_Toc444683637)

[1.2.7 CSOS Functional Divisions and Units - 10 -](#_Toc444683638)

[2. Revisions to legislative and other mandates - 12 -](#_Toc444683639)

[3. Overview of the 2016/17 budget and MTEF estimates - 12 -](#_Toc444683640)

[3.1. Expenditure estimates by Programme - 12 -](#_Toc444683641)

[3.2. The Income streams, including the charges to the National Revenue Fund - 12 -](#_Toc444683642)

[3.3. Expenditure trends related to strategic outcomes - 13 -](#_Toc444683643)

[PART B: PROGRAMME AND SUBPROGRAMME PLANS - 14 -](#_Toc444683644)

[4. Programmes, Performance Indicators, Budgets, Quarterly target information - 15 -](#_Toc444683645)

[PART C: LINKS TO OTHER PLANS - 25 -](#_Toc444683646)

[5. CSOS Links to other plans - 25 -](#_Toc444683647)

[ANNEXURE A: Planning Context - 26 -](#_Toc444683648)

[6. Vision - 26 -](#_Toc444683649)

[7. Mission - 26 -](#_Toc444683650)

[8. Strategic intent - 26 -](#_Toc444683651)

[9. Values - 26 -](#_Toc444683652)

[10. CSOS Strategic Objectives - 26 -](#_Toc444683653)

[ANNEXURE B: Technical Indicators - 28 -](#_Toc444683654)

[ANNEXURE C: Budget Information - 33 -](#_Toc444683655)

**List of Tables**

[**Table 1: Programme expenditure splits** - 12 -](#_Toc444677174)

[**Table 2: CSOS Revenue estimates** - 12 -](#_Toc444677175)

[**Table 3: Programme Classification of CSOS Strategic Objectives** - 14 -](#_Toc444677176)

[**Table 4: Strategic Objectives Annual targets - SO3** - 18 -](#_Toc444677177)

[**Table 5: Quarterly target information - SO3** - 20 -](#_Toc444677178)

[**Table 6: Strategic Objectives Annual targets - SO1** - 15 -](#_Toc444677179)

[**Table 7: Quarterly target information - SO1** - 16 -](#_Toc444677180)

[**Table 8: Strategic Objectives targets - SO2** - 17 -](#_Toc444677181)

[**Table 9: Quarterly target information - SO2** - 17 -](#_Toc444677182)

[**Table 10: Strategic Objective target - SO4** - 21 -](#_Toc444677183)

[**Table 11: Quarterly target information - SO4** - 22 -](#_Toc444677184)

[**Table 12: Strategic Objective targets - SO5** - 24 -](#_Toc444677185)

[**Table 13: Capital acquisition programme** - 25 -](#_Toc444677186)

[**Table 14: Budget Programmes** - 27 -](#_Toc444677187)

[**Table 15: CSOS Income Sources** - 37 -](#_Toc444677188)

[**Table 16: Staff costs budget** - 38 -](#_Toc444677189)

[**Table 17: Operational costs budget** - 39 -](#_Toc444677190)

[**Table 18: Marketing and Communications expense budget**  - 39 -](#_Toc444677191)

[**Table 19: Stakeholder training and consumer education costs**  - 40 -](#_Toc444677192)

[**Table 20: Travelling and Accommodation expenses**  - 41 -](#_Toc444677193)

[**Table 21: Board expenses**  - 41 -](#_Toc444677194)

[**Table 22: Facilities and Infrastructure expenses**  - 42 -](#_Toc444677195)

[**Table 23: General and Administration expenses**  - 42 -](#_Toc444677196)

**List of Figures**

[**Figure 1: CSOS Dispute Resolution Model** - 3 -](#_Toc444678898)

[**Figure 2: CSOS Board structure** - 4 -](#_Toc444678899)

[**Figure 3: Remuneration and Human Resources Committee** - 6 -](#_Toc444678900)

[**Figure 4: Audit, Risk and Finance Committee (Audit Committee)** - 7 -](#_Toc444678901)

[**Figure 5: CSOS Adjudication and Governance Committee** - 8 -](#_Toc444678902)

[**Figure 6: CSOS Levies, Regulation and Registration Committee** - 8 -](#_Toc444678903)

[**Figure 7: CSOS Executive Management Committee (EXCO)** - 9 -](#_Toc444678904)

[**Figure 8: CSOS Strategic Objectives (SOs)** - 26 -](#_Toc444678905)

# PART A: STRATEGIC OVERVIEW

# Situational Analysis

Communal living within a community scheme triggers conceptually a tripartite relationship between the parties, namely an owner’s right of ownership to the sectional unit or residential unit, collective ownership of the common property and an owner’s right to participate in the management of the community scheme’s governance. This tripartite relationship commonly gives rise to disputes between the parties as it involves co-ownership and co-governance within the community schemes. Community schemes often have their own dispute resolution processes and mechanisms documented in their governance documentation which is usually applied within their governance structures. While many of these internal dispute resolution processes are highly effective, there are still a significant number of cases where the complaints remain unresolved, or one of the aggrieved parties is still not satisfied that their rights/interests are adequately provided for and protected. Until recently, there has been no affordable and effective dispute resolution mechanism to address those cases. The existing dispute resolution mechanism prescribed by Rule 71 of the Sectional Titles Act, 1986 is inadequate and unaffordable as it provides for arbitration proceedings and adjudication by the High Court. The establishment of the Community Schemes Ombud Service (CSOS) through the CSOS Act is intended to, amongst others, provide that affordable and effective dispute resolution mechanism within community schemes.

The environment within which CSOS will operate is complex, involving technical requirements, legal processes and procedures to be complied with in developing various types of community schemes, i.e. sectional title schemes, home-owners associations, share-block companies and housing schemes for retired persons. Given the complex legal compliance regimes, there is an acute lack of understanding of rights and responsibilities by owners and occupiers within community schemes. The education of owners and/or residents on the rights and responsibilities of community schemes living is thus another critical function within the CSOS mandate to deliver. Furthermore, there is currently no comprehensive database on community schemes in South Africa, and thus no record of their governance documentation and their management agents. Considering the established fact that South Africa has the fourth highest concentration of community schemes in the world, as well as the size of the population currently living in community schemes in the country, this is a huge informational and regulatory “black hole” for the government. In order to address this matter, the CSOS thus carries in its mandate the following objectives:

* Taking custody of governance documentation and establishing a central repository thereof,
* Registration of community schemes and building a central database thereof,
* Reviewing, improving the quality and standardising the governance documentation,
* Taking measures to generally promote good governance in sectional titles and other community schemes, and
* Providing widespread education and/or training to current and potential owners, residents and other stakeholders, as well as Conciliators and Adjudicators in the property industry.

The immediate task of the CSOS therefore is to develop and implement an appropriate institutional framework, appropriate systems, controls and measures to deliver on its mandate given the environment.

## Performance Environment

### The Political Environment

Politically, the CSOS is accountable to the Minister for Human Settlements. The CSOS will report regularly to the Minister on progress made in implementing its mandate. Periodic reports will be tabled before Parliament as is required in terms of the PFMA, and by instruction of the Parliamentary Portfolio Committee on Human Settlements.

The CSOS Act empowers the organisation to create orderly and well-managed community schemes. This will be carried-out by resolving disputes amongst the parties, administration of schemes governance documentation and providing regular training and education to all stakeholders. Fostering inter-relationships between the CSOS and various community schemes is critical.

The institution is therefore a contributor to the Outcome 8 objective of the MTEF, on its way to the achievement of the 2030 Human Settlements Vision, as articulated in the National Development Plan.

### The Economic Environment

CSOS Dispute Resolution Model in Figure 1 shall be implemented in a manner that caters for complainants whilst not oblivious to economic trends and the interest of affected community schemes. The principle of affordability of the dispute resolution services is key to the establishment of this entity. Various funding sources will be employed to enable the organisation to be self-sustainable, but in a manner that ensures that the incidence of cost is minimised on the beneficiaries of the service. These include amongst others, grants appropriated by Parliament, levies payable by community schemes, services charges and charges on accessing schemes governance documentation.

The CSOS operations will be aligned to good corporate governance principles. The principle of fairness, without favour, shall be applied to all parties cited in the dispute.



**Figure 1: CSOS Dispute Resolution Model**

### The Social Environment

South Africa currently holds the fourth largest number of community schemes in the world. The rapid growth of community scheme living in South Africa is a sure sign of migration trends, as more and more people flock to the large urban centres of the country in search of economic - work and business - opportunities. The scarcity of land in urban centres, the cooling of resources by families and acquaintances, security concerns, and convenience of community schemes locations, are social factors that have contributed to this form of tenure, and it is likely that this growth trend will continue rather than abate.

Through its dispute resolution service and the promotion of good governance, CSOS will maintain stability and harmonious relations between the parties within community schemes. Harmonious social relations amongst parties within the community schemes are of utmost importance as they co-own and co-govern the community scheme.

### The Technological Environment

The technological environment presents a perfect opportunity for the CSOS to tap from best-case scenarios. Appropriate technological case management and customer relationship management, as well as an integrated ERP system and capabilities will be implemented by the organisation to effectively discharge its mandate.

Data and information will, from time to time, be gathered, collated and captured in a developed CSOS database. That database will form the cornerstone in capturing and delivering technology to be adopted and utilized by the entity when performing its mandate. CSOS information technology (IT) will be compatible to public and private sector entities’ IT systems that it will be interacting with in implementing its mandate. The existing IT of the modern world can therefore be used by the CSOS as a planning and a service delivery enabler.

### CSOS Operating in a Generally Complex Environment

It is acknowledged that CSOS is venturing in a highly complex environment, in that it is expected to deal with highly experienced and exposed community schemes when conciliating, investigating and adjudicating, as well as conducting its education and training programmes in the public space.

## Organisational Environment

### The CSOS Board of Directors



**Figure 2: CSOS Board structure**

The CSOS Board of Directors consists of seven (7) non-executive members and two (2) executive members i.e. the Chief Ombud and the Chief Financial Officer (see Figure 2) above. The Minister appoints the non-executive members including the Chairperson and the Deputy-Chairperson. The non-executive members hold office for a term not exceeding three (3) years. However, any non-executive member of the Board may be re-appointed but may not serve for more than two (2) consecutive terms. The non-executive members are appointed on a part-time basis and receive allowances as determined by the Minister from time to time in consultation with the Minister of Finance as required by Section 7(7) (d) of the CSOS Act, No. 9 of 2011.

The Board is representative in terms of race, gender and geographic spread. Its skills profile and experience include, financial management, risk management, dispute resolution in community schemes, public education and training, management of community schemes and compliance and law.

The roles and responsibilities of CSOS Board include the following:

* Giving effect to the strategy of CSOS to achieve its strategic objectives;
* Executing accounting authority to the organisation;
* Providing strategic guidance and direction to the organisation; and
* Reporting to the Minister on progress made in achieving the mandate of CSOS.

The role of the Chairperson of the Board is to Chair Board meetings with the objective:

* To create and maintain a harmonious interactive environment within the board and between the Board and the organisation; and
* To co-ordinate interactions with the Minister.

The role of the Deputy Chairperson is to assume all responsibilities of the Chairperson in the absence of the Chairperson, and may chair other Committees as assigned by the Board.

The role of other Board members is to chair Committees as assigned by the Board and to perform any delegated task.

### CSOS Board Committees

To comply with corporate governance principles, CSOS will establish the following Board Committees (Figures 3 – 6):

* Remuneration and Human Resources Committee;
* Audit, Risk and Finance Compliance Committee;
* Adjudication and Governance Committee; and
* Regulation Registration and Levies Committee.

The Board shall assign its members to serve on these Committees on the basis of their knowledge and skills. The Board must determine:

* Each Committee’s terms of reference;
* Composition;
* Report mechanisms; and
* That non-executive members must make-up the majority of a Committee.

A Committee may appoint specialists to the Committee on the basis of their technical skills and abilities. Each Committee must make recommendations to the Board for approval. Each Committee must have a special relationship with the Office of the Chief Ombud.

### Human Resources and Remuneration Committee



**Figure 3: Remuneration and Human Resources Committee**

**The Functions of the 1.2.2 Human Resources and Remuneration and Human Resources Committee are:**

* To ensure the organisation’s financial and economic viability through the application of appropriate human resource systems and controls;
* To facilitate the development and implementation of best human resources practices, employment equity, skills development and employee relations to ensure efficient and effective delivery of services;
* To determine the remuneration policy in accordance with job grading and job evaluation system;
* To ensure organisational and individual performance through the application of performance and monitoring systems;
* To facilitate the development and implementation of a viable human resource funding model;
* To review and recommend any significant expenditure for approval to the board;
* To review and recommend any significant human capital expenditure programme;
* To review and recommend the HR budget for approval by the board; and
* To review and recommend policies for approval by the board.

### Audit, Risk and Finance Committee



**Figure 4: Audit, Risk and Finance Committee (Audit Committee)**

**Functions of the Audit Committee are:**

* To create a conducive working environment for the undertaking of the audit function;
* To manage and mitigate risk by facilitating the development and implementation of appropriate systems and controls;
* To ensure organisational compliance with applicable laws and regulatory frameworks; and
* To monitor implementation of audit plan, risk management plan and fraud prevention plan.

Adjudication and Governance Commit

**Figure 5: CSOS Adjudication and Governance Committee**

#### Functions of the Adjudication and Governance Committee are:

* To assist the Board to discharge its responsibility relating to the governance of community schemes and the adjudication of community scheme dispute;
* To develop and implement guidelines for the promotion of good governance of community schemes;
* To co-ordinate dispute resolution services;
* To co-ordinate the conducting of research and monitoring and evaluation of the activities of the organisation to assess its impact; and
* To co-ordinate the provisioning of general legal advice and contract management and administration.

### CSOS Levies, Regulation and Registration Committee



**Figure 6: CSOS Levies, Regulation and Registration Committee**

**Functions of the CSOS Regulations, Registrations and Levies Committee are:**

* To establish a system for the development, review, implementation and monitoring of Community Scheme Regulations; and
* To establish a framework for the registration of Community Schemes.

### CSOS Executive Management Committee (EXCO)

**Figure 7: CSOS Executive Management Committee (EXCO)**

**The functions and purpose of the EXCO are:**

* To facilitate the development and implementation of an organisational strategy supported by strategic business units and operational plans;
* To lead, plan, co-ordinate, manage and control the operations of the organisation;
* To facilitate the development and implementation of appropriate financial systems and controls to improve financial prudence and accountability; and
* To facilitate the development and implementation of appropriate human resources management and development practices, processes and procedures to enhance excellence and equity.

**Role of the Chief Ombud**

* The Chief Ombud is accountable to the Board through the Chairperson;
* To provide overall leadership, guidance and direction to the organisation to deliver on its mandate;
* To execute and implement the CSOS strategy supported by strategic business units, operational and individual performance plans. Ensure financial viability and efficacy of CSOS. Ensure organisational efficacy of CSOS and manage the public affairs and positively profile CSOS;
* To develop and implement strategic performance plans, risk management plans, audit plans and fraud prevention plans for the organisation;
* Develop/Improve/ Implement the overall CSOS Performance Management System;
* To develop and implement appropriate financial and human resources policies, processes and procedures to promote organisational, economic and financial performance;
* Ensure the operational delivery of the CSOS programmes;
* To regularly submit/present reports to NDHS/Parliamentary Committee/s; and
* To chair EXCO (reference to **Figure 7** above) and present organizational reporting to the Board, including attending to State matters as per the Board’s Delegation of Authority.

### CSOS Functional Divisions and Units

#### 1.2.7.1. Internal Audit

The Purpose and Functions of the Internal Audit division are:

* Develops and implements the three year rolling CSOS Audit Plans;
* Conducts internal audits in accordance with the standards set by the Institute of Internal Auditors;
* Has explicit authority to investigate matters within its powers as identified in a written terms of reference;
* Reports to the Audit Committee issues affecting the entire CSOS;
* Evaluates and improves the effectiveness of risk management processes and controls, including areas likely to open CSOS to fraud and corruption; and
* Timely engages with CSOS Board appointed external auditors and documentation.

#### Adjudication and governance services

The Purpose and Functions of the Adjudication/Governance Services and Regional Ombud offices are:

* To develop and implement guidelines for the promotion of good governance of community schemes;
* To co-ordinate dispute resolution services;
* To co-ordinate the conducting of research and monitoring and evaluation of the activities of the organisation to assess its impact; and
* To co-ordinate the provisioning of general legal advice and contract management and administration.

The Regional Ombud will perform the following tasks:

* + Operate in line with the CSOS overall strategic thrusts and programmes;
  + Operate with necessary budget – with timely prepared and submitted operational plans for each Regional Ombud Office;
  + It is adequately staffed and resourced to attend to basic tasks as espoused in CSOS strategic documents;
  + Regularly report on performance trends depicted in CSOS strategic documents and/or mandate; and
  + Regularly participates in EXCO activities and those of the Board Committees as and when necessary to do so.

Each Ombud Office is assigned specific responsibility to perform within the province where it is located and deal directly with matters arising out in provinces that are without Ombud Offices. Information sourced from sub-regional areas will be documented in a manner that will assist CSOS in motivating for the establishment of other Regional Offices, including costed models and institutional arrangements.

#### Chief Financial Officer

The Purpose and Functions of the Chief Financial Officer division are:

* To develop and implement systems, controls and measures and policies to promote prudent and accountable financial and accounting management practices and procedures;
* To develop and implement appropriate supply chain management policies, processes and procedures to promote fair and competitive bidding process; and
* To enhance prudent budget planning and control systems, processes and practices; and financial compliance and reporting.

#### Executive Manager: Corporate Services

The Purpose and Functions of the Corporate Services division are:

* Human Resource Management and Development
  + Skills audit, personnel training and development
  + HR Planning
  + Labour matters and related compliance
  + Staff assessments
  + Organisational development and related evaluations
* Communications and Marketing
  + Internal and external communication
  + Marketing of CSOS products and services
  + Creation of awareness and public participation
  + Stakeholder communication and engagement
* IT and ICT functional management
* Facilities functional management

# Revisions to legislative and other mandates

There have been no significant changes to the CSOS legislation and other mandates. CSOS is in the process of completing the legislative process of the Regulations for the CSOS Act and the Sectional Titles Schemes Management Act. It is expected that the Regulations pertaining to both Acts will be tabled in parliament, and the full approval process concluded during the first quarter of 2016/17 financial year.

# Overview of the 2016/17 budget and MTEF estimates

## Expenditure estimates by Programme



**Table 1: Programme expenditure splits**

The bulk of the Administration allocation is made up of staff costs.

## The Income streams, including the charges to the National Revenue Fund



**Table 2: CSOS Revenue estimates**

## Expenditure trends related to strategic outcomes

The 2016/17 expenditure splits per the CSOS strategic objectives are shown below:

SO1: Provide a Dispute Resolution service for Community Schemes in South Africa: R0

SO2: Take custody and control of Community Schemes’ governance documentation: R0

SO3: Ensure that the CSOS is an efficient, effective and sustainable organisation: R24 757 702

SO4: Promote good governance in Sectional Titles and other Community Schemes: R0

SO5: Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa: R0

What has changed in this space is the source of funding the total expenditure. The funding mix has been reviewed and amended to reflect the reality of the CSOS stage of development.

Firstly, the budgeted income that was initially anticipated did not materialise during 2015/16 due to delays in finalising the legislative processes of the Regulations. This necessitated that the CSOS cut down on a number of operational targets in order to stay within the allocated government grant.

Secondly, going forward, the operational targets have been modified in view of the changed timelines for collecting income, using the 2015/16 amended baseline.

# PART B: PROGRAMME AND SUBPROGRAMME PLANS

**The CSOS Strategic Objectives (SO) are as follows:**

SO1: Provide a Dispute Resolution service for Community Schemes in South Africa

SO2: Take custody and control of Community Schemes’ governance documentation

SO3: Ensure that the CSOS is an efficient, effective and sustainable organisation

SO4: Promote good governance in Sectional Titles and other Community Schemes

SO5: Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa

These Strategic Objectives have been grouped into Programmes as shown in the table below. This classification was extracted from National Treasury programme guidelines.

**Table 3: Programme Classification of CSOS Strategic Objectives**

|  |  |
| --- | --- |
| **PROGRAMME** | **CSOS STRATEGIC OBJECTIVE** |
| Administration | SO3 |
| Regulation | SO1, SO2, SO4 |
| Education and Training | SO5 |

# Programmes, Performance Indicators, Budgets, Quarterly target information

**PROGRAMME: REGULATION**

**STRATEGIC OBJECTIVE 1**: **Provide a Dispute Resolution service for Community Schemes in South Africa**

**PURPOSE:**

* Provide Schemes Dispute Resolution services to all Community Schemes in South Africa
* Maintain an effective, professional, and transparent dispute resolution service

**Table 4: Strategic Objectives Annual targets - SO1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Strategic Objective** | **Key Performance Indicators** | **Audited / Actual Performance** | | **Estimated Performance Targets** | **Medium-term targets** | |
| **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Provide a Dispute Resolution service for Community Schemes in South Africa | Number of disputes resolved within specified service levels per the approved Dispute Resolution (DR) model | Dispute resolution model developed | 600 Disputes resolved through Conciliation within 40 days for 80% of cases received | 600 Disputes resolved through conciliation at specified service levels per DR model. | 700 Disputes resolved through conciliation at specified service levels per DR model. | 800 Disputes resolved through conciliation at specified service levels per DR model. |
| **BUDGET INFORMATION** | | | | | | |
| * Adjudicators and Conciliators (Part-time services) | | 0 | 0 | R0 \* | R0 | R0 |

**\***Only Conciliation services are offered for this planning period, this until the Regulations approval is secured. Conciliations are wholly performed by internal staff for this planning period.

**Table 5: Quarterly target information - SO1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Key Performance**  **Indicator** | **Reporting**  **period** | **Annual Target** | **Quarterly Targets** | | | |
| **1st** | **2nd** | **3rd** | **4th** |
| Number of disputes resolved within specified service levels per the approved Dispute Resolution (DR) model | Quarterly | 600 Disputes resolved through conciliation at specified service levels per DR model. | 100 | 150 | 150 | 200 |
| 80% disputes resolved within 40 days | 80% disputes resolved within 40 days | 80% disputes resolved within 40 days | 80% disputes resolved within 40 days |
|  |  |

**PROGRAMME: REGULATION**

**STRATEGIC OBJECTIVE 2**: **Take custody and control of Community Schemes’ governance documentation**

**PURPOSE:**

* Take custody of the existing schemes governance documents that are kept by the Department of Rural Development and Land Reform, and any other institutions
* Develop and implement a process for the receipt of all new governance documentation directly to the CSOS
* Implement a schemes governance records management and documentation system
* Ensuring that the documentation is adequately secured, protected and easily accessible in a cost effective manner

**Table 6: Strategic Objectives targets - SO2**

| **Strategic Objective** | **Key Performance Indicators** | **Audited / Actual Performance** | | | **Estimated**  **Performance** | **Medium-term targets** | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **2014/15** | **2015/16** | | **2016/17** | **2017/18** | **2018/19** |
| Take custody and control of Community Schemes’ governance documentation | MoU completion, Documentation Migration, data clean-up, and storage | Draft Memorandum of Understanding with the Department of Rural Development and Land Reform (DRDLR) drafted | MoU between Ministries (DRDLR / Department of Human Settlements (DHS) finalised | | MoU between entities (CSOS/DRDLR) is signed | No additional activity | No additional activity |
| Activity not yet commenced | Activity not yet commenced | | 100 000 Schemes Governance Documents are migrated to CSOS storage (Locate and Migrate) | 100 000 governance document migrated | 50 000 governance document migrated |
| Activity not yet commenced | Activity not yet commenced | | Cleaning of data (quality assurance) commenced, kept available for access | Cleaning of data (quality assurance) commenced, kept available for access | Cleaning of data (quality assurance) commenced, kept available for access |
| **BUDGET INFORMATION** | | | | | | | |
| * Document transfer, storage and retrieval | |  | **R 12 411 0000** | **R0\*** | | **R1 641 979** | **R1 955 427** |

\* The execution of this project has not yet commenced, largely due to delays in getting the inter-departmental MoU finalised. Consequently this project, which was originally planned for execution in 2015/16, is expected to be completed during the 2016/17 financial year. Therefore, no new funds are allocated to it during the planning period (2016/17). All relevant permissions are sought from the CSOS Board, DHS, and Treasury.

**Table 7: Quarterly target information - SO2**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Performance**  **Indicator** | **Reporting**  **period** | **Annual Target** | **Quarterly targets**  **Quarterly targets** | | | |
| **1st** | **2nd** | **3rd** | **4th** |
| MoU completion, Documentation Migration, data clean-up, and storage | Quarterly | 100 000 Schemes Governance Documents are migrated to CSOS storage (Locate and Migrate) | MoU completion | 33 000 migrated schemes governance documents | 33 000 migrated schemes governance documents | 34 000 migrated schemes governance documents |

**PROGRAMME: ADMINISTRATION**

**STRATEGIC OBJECTIVE 3**: **Ensure that the CSOS is an efficient, effective and sustainable organisation**

**PURPOSE:**

* To ensure that the CSOS is relevant, trusted, compliant and circumspect with the use of public funds, and generates sufficient and sustainable own income through its funding models.
* To ensure that the provisioning of goods and services is done in a compliant, fair and transparent manner.
* To ensure that the assets of the organization are properly managed and safe-guarded.
* To provide for early identification of risks and management thereof.
* To provide effective Board oversight, and Management and Administrative processes and reporting.
* To maintain an adequate human capital capability to effectively execute the mandate of the CSOS.
* To provision and maintenance of information technology (IT) required in order for the CSOS to deliver on its mandate effectively and efficiently.

**Table 8: Strategic Objectives Annual targets - SO3**

| **Strategic Objective** | **Key Performance Indicators** | **Audited / Actual Performance** | | **Estimated Performance** | **Medium-term targets** | |
| --- | --- | --- | --- | --- | --- | --- |
| **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Ensure that the CSOS is an efficient, effective and sustainable organisation | Number of functional facilities available and accessible to members of the public, to deliver the CSOS services, at a high level of effectiveness | Established Head Office | 3 Regional offices established (Gauteng, Kwa-Zulu Natal and Western Cape as Hub offices for all Provinces | Review the adequacy of the existing operating model (policies, processes, and procedures) | Establish viable CSOS points of presence in 3 provinces | Establish viable CSOS points of presence in 3 provinces |
| Developed and approved Revenue Management model | Dispute Resolution Funding model drafted | Development of the CSOS Funding model (including the Dispute Resolution Levy, Documentation Fee structure, and Service Fee) | Drafted and Board approved Revenue Management Framework | Implemented Revenue Management Model in Collections and Investments arrangement | Review the Revenue Management Model |

| **BUDGET INFORMATION** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Strategic Objective** | **Key Performance Indicators** | **BUDGET ELEMENTS** | **2015/16** | **2016/17** | **2017/18** | | **2018/19** |
| Ensure that the CSOS is an efficient, effective and sustainable organisation | Number of functional facilities available and accessible to members of the public, to deliver the CSOS services | * Building rentals * Office Equipment leases * Infrastructure | 3 Regional offices established (Gauteng, Kwa-Zulu Natal and Western Cape as Hub offices for all Provinces)  **R3 286 183**    **R87 655**  **R12 157 000** | Review the adequacy of the existing operating model (policies, processes, and procedures)  **Approved Budget:  R 2 432 476 Est. Budget:  R3 432 746**  **R100 693**  **Approved Budget:  R 0 Est. Budget:  R1 500 000** | | Establish viable CSOS points of presence in 3 provinces  **R3 604 383**  **R105 728**  **R0** | Establish viable CSOS points of presence in 3 provinces  **R3 784 602**  **R111 014**  **R0** |
| Number of reports on the CSOS Funding Model | Drafting is done wholly by internal existing staff | Development of the CSOS Funding model (including the Dispute Resolution Levy, Documentation Fee structure, and Service Fee) | Drafted and Board approved Revenue Management Framework | | Implemented Revenue Management Model in Collections and Investments arrangement | Review the Revenue Management Model |

**Table 9: Quarterly target information - SO3**

| **Key Performance Indicators** | **Reporting period** | **Annual Target** | **Quarterly targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **1st** | **2nd** | **3rd** | **4th** |
| Number of functional facilities available and accessible to members of the public, to deliver the CSOS services, at a high level of effectiveness | Quarterly | Review the adequacy of the existing operating model (policies, processes, and procedures) | Document the comprehensive entity business model | Business model approved (by EXCO) | Review the PPPs (Policies, Processes and Procedures) for adequacy, and identify exceptions | No new activity in the quarter |
| Developed Customer Service Charter | Approved Customer Service Charter | Implement the Service Charter | Conduct customer feedback survey |
| Developed and approved Revenue Management model | Quarterly | Drafted and Board approved Revenue Management Framework | Drafted Revenue Management Frameworks | Finalise and submit Revenue Management Frameworks | Approved Revenue Management Frameworks | Implement the Revenue Frameworks (where practical) |

**PROGRAMME: REGULATION**

**STRATEGIC OBJECTIVES 4**: **Promote good governance in Sectional Titles and other community schemes**

**PURPOSE**:

* Ensure the registration of all Community Schemes in South Africa
* Review and optimize Governance rules and regulations in Community Schemes
* Manage the Advisory Panel established in terms of the STSM Act

**Table 10: Strategic Objective target - SO4**

| **Strategic Objective** | **Key Performance Indicators** | **Audited / Actual Performance** | | **Estimated Performance** | **Medium-term targets** | |
| --- | --- | --- | --- | --- | --- | --- |
| **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Promote good governance in Sectional Titles and other Community Schemes | Schemes governance documentation frameworks developed | Activity not yet commenced | Activity to commence in 2016/17 | Develop a review strategy/framework for Community Schemes governance documentation | Distribute community schemes governance document frameworks (templates) to 50% of Community Schemes | 100 schemes documents reviewed |
| Schemes governance documentation compliance inspection | Activity not yet commenced | Activity to commence in 2016/17 | Sample test schemes governance frameworks:  • 250 Sectional Titles Schemes documentation  • 150 Other Community Schemes | 300 community schemes governance documentation inspected (for compliance with developed Frameworks) | 500 community schemes governance documentation inspected (for compliance with developed Frameworks) |
| Established database of community schemes, and their Management Agencies | Activity not yet commenced, planned for 2015/16 | Develop the forms, templates records management framework to register and maintain records of Community Schemes and their management agents | 50 000 community schemes and their managing agents registered in the database | 100 000 community schemes and their managing agents registered in the database | 100 000 community schemes and their managing agents registered in the database |
| **BUDGET INFORMATION** | | | | | | |
| * Creation of database for Community Schemes * Inspection costs | |  | R 0  **R0** | **R1 200 000 \*\***  **R35 000 \*\*** | R1 500 000  R35 000 | R1 500 000  R35 000 |

**\*\*** These are essential activities, but they will only be activated when the funding requirements have been secured during the planning period.

**Table 11: Quarterly target information - SO4**

| Performance  Indicator | Reporting  period | **Annual Target** | **Quarterly targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **1st** | **2nd** | **3rd** | **4th** |
| Developed Schemes governance strategy and number of Schemes governance documentation reviewed | Quarterly | Develop a review strategy/framework for Community Schemes governance documentation | Developed schemes governance strategy / frameworks | Approved schemes governance strategy / frameworks | Activity completed | Activity completed |
| Quarterly | Sample test schemes governance frameworks:  • 250 Sectional Titles Schemes documentation  • 150 Other Community Schemes | Activity commences in later period | Activity commences in later period | Review 150 Community Schemes governance documents | Review 250 Community Schemes governance documents |
| Quarterly | 50 000 community schemes and their managing agents registered in the database | Activity commences in later period | Activity commences in later period | 20 000 community schemes and their managing agents registered | 30 000 community schemes and their managing agents registered |

**PROGRAMME: EDUCATION AND TRAINING**

**STRATEGIC OBJECTIVES 5:** **Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa**

**PURPOSE:**

* Expose a range of housing consumers to consumer education
* Conduct training and education to Adjudicators, Conciliators, and other stakeholders
* Conduct broad-based education programmes on the rights and responsibilities that come with living within a Community Scheme to owners, residents and potential new home owners

**Table 12: Strategic Objective targets - SO5**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Strategic**  **Objective** | **Key Performance Indicators** | **Audited / Actual Performance** | | **Estimated**  **Performance** | **Medium-term targets** | |
| **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa | Number of consumer awareness campaigns | Activity not yet commenced | 1 consumer awareness campaign (Regulations public awareness) | 2 consumer awareness campaigns | 4 consumer awareness campaigns | 4 consumer awareness campaigns |
| **BUDGET INFORMATION** | | | | | | |
| * Consumer awareness campaigns | | 0 | R1 001 764 | **Approved Budget: R0**  **Estimated Budget:**  **R1 200 000 \*\*\*** | R400 000 | R400 000 |

**\*\*\*** No large campaigns will be run until the estimated budget is secured. However, low level, desktop-driven campaigns (like e-mail INFORMAs) can be run at no initial cost.

**Quarterly target information – SO5**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Performance**  **Indicator** | **Reporting**  **period** | **Annual Target** | **Quarterly targets** | | | |
| **1st** | **2nd** | **3rd** | **4th** |
| Number of consumer awareness campaigns | Quarterly | 2 consumer awareness campaigns | 1 (desktop) campaign | No campaign planned for this quarter | 1 campaign | No campaign planned for this quarter |

# PART C: LINKS TO OTHER PLANS

# CSOS Links to other plans

The CSOS does not link directly to any housing delivery plans. However, for purposes of delivering its own services, a number of capitalisable items are required. These are summarized in their classification below.



**Table 13: Capital acquisition programme**

There is no capital acquisition programme from 2016/17 onwards during this current MTEF due to budget constraints. Any expansion of infrastructure and CSOS services to more regions is thus not planned for execution, until the matters of affordability are substantially addressed and resolved.

**ANNEXURES**

# ANNEXURE A: Planning Context

# Vision

To provide a world class dispute resolution service within community schemes.

# Mission

To facilitate and maintain a world-class dispute resolution service to promote good governance of community schemes by providing education and training to all relevant stakeholders.

# Strategic intent

To enhance vibrant community schemes as an alternative tenure option for most citizens within South Africa.

# Values

* Service Excellence: The CSOS will provide the best dispute resolution services to its clients in a timely and responsive manner.
* Independence: The CSOS will act independently and objectively in the undertaking of its activities.
* Transparency: The CSOS will execute its functions in an open and transparent manner and ensures that it is easily accessible to its clients.
* Integrity: The CSOS will strive to execute its functions in an honest, ethical, transparent and reliable manner.
* Innovation: The CSOS will strive to apply innovative capabilities to improve its service delivery.
* Fairness: The CSOS will make decisions in a fair and impartial manner.

# CSOS Strategic Objectives

**Figure 8: CSOS Strategic Objectives (SOs)**

**Table 14: Budget Programmes**

|  |  |
| --- | --- |
| **PROGRAMME** | **DESCRIPTION** |
| Administration | * Ensure that CSOS is an efficient, effective and sustainable organisation |
| Regulation | * Provide a dispute resolution service to Community schemes in South Africa * Take custody and control of Community Schemes' governance documentation * Promote good governance in Sectional Titles and other Community Schemes |
| Education and Training | * Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa |

# ANNEXURE B: Technical Indicators

**SO1: Provide a Dispute Resolution service for Community Schemes in South Africa**

| **Indicator title** | **Number of disputes resolved within specified service levels per the approved Dispute Resolution (DR) model** |
| --- | --- |
| Short definition | Conciliations |
| Purpose/ Importance | The dispute resolution avenue of conciliation is the most amicable and for that reason the CSOS shall endeavour to resolve the majority of disputes though that channel so as to maximise harmony and promote peaceful co-existence in community schemes |
| Source / collection of data | Case resolution reports |
| Method of calculation | Approved EXCO reports on the cases resolved through this channel. Count number of cases settled in the records |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| **Desired performance** | **600 Conciliation disputes resolved** |
| Indicator responsibility | Adjudicator and Governance division – Dispute Resolution unit |

| **Indicator title** | **Number of disputes resolved within specified service levels per the approved Dispute Resolution (DR) model** |
| --- | --- |
| Short definition | Conciliation turn-around time |
| Purpose/ Importance | The sooner complaints are resolved, the sooner the harmony is restored. Short turnaround time also reduces the cost of disputes |
| Source / collection of data | Case resolution reports |
| Method of calculation | Approved EXCO reports on the cases resolved through this channel. “Resolution Date” less “Opening Date”, cumulative average per quarter divided by total cases Opened for the period |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| **Desired performance** | **600 Conciliation settlements orders achieved at specified service levels per DR model. 80% of conciliations settlement agreement concluded within 40 days** |
| Indicator responsibility | Adjudicator and Governance division – Dispute Resolution unit |

**SO2: Take custody and control of Community Schemes’ governance documentation**

|  |  |
| --- | --- |
| **Indicator title** | **Memorandum of Understanding (MoU) between entities (CSOS and the Deeds Office in the Department of Rural Development and Land Reform) is signed** |
| Short definition | Schemes’ Migration MoU |
| Purpose/ Importance | The MoU is an operational plan that permits the CSOS to take custody of the documents from the various Deeds offices around the country |
| Source / collection of data | Report from the Adjudicator General’s office |
| Method of calculation | Copy of the signed MoU |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| **Desired performance** | **MoU to be signed by the end of the first quarter** |
| Indicator responsibility | Adjudicator and Governance division |
|  |  |
| **Indicator title** | **100 000 Schemes Governance documents are migrated to CSOS for storage, cleaned up** |
| Short definition | Document Migration and cleanup |
| Purpose/ Importance | The CSOS Act requires that all the Community Schemes’ governance be in the custody of the CSOS. |
| Source / collection of data | Check records / reports / return reports from the Adjudicator General’s office, and count of scheme documents, that are captured fully. |
| Method of calculation | None |
| Data limitations | Output |
| Type of indicator | Cumulative – for the year |
| Calculation type | Quarterly |
| Reporting cycle | No |
| New indicator | Yes |
| Desired performance | **100 000 community schemes governance migrated during the year, including all required data fields captured** |
| Indicator responsibility | Adjudicator and Governance division – Dispute Resolution unit |

**SO3: Ensure that the CSOS is an efficient, effective and sustainable organisation**

|  |  |
| --- | --- |
| **Indicator title** | **Review the adequacy of the existing operating model (policies, processes, and procedures)** |
| Short definition | Policy reviews |
| Purpose/ Importance | To ensure that the CSOS is an effective and efficient organisation |
| Source / collection of data | The report will be collected from the CEO’s office |
| Method of calculation | Report and Resolution from the EXCO confirming the adequacy of the policies for the organisation phase. |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year (Non-Financial) |
| Reporting cycle | Quarterly |
| New indicator | Yes |
| **Desired performance** | **Adequacy report from EXCO, including a Service Charter** |
| Indicator responsibility | Chief Ombud |

|  |  |
| --- | --- |
| **Indicator title** | **Drafted and Board approved Revenue Management Framework** |
| Short definition | Revenue Management Framework |
| Purpose/ Importance | To ensure that the CSOS is an effective and efficient organisation in managing its Revenue resources |
| Source / collection of data | The report will be collected from the CFO’s office |
| Method of calculation | The number of Revenue Management policies approved by the Board, or one comprehensive policy approved |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year (Non-Financial) |
| Reporting cycle | Quarterly |
| New indicator | Yes |
| **Desired performance** | **Policy(ies) covering elements of Cash Collection, Banking, Debtors Management, funds withdrawals/transfers and Investments** |
| Indicator responsibility | Chief Financial Officer |

**SO4: Promote good governance in Sectional Titles and other community schemes**

|  |  |
| --- | --- |
| **Indicator title** | **Developed Schemes governance strategy/framework and number of schemes governance documentation reviewed.** |
| Short definition | Schemes governance frameworks |
| Purpose/ Importance | The community scheme governance documents should reflect the spirit and practice of fairness and harmonious living within community schemes, and discard any rules that may actually or perceptively be considered prejudicial to any interested party within the schemes. |
| Source / collection of data | Approved progress reports of CSOS EXCO |
| Method of calculation | Minutes of Adjudicator General / EXCO recording the approval of review plan. Count of scheme documents thus reviewed and revamped (where possible or desirable) |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | **Approved community schemes governance framework, and status report on 400 Community Schemes (250 Sectional Titles and 150 Other Community Schemes)** |
| Indicator responsibility | Adjudicator and Governance division |

|  |  |
| --- | --- |
| **Indicator title** | **Register community schemes and their managing agents registered in the database** |
| Short definition | Schemes governance database |
| Purpose/ Importance | The CSOS is required to register all community schemes in South Africa, and have a database of their records and their managing agents |
| Source / collection of data | Database report |
| Method of calculation | Count number of community schemes registered in the database |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | **50 000 community schemes and their managing agents registered in the database** |
| Indicator responsibility | Adjudicator and Governance division |

**SO5: Provide stakeholder training, consumer education and public outreach programmes on Community Schemes in South Africa**

|  |  |
| --- | --- |
| **Indicator title** | **Consumer awareness campaigns** |
| Short definition | **Public outreach** |
| Purpose/ Importance | The CSOS is required to educate the public about the opportunity of living in community schemes, the rights and responsibilities of shared communal living, and the functions and role that the CSOS plays in harmonizing that human settlements sector |
| Source / collection of data | Number of campaigns |
| Method of calculation | Count number of consumer awareness initiatives |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative – for the year |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | **2 campaigns during the year** |
| Indicator responsibility | Marketing and Communications unit |

# ANNEXURE C: Budget Information

**Introduction**

The CSOS is at a critical point in its path towards getting fully operational. A number of milestones have been reached up to and including the publication of the CSOS/STSM Act Regulations, as well as completing the associated public consultation process thereof early in November 2015. The next few weeks are crucial in ensuring that the remaining processes are finalised. Management and the Board are doing everything within their power to facilitate the activities leading up to the final approval of the Regulations and the proclamation of the Act(s) by the State President. The operational support from the DoHS in processing the Regulations is critical to the operational readiness of the CSOS.

In view of the strong demand for the CSOS services that was so clearly evidenced during the 30 day public participation process, as well as the growing volume and complexity of cases already received by the CSOS, it is critical that all stops are pulled to expedite the operationalisation of this entity.

Until these Regulations are passed by parliament and the President proclaims the entity, the planning uncertainty dictates that the CSOS management operates on a derisory government grant that had been allocated to it on the basis that the entity would be fully operational by 2015/16. The budget estimates presented below are thus severely reduced in order to fit into the limited government grant, and shall be reviewed once the process of regulations nears completion. There are ongoing engagements with the National Treasury (NT), through our Executive Authority the National Department of Human Settlements (DoHS), to ensure complete awareness of the urgent efforts to move the approval of Regulations to finality without delay.



The 2016/17 budget and target information is activated with the **Approved Budget**. The **Estimated Budget** column shown above is intended to reflect the level of activity that will be activated upon fulfilment of short term contingency plans, primarily to cover the fixed costs and to sustain the current level of basic core functionality. It is the intention of this APP that should the Regulatory process be completed during the year, the **Planned Budget** level of activity will be pursued, delivering a higher level of services to the CSOS stakeholders, subject to the financial resources starting to flow as expected.





**Budget Annexures**

* **Income funding sources**

The income sources for CSOS are derived from the CSOS Act (section 22), and comprise the government grant, levy income, schemes governance documentation fees, service fees, as well as investment income. Furthermore, loan funding is also permitted in that section.

As shown in the Table 15 below, for the current MTEF period, the government grant is approved as the only budgeting income source for the organisation, with some interest income earned on cash balances from it. This is due to the timing uncertainties in getting the legal formalities to establish the organisation, and thus the inability to estimate the period from which the CSOS can legally raise income through the other sources.

**Table 15: CSOS Income Sources**

Once the entity is promulgated into full operation, the levy income will become the second largest source of income as shown in the Planned Budget scenario in Table 15. The period from which the levy collections will commence is so uncertain that the CSOS management considers it prudent to exclude it completely during the current MTEF. However, it is planned that should the Regulations be passed during the 2016/17, the other income streams may be activated, which will then be necessitate an adjusted / supplementary budget to be prepared and presented to the Department. In any event, other short term funding initiatives will be pursued, primarily to cover elements the latter part of 2016/17 fixed and committed costs where these may be insufficiently covered by the approved government grant.

* **Staff Costs**

It is critical to recognise, at the very onset, that the CSOS operating model is that of a service organisation, and the entity is thus expected to be very people intensive. It is in the nature of service-based functions like dispute resolution, stakeholder education and training, and the review and improvement of schemes governance documentation, that a significant headcount is required to perform such functions, these being the core functions of the CSOS that are articulated its mandates. This was acknowledged and recognised in the original Five Year Strategic Plan as well, where the staff costs comprised between 70% and 83% of all operational expenses. In the current revision, this ratio is between 66% and 70% customer-facing orientation. The ratio of core and support staff is decidedly in favour of the customer facing compliment, both in terms of numbers (headcount) and the proportion of the salary bill as shown below:



There is no plan to recruit any additional staff during the year due to budgetary constraints.

**Table 16: Staff costs budget**

* **Operational costs**

Operational costs comprise the core functions of dispute resolution, community schemes database management and related activities, as well as the storage, management and retrieval of community schemes’ governance documents. These activities should naturally consume the second largest expenditure after staff costs. However, due to severe austerity measures, only limited targets that can be performed through existing in-house resources are planned for these core functions during this planning period.

**Table 17: Operational costs budget**

* **Marketing and Communication expenses**

The marketing and communications functions has been earmarked as the most critical function in the beginning, entailing the public launch of the organisation. The budget for the appropriate launch will be sourced when the approval process nears the final proclamation by the President. There will also be the production of the annual report to cover from funds still to be sourced.

**Table 18: Marketing and Communications expense budget** 

* **Stakeholder Training and Consumer Education**

The education of stakeholders, including reaching the affordable and subsidy housing market community schemes, is a core function of the CSOS and a key contribution to the current MTEF for the Department. The CSOS intends to roll out extensive programmes in this areas during the coming planning periods. The scope, speed of roll out and reach of these programmes will be limited only by budget availability.

**Table 19: Stakeholder training and consumer education costs** 

* **Travelling and Accommodation**

In the current climate of limited budgets, all efforts are made to limit the travelling and accommodation expenses by using alternative means, including the use of technologies like tele-conferencing and video-linking during the planning periods. However, there is always the unavoidable physical travelling between the entity’s staff in the regions (KwaZulu Natal and Western Cape) and head office (Johannesburg), as well as between the CSOS Executives and the Executive Authority programmes like out-of-town quarterly reviews, Technical MINMECs, portfolio committees, and other parliamentary presentations. Furthermore, the current “hub-and-spoke” model (Regional offices servicing other adjacent regions) necessarily entails a fair amount of periodic travelling and accommodation. Finally, the Board travelling is also catered for in this expense category. The budget austerity measures have drastically curtailed the planning to the bare legislative compliance minimum.

**Table 20: Travelling and Accommodation expenses** 

* **Board expenses**

Board expenses are budgeted per the National Treasury guidelines. This category includes only the external Board fees, and the number of meetings is limited by the budgetary constraints.

**Table 21: Board expenses** 

* **Facilities and Infrastructure costs**

This category includes those primary expenses required to establish and maintain the existing offices. Included are the rental for offices, the fitting and furnishing of furniture (non-asset portions), the leasing of some assets (like office equipment), annual licenses for IT resources, and ICT support services (non-capital). The intention is to make the CSOS as accessible as possible to the members of the public, with the initial focus being on the localities of high concentration of community schemes. Administrative access points will be established first, which means customers can register and request CSOS services at those locations, but the actual service is currently delivered from the three (3) central hub locations, namely Gauteng office in Johannesburg, KwaZulu Natal office in Durban, and the Western Cape office in Cape Town.

**Table 22: Facilities and Infrastructure expenses** 

* **General and Administration expenses**

This expense category includes costs that are necessary to maintain a functional and habitable office, achieve compliance, and maintain an effective operation. The details are shown in Table 23 below.

**Table 23: General and Administration expenses** 