



THE COUNCIL FOR THE BUILT ENVIRONMENT

BUSINESS PLAN

2009 – 2011

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THE MEANING OF ACRONYMS USED IN THE PLAN:

BE	The Built Environment
BEPCs	The Built Environment Professional Councils
CBE	The Council for the Built Environment
CHE	Council for Higher Education
CI	Construction industry within South Africa
CIE's	Construction industry indicators used to measure performance, growth and improvements
Council	The appointed members of the Council of the CBE
DoE	Department of Education
DPW	Department of Public Works
HEIMS	Higher Education Information Management System
Members	The members of the Council of the CBE
The Minister	The Minister of Public Works
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
N&G	Norms and Guidelines in the Built Environment
SAQA	South African Qualifications Authority

CHAIRPERSONS REMARKS

After being inaugurated the Council embarked on a new strategic approach which has seen the CBE reposition itself as an organisation which strives to deliver on its mandate. The Council has identified key strategic objectives to address pertinent issues such as lack of resources experienced by the built environment professional councils, transformation as well as protection of the public.

These key objectives will not only ensure that the CBE reviews and maps out its leadership role in the built environment profession but accelerate the transformation of the professions. The institutional development objective is aimed at driving the transformation in the governance structures of the built environment professions; ensure the optimum utilisation of the resources which will create an enabling environment that will improve the performance of the professions.

Good governance of the CBE and its six professional councils will not only result in improved compliance with key governance legislation such as the Public Finance Management Act, but will also ensure proper alignment of built environment strategies as well as the country's national imperatives and initiatives. The stakeholder relations focus will assist the CBE to reposition itself as a catalyst that will mobilise the input of the built environment professions in the socio economic development of the country. This will place the CBE in a better position to respond to, and serve the needs of its stakeholders.

Reflecting on the history of the CBE, the professional councils and their creation, the Council identified that the unwinding of the legacy of racial exclusion will play an important role in ensuring the relevance of both the CBE and the professional councils. The strategic task will entail the repositioning of the CBE and the professional councils in accordance with the founding principles intended by their respective legislations.

The Council presents this business plan with the hope that it will not only assist in ensuring that its strategic objectives are met, but also that it assumes its leadership role in built environment.

Sipho Madonsela
COUNCIL CHAIRMAN

CHIEF EXECUTIVE OFFICER'S OVERVIEW

South Africa stands at the trajectory of development that is unprecedented in its recent history. This position presents an unusual opportunity to impact positively on its development objectives. The built environment professions play an important role in the realisation

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of these objectives. The CBE and the six professional councils are therefore a critical link in facilitating a positive role that the professions can and should play.

The Deputy Minister of Public Works, in his address to the Council for the Built Environment, posed a number of issues for consideration by the Council. These ranged from dealing with the skills challenge to professional registration, protecting the interests of the public, the capacity of the professional councils to deliver on their mandates, as well as the need to “achieve more rapid transformation in terms of demographics across the built environment professions.”

This business plan reflects the Council’s attempt to respond to these and other challenges facing the built environment professions. Five strategic objectives were developed as follows:

- Improve stakeholder relations and create partnerships to improve service delivery
- Intervene in improving the performance of the skills delivery pipeline
- Ensure the alignment of the activities of the CBE and the BE professional councils with national imperatives and initiatives
- Ensure an effective and efficient public protection regime
- Transform and consolidate the regulatory, institutional and structural framework regulating the functioning of the CBE and the professional councils

The business plan outlines the programmes designed to achieve the above objectives. The resource requirements are aligned these programmes. The issue of the capacity of the professional councils remain a challenge but will hopefully be resolved through the institutional development programme as outlined in this business plan.

The Council for the Built Environment is working with the Department of Public Works in finalising the reporting framework to monitor progress on the implementation of the business plan. The Council remains convinced that with the support of the Ministry and the Department of Public Works, the Professional Councils, Professional Institutes and other stakeholders, it will achieve significant progress towards fulfilling these objectives.

Bheki Zulu
Chief Executive Officer

1. Introduction

The CBE is a schedule 3A Entity established by the Council for the built Environment Act (Act no 43 of 2000). Through the Act the CBE is tasked with overseeing the six built environment professional councils who regulate the professions of Architects, Engineers, Landscape Architects, Quantity Surveyors, Project and Construction Managers and Property Valuers respectively.

The CBE is governed by a twenty member council which is appointed by the Minister of Public Works. The members represent the professional councils, government and the general public.

The CBE Plan is informed by intense analysis of its environment and is designed to ensure compliance with the all legislation that governs the CBE.

The 2007/08 Plan outlines the activities of the CBE in finalising the development of its management and administrative capacity, in engaging with its mandate by developing and implementing projects that will enable the realisation of the objects of its mandate. The business plan sets out the following:

- The mandate, vision and mission and the strategic objectives of the CBE
- Key Strategic Considerations
- The CBE's Strategic Choices
- Programme outline for the projects planned for the 2007/08 financial year
- The CBE's Medium Term Expenditure Framework plan

2. Statement of Mandate

The Act mandates the CBE to:

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- a. transform the built environment professions to deliver on the needs of society in South Africa, based on internationally competitive practices while reflecting the composition of the South African population;
- b. protect the public in South Africa from unsafe practices by built environment professionals and ensure good governance in the provision of professional services related to the built environment by practitioners in both the public and private sector;
- c. ensure uniform implementation of mandated policy amongst councils that govern the various built environment professions; and
- d. advise government on issues related to built environment professionals.



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3. Vision

The vision of the CBE is to provide Sustainable built environment professions, serving public and national interest

4. Mission and Values

Mission:

Through leadership of the built environment professions, facilitate integrated development, whilst promoting efficiency and effectiveness

Values

- **Integrity**
 - We will carry out our responsibility in a manner that will preserve and enhance the integrity of the organisation
- **Transparency**
 - We recognize the CBE as a public entity and commit to provide reliable information to all our stakeholders
- **Excellence**
 - We will endeavour to achieve the best possible standards in all we do
- **Innovation**
 - We will continuously seek and employ better and more affordable solutions to meet the needs of our stakeholders.

5. Environmental Scan

Introduction

The CBE does not exist in a vacuum. This fact was emphasized by the Minister of Public Works, Ms Thoko Didiza in August 2006 during the inauguration of the new Council members for the second term of the CBE council. The Minister said to the new council members, “...you have the responsibility to make the CBE relevant to the socio-economic transformation agenda of the country”¹. The Council responded to this mandate by holding a two day strategic planning review session where one of the objectives was to review a set of social, economic and political imperatives that ought to frame the work of this public organization. The analysis of the external environment that affects the CBE should be viewed within the context of the CBE’s role of ensuring sustainable built environment professions which serve national interest. The built environment professions will only be sustainable if they are able to contribute and are aligned to the national development goals. The paragraphs below outline the environment that shapes the work of the CBE.

Political Environment

Political issues are the first among equals when it comes to the functioning of government institutions. This is because politics underpin the whole transformation process and define the government’s agenda. This section will analyse political factors that affect the built environment and particularly the CBE as a point of departure.

To understand the political focus of the BE, it is important to take one step backwards and review the history of South African politics. The legacy of hundreds of years of discrimination and Apartheid (from 1948) onward was a deeply divided and segregated society. Major challenges that faced the government in democratic consolidation therefore included the establishment of representative and efficient political institutions, the economic reform of a country weakened by sanctions and international isolation and reconciliation between different racial groups. This can be summarized within the context of transformation (of institutions, policies and frameworks including mindsets).

Similarly, the BE professions were (and still are) also characterized by a history of under-representation of blacks and women. *The Statistics South Africa survey of 2001 showed that 77.8% of the SA population was Black/ African, 10.2% were white, 8.7% were coloured, and 2.5% were Indian/ Asian with the remainder unclassified.* However, representation in the BE professions is just the

¹ Thoko Didiza; Key note address at the inauguration of new members for the second term of the CBE council

opposite. For transformation and economic reform to take place, the national agenda had to be taken to institutional level. Within the built environment, representative councils for professions including the CBE had to be established. This exercise was preceded by a process of policy making which culminated into the promulgation six professional councils Acts and the Council for the Built Environment Act in 2000.

Like most institutions, the BE professions went through three phases of development since the inception of the democratic government in South Africa. These are Policy-making, Framework development and Policy Implementation. As the CBE moves into the next phase of development, there is a need to take stock of the level of congruence between policy objectives and what is implemented on the ground. This exercise will necessitate the review of the current institutional set up, legislation and policy frameworks.

Social environment

Poverty and unemployment are some of the critical issues facing South Africa. The effects of these challenges are manifested through lack of or limited access to **health** and **education** facilities, **water** and **sanitation, roads, housing** etc. Poverty becomes so relevant to the BE when looked at from a racial and gender perspective. South Africa still reflects a country where majority of the unemployed are women. There is also a correlation between unemployment and skills.

Referring to this challenge, the Minister of Public Works, Ms Thoko Didiza said, “Apartheid and its myopic social and economic planning left the country a legacy characterized by broken communities, poor quality and quantity of skills, and the workforce that was not representative of the demographics of the country”.

The unfortunate state of affairs that the Minister refers to is prevalent in the built environment professions as well. The skills portfolio in the BE professions reflects a poor representation of the previously disadvantaged groups especially women as well as insufficient supply.

Several studies indicate that *there is a correlation between the employment sectors where **women** were **underrepresented** and **skills shortages** – showing that occupational segregation was causing employers to miss out on a huge potential pool from which to plug the gaps. Job segregation should therefore move right up the agenda and should occupy a centre stage role in the fight to close the gender gap, address skills shortages and increase the country’s productivity”.*

In order to for the BE professions to act in tandem with government towards building a South Africa defined by a common dream, there is a need to speed up the process of skills development. To complete this task the BE professions should also heed the Minister’s call to

strengthen its marketing efforts in order to demystify its professions to women and to remove the cultural barriers to the successful participation of women in the BE professions.

This challenge is compounded by the fact that “...the number of matric students who pass mathematics at higher grade is only slightly better than in 1995². It is also a concern that although the number of girls enrolment has increased, majority of them are not doing mathematics and science subjects. Furthermore, the graduating science, engineering and technology students have improved to just below above 27% in 2005. This is not very good when considering that in successful developing countries like South Korea, over 50% of tertiary graduates are in SET disciplines. Addressing this challenge requires an integrated solution that looks into the entire skills delivery pipeline. The CBE will have to provide leadership and coordinate all the relevant stakeholders in an attempt to address this challenge.

Economic Environment

The BE plays a major role in the economic developments of a country and there is therefore a need to review international and local economic trends and issues that to which the BE professions need to respond.

❖ International economic environment

○ Globalization and the BE professions

The macroeconomic trends in the world have seen globalization empowered by quick technological advances breaking the physical divide that once existed in the world. Now we no longer talk of a divided world but of a global village. The era of comparative advantage has been replaced by competitive advantage. For a country to thrive in this global era, there is a need for innovation and creativity that will put it ahead in the economic arena. This process requires the availability of highly skilled labour. Globalization has brought about standardization of qualifications in order to allow skilled labour to tap into economic opportunities that present themselves in other countries.

Countries are now competing for the skills (or skilled labour) in their pursuit to be globally competitive. BE professions skills are some of the skills that are demanded by the international market. The BE professions will have to analyze the impact of such developments with

² President Thabo Mbeki, Feb 2007, State of the Nation Address

regard to the implications that it has on the skills demand and supply, and impact on the socio-economic agenda of the country. There is a need for advice to be given to government with regard to the approach that can be taken in responding to this challenge.

South African Economic Development

The African economic development brings its own challenges to the BE professions. The South African government has acknowledged that the SA economy is inextricably connected to that of the southern, and its success is linked to the economic recovery of the continent through Nepad. The fact that Africa is an important market for South Africa is apparent when consideration is given to the fact that in 2003, about 23% of South Africa's exports were destined for the continent. There was also a huge increase in imports from Africa. It is very clear from this that addressing the development challenges will be mutually beneficial to South Africa and the rest of Africa. South Africa has since committed to increasing the country's involvement in large capital projects on the continent. The areas that have been prioritized include infrastructure and logistics (roads, ports etc), energy, transport, construction etc.

These developments challenge the BE professions to play a role. For example, the African countries may not have sufficient supply of skills to address these issues. This will ultimately require South Africa to assist in providing skills from the country or even to import when necessary. Whatever shape that the country's contribution take, there is a need for the BE professions to interact closely with the African countries with regard to skills. Facilitating the international recognition of qualifications will also become critical in driving the African agenda.

Local economic environment

South Africa combines, in many respects, the characteristics of a highly industrialized country with those of a developing country in sub Saharan Africa. President Mbeki defines this as two economies, namely a modern first economy, comprising mainly of the white population and the growing black middle and upper class, and the second economy, consisting of the marginalized 30% to 40% of the population that tries to survive in the informal or in the subsistence sector. The South African government committed in 2004 to halve poverty and unemployment by 2014.

The South African government introduced several strategies to deal with this challenge which included mechanisms to influence economic growth. Growth did take place and continues to do so but does not seem to make adequate impact on the marginalized group. The response of the South African government in this regard is more geared towards bridging gap between the two economies. The government's economic reform strategy has shifted gradually toward a more interventionist approach and it includes the Expanded Public Works Programme (EPWP) and an increase in promoting Black Economic Empowerment (BEE). This dualistic approach is reflected in the ASGISA initiative which comes up with a series of micro and macro economic interventions.

The EPWP has so far contributed towards the creation of permanent job opportunities. However, in his state of the nation address the President indicated that there is no question that the EPWP can and must be ratcheted upwards quite significantly. The Department of Public Works on the other hand has reflected that although EPWP is on course to meet its job creation targets, there is still an ongoing need to intensify efforts to overcome widespread resistance to the use of more labour intensive methods in infrastructure. This resistance is based on the view that labour intensive methods are more difficult to manage, take longer, are more costly, and result in inferior quality products. The BE professions have a significant role to play in facilitating this intervention. Furthermore the BE professions should review the skills requirements of the programme in order to reflect on whether the professionals that are developed by the country are having appropriate skills to support the programme.

Physical environment

Promoting sustainable development cannot be overemphasized. This is an international and a national concern as well as a responsibility which the BE professionals have to embrace in their practice. Sustainable development is defined as meeting the basic needs of the present without compromising the ability of future generations to meet their own needs. The government has reflected on the importance of this by making a constitutional provision on environment. Section 24 of the Constitution of the Republic of South Africa (Act 108 of 1996) stipulates that everyone has the right to an environment that is not harmful to their health or wellbeing; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures

The CBE Act has entrusted the CBE with the responsibility of promoting appropriate standards of health, safety and environmental protection and to advise government on these matters. The CBE will therefore have to assume its leadership role in ensuring that the practices of the BE professionals take due regard of environmental, health and safety issues.

The BE professions have to also encourage the professionals to develop innovative solutions that promote sustainability. The innovations may range from creating innovative designs that save water and energy to alternative building materials. The CBE should provide leadership in these innovations.

Technological environment

The effects of technological advancement on the built environment professions need to be interpreted within the context global development trends. Over time society has developed from primitive to Agricultural; to industrial and now the information age (information and technological revolution). All these development trends placed different infrastructural needs. For example the industrialization phase experienced huge infrastructural development.

This may have implications on design standards of certain roads and streets, services as well as office space and homes. The CBE should provide leadership in unpacking the implications of these developments and ensuring that the country produce adequate skills and standards that are responsive to these developments.

Concluding remarks

The BE professions operate within an integrated environment and therefore their activities cannot be looked at in isolation. Their role in the socio-economic and infrastructure development of the country makes it necessary to review if the BE professions are responsive to the needs of the country and are providing appropriate skills to address the socio-economic issues facing the country.

6. Organizational Analysis

The organisation analysis was conducted using the quad-focal approach assessing the following areas of the CBE

- Ability of the organisation to focus and deliver effectively on its core business
- The assessment of the presence or lack of sound systems of service delivery
- The assessment of existence and impact of the administrative systems on delivery processes
- The assessment of the soundness of the cultural and human resources systems

Results of organizational evaluation:

System Management		0	+	Output focus	-	0	+
1. Process management	x			1. Technical competence		x	
2. Quality management	x			2. Product/service demand			x
3. Capacity management	x			3. Core business focus			x
4. Risk management		x		4. Continuous improvement	x		
5. Inventory management			x	5. Customer focus	x		
6. Cost management		x		6. Marketing			x
7. Reliability		x		7. Networking		x	
8. Flexibility			x	8. Change management		x	
	-3		+2	Subtotal	- 2		+3
		- 1		Total		+1	

Systems Management relates to the ability of the organisation to effectively manage the processes, quality, capacity, risks and cost associated with service delivery. The table above indicates that areas of weakness are process management, quality and capacity. It is,

however, pleasing to see that the area of risk management has improved. Although the CBE has capacitated itself to ensure improved performance, interventions implemented still need to be intensified to ensure delivery on its mandate.

Output focus relates to the organisation's ability to be customer-focussed, have the requisite technical competence and implement effective marketing, change management, networking and continuous improvement processes. A negative score in this area is an indication of *negative future sustainability, poor market positioning and that customer needs are not addressed effectively*. The findings indicate that there are still weaknesses with regards to implementation of continuous improvement processes, as well as the ability to meet and exceed expectations of stakeholders including the public. The overall picture indicates that the organisation is at a stage where stakeholder relationship has improved.

Administrative processes	-	0	+	Relationships	-	0	+
1. Management structures			x	1. Vision acceptance			x
2. Administrative processes		x		2. Teamwork		x	
3. Decision-making processes			x	3. Interdepartmental co-operation			x
4. Contingency planning	x			4. Communication processes		x	
5. Information management		x		5. Participative management			x
6. Pro-activity		x		6. Staff utilisation		x	
7. Procedures			x	7. Human resources policies		x	
8. Policies			x	8. Human resources development		x	
	-1		+4				+3
	+3			Subtotal			+3
				Total	+3		

Administrative processes relates to the ability of the organisation to put in place appropriate management structures as well as efficient administrative and decision-making processes. It also relates to how the organisation manages information and information systems to ensure optimal decision-making and operational effectiveness. Importantly, this area deals with proactive planning and putting in place processes to deal with contingencies in order to prevent crisis management. The analysis indicated that the area of concern relates to contingency planning. Although administrative processes and information management have been identified, the CBE is not yet at a stage where these have been fully implemented. Satisfactory improvement has been achieved in areas of management structure, decision making processes and policies.

Relationships relates to vision acceptance, teamwork, interdepartmental cooperation, communication and human resources policies and practices. The finding indicates an overall improvement in this area especially with regards to vision acceptance, interdepartmental co-operation as well as participative management.

External	<p style="text-align: center;">SYSTEMS MANAGEMENT</p> <p style="text-align: center;">-2</p>	<p style="text-align: center;">OUTPUT FOCUS</p> <p style="text-align: center;">-3</p>	2006
Internal	<p style="text-align: center;">ADMINISTRATIVE PROCESSES</p> <p style="text-align: center;">-4</p>	<p style="text-align: center;">RELATIONSHIPS</p> <p style="text-align: center;">-2</p>	
	Managerial	Leadership	

External	<p align="center">SYSTEMS MANAGEMENT</p> <p align="center">-1</p>	<p align="center">OUTPUT FOCUS</p> <p align="center">+1</p>	2007
Internal	<p align="center">ADMINISTRATIVE PROCESSES</p> <p align="center">+3</p>	<p align="center">RELATIONSHIPS</p> <p align="center">+3</p>	
	Managerial	Leadership	

The above tables depict the comparison for the two years as indicated above. It will be noticed from the above that while the areas of administrative processes, relationships and strategic focus have shown some significant shifts, the area of systems management has remained sluggish. The management's attention will be focussed in this area in the ensuing year.

7. Strategic Objectives

The following key strategic objectives were adopted by the Council. The CBE is certain that these will not only assist it to achieve its mandate but will also ensure that it reviews and maps out its leadership role in the built environment professions and accelerate the transformation of the professions.

1. Improve stakeholder relations and create partnerships to improve service delivery
2. Intervene in improving the performance of the skills delivery pipeline
3. Ensure the alignment of the activities of the CBE and the BE professional councils with national imperatives and initiatives
4. Ensure an effective and efficient public protection regime
5. Transform and consolidate the regulatory, institutional and structural framework regulating the functioning of the CBE and the professional councils

Improve stakeholder relations and create partnerships to improve service delivery

Stakeholder relations are a critical area of the CBE’s business as a co-ordinating council. It is also imperative that the synergies are exploited in order to improve the delivery on the mandate of the CBE. The various stakeholders play a vital role in ensuring the contribution of the built environment to achieving the national objectives. The stakeholders range from government, government entities, the private sector, professional councils, professional institutes or voluntary associations as well as non-governmental organisations in the built environment.

Objective	Strategies	Strategic Outcomes	Project Description	Resource Requirements		
				2008/9	2009/10	2010/11
Improve stakeholder relations and create partnerships to improve service delivery	Brand development	Increased brand profile	Branding	R1.8m	R1.98m	R2.18m
	Partnering	Enhanced / extended capacity	Extended capacity	R0.4m	R0.44m	R0.48m
	Information and knowledge management	Improved stakeholder communications	Knowledge Management	R1.4m	R1.54m	R1.69m
		Intelligence availability				
	Quality management	Improved process and product quality	Quality management	R0.6m	R0.66m	R0.73m
				R4.2m	R4.62m	R5.08m

Intervene in improving the performance of the skills delivery pipeline

The built environment professions play a critical leadership role in infrastructure delivery and sustainable development. The current and anticipated large development projects, together with the existing government infrastructure spending programme such as the construction of the Gautrain Rapid Rail Link and provision of infrastructure for the 2010 FIFA Soccer World Cup, have highlighted the skills shortages, and necessitated timely interventions to ensure the delivery of a number of infrastructure development projects. The current trends indicate that this important skills base is in decline, with very few new entrants compared to the large numbers who are leaving the profession.

The throughput system for the provision of skills in South Africa has been divided into different critical skills supply areas, which includes secondary education, further education and training, higher education and training, professional registration and absorption and retention by the industry. Each of these noted areas require strategic interventions to enhance the supply and retention of BE skills in South Africa.

The strategic interventions as outlined here below, aim to address this area.

Objective	Strategies	Strategic Outcomes	Project Description	Resource Requirements		
				2008/9	2009/10	2010/11
Intervene in improving the performance of the skills delivery pipeline	Enhance attractiveness and accessibility of the BE professions	Increased inflow into / uptake of the BE professions	Career Awareness	R1.1m	R1.21m	R1.32m
			Bursary scheme	R0.5m	R0.55m	R0.6m
	Facilitate reduction of wastage in the higher education system	Reduced wastage in the higher education system	JIPSA projects	R0.4m	R0.5m	R0.6m

	Facilitate access to experiential training opportunities	Increased intake of graduates	Academy/ESDA/Mentorship	R1.3m	R1.43	R1.57m
	Facilitate professional registration	Increased professional registration	Streamlined registration programme	R0.3m	R0.5m	R0.6m
	Facilitate continuous professional development	Improved quality of professionals	CPD	R0.5m	R0.75m	R0.83m
				R4.1m	R4.94m	R5.52m

Transform and consolidate the regulatory, institutional and structural framework regulating the functioning of the CBE and the professional councils

The relevance of the CBE and the professional councils is directly linked to their collective ability to respond in a meaningful way to their set imperatives. To ensure that the above mentioned statutory entities advance to their objectives for which they were created, reviewing of the institutional relations and organisational structure have to be undertaken. This will culminate into an appropriate institutional model that will ensure that the CBE and its professional council develop a shared vision of the strategic tasks and mechanisms to address these.

Having established the programme management unit in the past year, the CBE has realised that more capacity is needed within this core unit in order to ensure delivery on its mandate. Four additional positions have been added within the research and regulations sections of the programming unit to provide support in dealing with issues of research and policy development as well as legal issues pertaining to the regulation of the functioning of the CBE and the professional councils. The importance of the stakeholder management function has also necessitated strengthening of the communications unit. A media relations officer position has been created in this regard.

The growth of the organisation has also necessitated additional positions within the support units, corporate services and finance, in order to support the functions of ensuring compliance with regards to performance management and wellness of all the CBE employees.

The CBE continues to contribute to the alleviation of unemployment and skills shortage which is still a national concern. Unemployed graduates particularly in the fields of development studies will be offered a year's contract in order to give them practical experience. This unemployed graduates program is also extended to graduates in different fields of study and will also be placed within the six professional councils of the CBE.

As part of the review of the institutional structure and organisation as mentioned above, an appropriate operational and financing model for the new institutional framework for the built environment professions needs to be investigated. This review will be informed by practice and the common experience of the councils, but will also reflect the scenario envisaged in terms of the newly developed shared vision that reflects the true founding principles of these built environment professional bodies.

The revised operational and financing model will, of necessity, build the necessary governance and accountability frameworks into its business models. This will entail the public listing of the new entity/entities in terms of the requirements of the Public Finance Management Act (PFMA)

The current skills shortages in the BE professions is threatening the possibility of successfully achieving the ASGISA targets. These issues need to be prioritized such that the development ambitions of the country can be realised. However, addressing the skills challenge cannot be looked at in isolation to broader transformation agenda of the country. This is critical when consideration is given to the fact that although the previously disadvantaged population groups form the majority of the South African population, these groups are abnormally underrepresented in the BE professions. According the *Statistics South Africa survey of 2001*, 77.8% of the SA population was Black/ African, 10.2% were white, 8.7% were coloured, and 2.5% were Indian/ Asian with the remainder unclassified. However, representation of the previously disadvantaged population groups reflects the opposite.

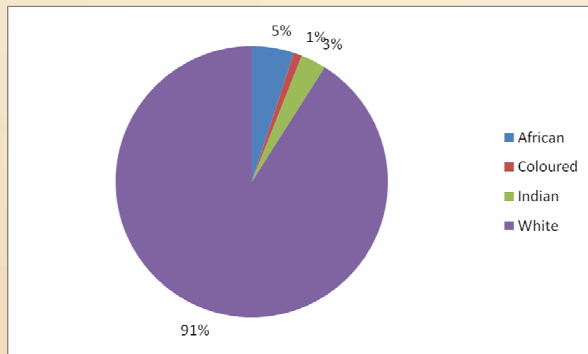


Figure 1: Race Profile of Registered Engineers, Technologists and Technicians, 2002¹

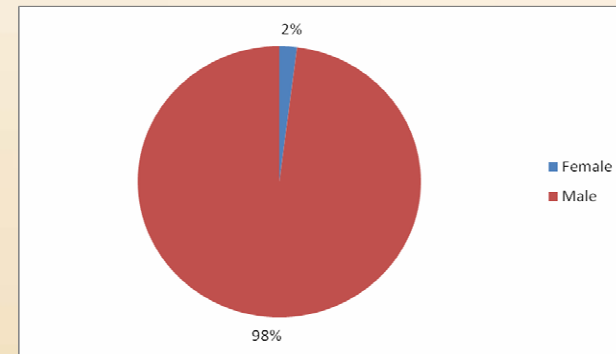


Figure 2: Gender Profile of Registered Engineers, Technologists and Technicians, 2002³

³³ Seyn G and Daniels RC.(2003) Engineers and Technicians (Statistics sourced from Engineering Council of South Africa)

This picture implies that the BE professions relies mainly on the 10.2% of the population for the supply of BE professions skills. This situation is not conducive for the creation of a vibrant economy and sustainable skills supply in the long term. Transformation will have to take place to ensure that the majority of the population gain access into the profession in order to avert the situation that can be caused by adverse shortage of skills in the long term. It is important to ensure that the technical exclusions that is caused by lack of appropriate skills to access the BE professions be removed so that all available resources within the country are harnessed towards achieving a South Africa defined by a common dream.

Objective	Strategies	Strategic Outcomes	Project Description	Resource Requirements		
				2008/9	2009/10	2010/11
Transform and consolidate the regulatory, institutional and structural framework regulating the functioning of the CBE and the professional councils	Review, develop and implement a new legislative framework	New legislation	Institutional development	R4.7m	R2.9m	R1.5m
	Develop and implement a new institutional model	New institutional model				
	Develop and implement a new operational model	New operational model				
	Develop and implement a new funding model	New funding model				
	Develop and implement a monitoring and evaluation system	An integrated institutional performance management system				
Facilitate demographic representation in the BE professions	Improved demographic representation	Transformation	R2.2m	R2.5	R2.75m	

	Employ additional human resource capacity for the CBE Facilitate placement of unemployed graduates to improve the capacity of the professional councils and contribute to reducing unemployment of this critical resource	Improved service delivery Improved capacity of the professional councils Improved employability of the graduates	HR Programme	R2.9m	0	0
				R9.8m	R5.4m	R4.25m

Ensure an effective and efficient public protection regime

The vision of the CBE is to ensure sustainable built environment professions that serve public and national interest. This vision is also captured in the CBE Act as follows:

- To promote and protect the interests of the public in the BE.
- To promote and maintain sustainable built environment and natural environment.

The achieve this ideal as captured in the above vision and legislative provisions, processes aimed at protecting the short and long term interests of the public have got to take a central stage in the work of the CBE.

This regulatory provision was designed to ensure the protection of the public interest by ensuring that the persons carrying out the work in question are competent, ethical and accountable.

It is generally accepted that the regulatory institutions should put in place mechanisms aimed at correcting market failures that could be caused by factors such as

- asymmetric information (arises because of unique human capital; qualitative results; non-repetitive, atypical transactions; 'once-off' purchasers and confidentiality between consumers and professionals externalities),

- principal-agent problem
- externalities (for example health and safety risks to the public), and
- unequal bargaining power between suppliers and the consumers of a service, e.g., where monopolies exist

The legislation provides for professional councils to develop and implement codes of good practice and conduct, provide for a tribunal system to deal with breaches of good practice and conduct, and provide for recourse for the public through the tribunal and appeal mechanisms.

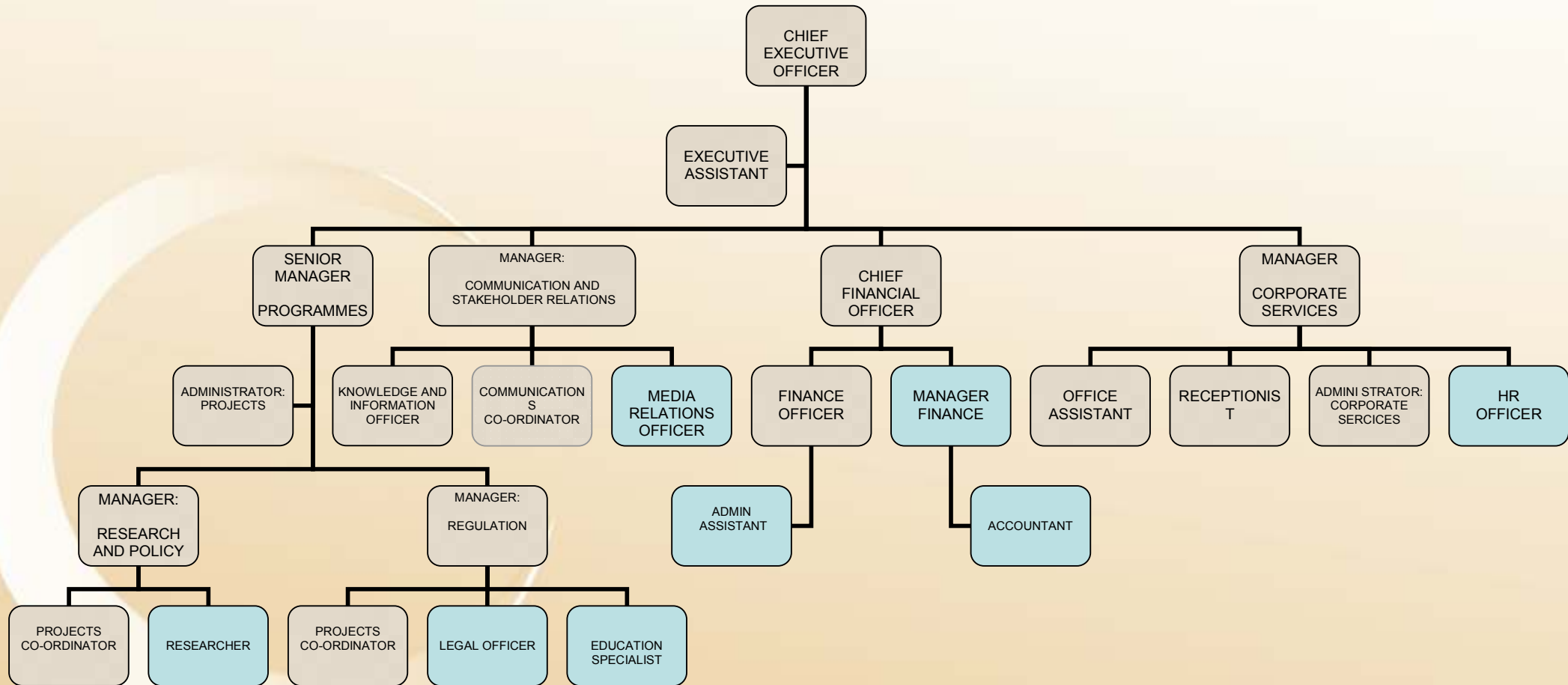
Objective	Strategies	Strategic Outcomes	Project Description	Resource Requirements		
				2008/9	2009/10	2010/11
Ensure an effective and efficient public protection regime	Review legislative provisions relating to tribunals and appeals	Improved tribunal and appeal provisions	Public protection	R4.2m	R4.62m	R5.08m
	Develop and implement improved tribunal and appeal processes	More efficient tribunal and appeal process				
	Develop partnerships and participate in the safety, health and environment landscape	Understanding of and improved influence in the safety, health and environment landscape	SHE (safety, health and environment)	R1.0m	R1.0m	R1.2m
	Develop and implement monitoring and reporting systems	Regular reporting and advice on issues relating to safety, health and environment				
				R5.2m	R5.62	R6.28

Ensure the alignment of the activities of the CBE and the BE professional councils with national imperatives and initiatives

The CBE has a mandate to ensure sustainable BE professions that serve public and national interest. The sustainability of the professions will therefore be measured by their ability to respond to the socio-economic needs and development agenda of the country. This will involve their ability to provide sufficient and appropriate skills; contribute into improved and integrated service delivery; providing innovative solutions that will ensure sustainable built environment.

Objective	Strategies	Strategic Outcomes	Project Description	Resource Requirements		
				2008/9	2009/10	2010/11
Ensure the alignment of the activities of the CBE and the BE professional councils with national imperatives and initiatives	Create forums for the built environment professional councils and professionals to participate in national initiatives and align with national imperatives	Aligned CBE professional councils and professionals		R0.8m	R0.88m	R0.96m
	Participate in national and departmental initiatives	Participation in DPW initiated activities		R1.2m	R1.32m	R1.45m
				R2.0m	R2.20m	R2.41m

CBE STRUCTURE



8. The CBE's Strategic objectives

Aligning CBE objectives to the Mandate.

The development of objectives for the CBE has taken into account the mandates as set out in the Act. It is accepted that, as a fairly young organisation, CBE will not be able to satisfy all these mandates at once. However, these mandates impact on pertinent issues currently facing the country and the Council is under tremendous pressure to deliver on these. Programmes were, none the less, prioritised through the MTEF period. The mandates are set out as follows:

1. Ensure uniform application of norms and guidelines set by the professional councils
2. Facilitate participation by the built environment professions in integrated development
3. Promote and protect the interest of the public in the built environment
4. Promote appropriate standards of health, safety and environmental protection in the built environment
5. Promote liaison in the field of training in the republic and elsewhere
6. Promote sound governance of the built environment professions
7. Promote ongoing human resources development in the built environment
8. Serve as a forum where the Built Environment Professions discuss relevant issues
9. Promote and maintain a sustainable built environment and natural environment

It will be seen that the CBE objectives were aligned with the above mandates in order to ensure a comprehensive approach to service delivery by the organisation. Once the objectives were developed, the approaches or strategies to deal with these were identified and were then codified into programmes. It should be noted that the programmes can deliver on more than one objectives and mandates. Programmes were then outlined and success indicators developed. The objectives and their accompanying strategies are set out below.

9. Programme outline

Five critical strategic have been identified in terms of which, the CBE will seek to achieve its strategic objectives. The following five strategic choice a: The role of the built environment professions in society; Strategic stakeholder management, marketing & communications; transformation of the Built Environment professions in South Africa; sustainable funding for the CBE and professional councils and Capacity of the CBE to deliver on its mandate.

Each strategic objective is supported by tactical interventions (programmes and projects) as summarised below.



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Project Title	Project Objectives	Project Benefits	Outcome Indicators	Timeframes	Responsibility
Institutional Consolidation	<ul style="list-style-type: none"> Consolidate the institutional, structural and regulatory framework Transform the governance structures of the built professions Develop an effective legal framework Creating a sustainable built environment 	<ul style="list-style-type: none"> A transformed business model Aligned strategy Accelerated service delivery Resource maximisation Capacity development Creating an enabling policy environment Stabilised and developed research capacity for standards and codes of practice A single register of professionals 	<ul style="list-style-type: none"> Consolidated structures Streamlines Processes Strategic alignment of the councils Financially sound built environment professional body Single register of professions Proper governance structures and procedures 	March 2009	Chief Financial Officer
	<ul style="list-style-type: none"> Improve delivery on the CBE mandate 	<ul style="list-style-type: none"> Elevation of the built environment professions Protection of the public Proper management of performance 	<ul style="list-style-type: none"> Adequate capacity to ensure delivery Efficient and effective performance management system. Efficient Quality management system 	September 2008	
	<ul style="list-style-type: none"> To improve service and documentation quality 	<ul style="list-style-type: none"> Improved organisational information management; 	Measurable change on the internal information management	June 2008	
	<ul style="list-style-type: none"> To determine an appropriate and sustainable funding model for the BE Professional Councils (BEPCs) To investigate alternative funding sources for the BEPCs. To determine norms for subscription fees and value proposition for members of the BEPCs. 	<ul style="list-style-type: none"> Financial stability and a sustainable financial model for the BEPCs, including the CBE. Development of alternative funding sources for the BEPCs. Sustainable professional councils that can consistently fulfil their legal mandates and provide acceptable levels of service to their members. 	<ul style="list-style-type: none"> The ability of the BEPCs to fulfil their legal mandates competently and to cover their basic costs adequately. Professionals are reasonably satisfied with the service levels by their professional councils. Increased numbers of registered professionals in the six councils that account through the CBE. 	March 2009	

	<ul style="list-style-type: none"> To consider the desirability and feasibility of revision of Acts governing the BEPCs to make registration with the BEPCs compulsory for practising professionals. 	<ul style="list-style-type: none"> Increased membership through compulsory registration of professionals. More reliable information in terms of the nature and quantity of professionals available in the country. 			
SHEQ and Regulation Management Programme	<ul style="list-style-type: none"> Create an effective public protection regime, Promote ethics among BE professions, Provide recourse for the public, To standardise norms and guidelines Promote SHE practices by BE professions, 	<ul style="list-style-type: none"> An effective public protection regime Uniform application of norms and guidelines by all Improved quality of service by professionals Sustainable BE professions Improved integrity of the professions Improved integrity of the professions, 	<ul style="list-style-type: none"> Committee's ability to expedite an appeal within its statutory timeframes Improved turnaround times in by tribunals within the professional councils 	March 2009	Manager : Programmes
			<ul style="list-style-type: none"> Developed norms and guidelines that have been benchmarked internationally Forums to create public awareness on BE norms and guidelines that underpin the work of BEP CBE's Appeals Committee to conduct appeals in a fair and transparent manner within expected timeframes Develop Policy Frameworks ; Awareness 	March 2009	
HR Programme	<ul style="list-style-type: none"> Ensure adequate human resource capacity for the CBE Facilitate capacity building for the professional councils Contribute to uptake of unemployed graduates 	<ul style="list-style-type: none"> Improved service delivery by the CBE Improved delivery by professional councils Reduced unemployment Adequate capacity to deliver on CBE mandate 	<ul style="list-style-type: none"> 	March 2009	Manager : Corporate Services

Project Title	Project Objectives	Project Benefits	Outcome Indicators	Timeframes	Responsibility
	<ul style="list-style-type: none"> To align with national initiatives. To ensure alignment of CBE's programmes with national imperatives. Advise Minister and consult with Minister on matters that impact on BE professions Facilitate integrated and sustainable service delivery Facilitate participation by BE professions in integrated development. To provide input into the national policy and strategy development process. 	<ul style="list-style-type: none"> Integrated and sustainable service delivery. Informed policies from the Ministry. Improved input into national policies and strategies. Advise to the councils for the professions on matters of national importance Inter-ministerial cooperation concerning issues relating to the built environment 	<ul style="list-style-type: none"> Improved in advice to the Minister on matters relating to the BE Institutional priorities that are in line with national goals and development agenda Strategic partnerships and integration with national programmes such as JIPSA, EPWP , etc). 	March 2009	Manager : Programmes
Built Environment Transformation Programme	<ul style="list-style-type: none"> To facilitate demographic representation within the BE industry. To monitor the role played by the BE professionals. To promote and maintain a sustainable built environment and natural environment. 	<ul style="list-style-type: none"> Programmes that encourage demographic representation. Report on bottlenecks on professional registration with Professional Councils. Report on State of the BE professions in South Africa to guide policy development in the BE, assess opportunities and be used as a tool to guide monitor state of affairs within the BE industry. Convene forums on the Role of BE professionals. Recognition of excellence and good practice within the BE through awards. Development of position papers on the role of BE professions in accelerating sustainable development and environmental protection in SA 	<ul style="list-style-type: none"> Increased demographic representation within the BE councils/ profession. Increase in the number of HDI in the BE professions 	March 2009	Manager : Programmes
			<ul style="list-style-type: none"> State of the BE profession report 	September 2008	

Project Title	Project Objectives	Project Benefits	Outcome Indicators	Timeframes	Responsibility
Strategic stakeholder relations	<ul style="list-style-type: none"> To position the CBE as a strategic player in the country's development agenda. To facilitate interaction and dialogue among the BE professionals. To facilitate interaction between CBE, BEP, Government and stakeholders To ensure quality service to CBE customers. To promote the role of the built environment professions among stakeholders and general public. To position CBE as information hub on BEP matters. Promote the CBE brand. 	<ul style="list-style-type: none"> Creation of debate on pertinent topics impacting on the BE professions; Providing the requisite leadership to endure that the BEPCs play their rightful role in supporting the country's national objectives Position the CBE to play its rightful role in providing leadership in the BE. Position the BE to influence policy and Legislation. Greater alignment in the work of the BEPCs. 	<ul style="list-style-type: none"> CBE – Council Communication Forum. Strategic stakeholder forums/ 	March 2009	Manager : Communications and Stakeholder Relations
			<ul style="list-style-type: none"> Strategic media interventions/ programmes. Brand Management Programme. Annual Customer Relationship Survey. Consolidated council database. 	March 2009	
			<ul style="list-style-type: none"> Database system within agreed timeframes. Formal agreements (MOU/ MOA) with relevant partners. Development of common norms and standards regarding accreditation. 	March 2009	

Project Title	Project Objectives	Project Benefits	Outcome Indicators	Timeframes	Responsibility
National skills delivery pipeline	<p>To facilitate creation and maintenance of contemporaneous skills portfolio in the built environment in SA.</p> <p>To enhance skill a knowledge acquisition among the BE graduates.</p> <p>To contribute to the creation of skills to meet the market demands in the BE.</p> <p>To facilitate adequate supply of new entrants into the BE professions.</p>	<ul style="list-style-type: none"> Improved Human Resources to meet the economic growth demands in the country Reduction of skills shortages in the BE professions; Improved supply of BE professionals; Increased uptake of BE career by students. Improved access and development of new entrants. 	<ul style="list-style-type: none"> Identified issues from the Skills Audit Report Internship/ Mentorship programmes Agreements with stakeholders that can offer vacation work to students at tertiary institutions Implementation of the Continuing Professional Development Policy Framework Implementation of Recognition of Prior Learning (RPL) framework Establish a bursary fund (Scholarships/bursaries) Schools Programme International benchmark - Exchange Programme / Bilateral agreement with CBE equivalent. 	March 2009	Manager : Programmes

10. Financial Resources

The CBE currently derives its main source of income from funds appropriated by Parliament which are directed by the Executive Authority, Department of Public Works.

In stabilising the organisation to the required optimum level, an increase of an average of 50% in expenditure is envisaged. The anticipated expenditure will increase from 23.9mil 2007-2008 year to an estimated 42mil for the 2008-2009 year. Though the CBE expects the estimates noted below to stabilise over the next three years, the proposed consolidation framework may impede this situation resulting in a notable variance. The expected estimates for the following year's expenditure are as presented in the table below, see column 2 and 3.

CBE is continuing to explore alternative funding to handle the increasing demands expected from the organisation. This will be utilised to address the issue of tribunals which are majority handled by the professional council represented by the CBE.

Summarised Budget

The summarised budget detailed below is derived from expected operational, salary and programming expenditures, which are informed by the detail project activities listed above. All the expenditures are based on a zero basis in support of the new dynamic strategy adopted by the CBE.

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
	R'000	R'000	R'000
Expected Expenditure			
Staff Cost	5,863	6,449	7,094
Operational Cost	9,316	10,248	11,272
Programming Cost	25,300	26,070	27,050
Transfer to professional councils	2,000	2,200	2,420
Proposed Grant	42,479	44,967	47,836

Levy income is estimated levies charged from professional councils. This will be used to assist the professional councils in meeting their legislative mandate, over and above the transfer envisaged above. The levy is estimated as follows:

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
	R'000	R'000	R'000
Estimated Levy	1,302	1,432	1,575

11. Governance

Executive Authority

The CBE will be entering into a Shareholder Compact Agreement, which determines the relationship between the organization and the Executive Authority. The organization presents the Executive Authority with quarterly performance reports against the business plan, on governance matters and also to secure political direction and support for the strategic focus of the organization.

Portfolio Committee

The CBE has institutionalized its relationship with the Portfolio Committee for Public Works where the committee was invited to participate in the development of the new strategic approach adopted by the CBE. This new approach will be used as a measuring tool when reporting to the Committee in future.

CBE Council

The Council comprises of private and public sector individuals appointed by the Minister of Public Works, taking into account, among other things, the portfolio of expertise required to guide the CBE and principles of transparency and representation. The Council comprises of (i) one representative from the Department of Public Works, (ii) not more than three persons nominated from the nominations contemplated in section 6(2)(a) of the CBE Act, by state departments within whose functional areas the professions are also practicing, taking due cognizance of provincial participation, (iii) two representatives nominated by each council for the professions, which representatives may be members of a council for the professions, a voluntary association for the built environment professions or any other person with appropriate expertise and (iv) not more than four persons nominated, from the nominations contemplated in section 6(2)(b) by the public through an open process of public participation.

The CBE Council is pleased with the functioning of the following committees and believes that their continued contribution will strengthen the governance of the organisation.

Executive Committee

Internal policies and procedures are approved and monitored by Executive Committee (EXCO). EXCO comprising the Chairperson of the Council, Deputy Chairperson of the Council, Chairperson of the Finance Committee, Chief Executive Officer (CEO) and two alternate members of the Council.

Management Committee

The Management Committee assists Executive Management in the day-to-day running of the organisation. It also takes care of the human resources issues and in that regard plays the role of the Human Resources Committee.

Audit Committee

The Audit Committee sets out the annual audit plan, ensures that there are adequate systems of internal control and ensures that there is existence and implementation of the Risk Management Plan.

Finance Committee

The Finance Committee ensures that there are appropriate budgeting and budgetary control processes, reporting mechanisms, as well as cash flow management policies and procedures.

Appeals Committee

The Appeals Committee was set up in terms of the CBE Act to attend to appeals emanating from processes governed by the professional councils Acts.

Functional Committees

Functional Committees are set up as and when required either as permanent or temporary committees. These are made up of experts in the fields and assist the organisation in achieving its objectives. These committees will play an important role in establishing appropriate frameworks on which the Professional Councils will set up their policies and procedures.



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12. Risk Management Plan

The Public Finance Management Act requires management to take positive steps to identify and mitigate risks to which the Public Entity may be exposed.

The CBE, through its Internal Audit functions follows a process to identify and evaluate potential risks. The risk assessment is updated annually and approved by the Audit Committee. The resultant internal Audit Plan, which focuses internal audit effort on major risk areas, has been approved and implemented.

13. Fraud Prevention Plan

The Fraud Prevention Plan is being implemented. The CBE will continue to focus on monitoring and reporting requirements in terms of the current Fraud Prevention Plan. The monitoring of the implementation of the Fraud Prevention Plan lies with the Internal Audit function of the CBE. However, all managers are still accountable for the implementation of the Plan.

14. Monitoring Plan

The CBE'S performance will be monitored at different levels as follows:

Executive Authority

- A Shareholder's Compact will be developed and negotiated with the Department of Public Works and will become the basis for performance management of the CBE by DPW.
- Quarterly reports will be submitted which will report on the progress on the achievement of the business plan and the specific milestones as agreed in the Shareholder's Compact.
- Submission of the annual report to DPW
- An annual appraisal of the Council by the Department of Public Works
- Submission of annual report to Parliament

Accounting Authority

- Performance agreement between Council and the Chief Executive Officer
- Monthly reporting by CEO to the Management Committee
- Quarterly reporting to the Council by the various Committees
- Presentation of annual report to EXCO
- Annual appraisal process of the CEO

Operational Level

- Performance agreement between Chief Executive Officer and Divisional Heads
- Monthly reporting by Divisional Heads
- Quarterly reviews
- Divisional Annual Reports
- Annual appraisal of Divisional Heads



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