



166413 Preliminary settlement

4/15/2013



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**Presentation to Portfolio Committee
 on Human Settlements**
**Human Settlements Development Grant
 Priorities and Business Plan
 2013/14**
16 April 2013
Director-General : Mr. T. Zulu


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Structure of Presentation

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National Priorities

The National Priorities are determined by:

- Cabinet Lekgotla
- SONA
- MTSF
- Outcome 8

Accelerate the Upgrading of Informal Settlements:
400 000 HH by 2014

- Upscale development of Affordable Rental Housing Stock: Urban focused
- Land Assembly for Human Settlements
- National Settlement Infrastructure Development
- Facilitate increased supply of affordable housing finance


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- Rectification of both subsidised stock 1994-2002 and pre-1994,
- Rural Development
- Emergency/Disaster Relief
- National Priority Programme
- HSDG within Metropolitan Municipalities
- Strategic Integrated Projects (SIPs)

Provincial Allocations 2013/14

PROVINCE	HSDG ALLOCATIONS R1000	SUBSIDISED ALLOCATIONS R1000	TOTAL R1000
Eastern Cape	2,429,703	94,100	2,523,803
Free State	1,047,736	73,300	1,120,996
Gauteng	4,108,939	80	4,108,999
KwaZulu-Natal	3,183,728	51,700	3,235,428
Limpopo	1,269,142	35,600	1,304,742
Mpumalanga	1,123,732	600	1,124,332
Northern Cape	378,624	17,100	395,724
North West	1,198,237	26,300	1,224,537
Western Cape	1,925,971	0	1,925,971
TOTAL	16,895,212	298,600	16,893,872

Prior Year Delivery Trends

PROV.	2011/2012		2012/2013		2013/2014	
	Target Sites	Actual Delivery	Target Sites	Actual Delivery	Target Sites	Actual Delivery
ECAPE	21 653	5 960	20 427	14 468	17 266	7 427
FS	7 691	7 400	6 526	9 070	27 264	3 277
GAUT	30 796	16 803	30 452	22 521	14 536	7 733
KN	8 860	5 426	27 217	22 119	9 305	6 063
LP	3 000	1 752	2 772	13 619	14 577	1 058
MP	10 946	1 515	8 235	7 702	5 914	250
NC	3 495	1 458	1 530	3 883	2 785	1 553
NW	4 137	10 559	13 085	16 333	3 717	2 664
WC	12 085	8 686	13 475	11 065	10 375	8 387
TOTAL	102 653	58 587	120 610	108 839	38 160	102 088

Synopsis of Provincial Human Settlements Development Grant Business Plans 2013/14

Grant

2013/14

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Eastern Cape

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRADING	1,485	5,020	491,130	19,46%	
AFFORDABLE RENTAL	100	1,512	144,388	5,72%	
FLISP		217	24,195	0,96%	
LAND			55,000	2,18%	

- Greater emphasis on house construction than basic services provision;
- Consequently, substantial variances exist between Outcome 8 deficits and planned delivery.
- NMBM has not eradicated the bucket sanitation backlog
- 10,8% committed to Rectification Programme.

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Free State

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRADING	5 761	7 545	427 987	38,18%	
AFFORDABLE RENTAL	3 154	1 154	277 323	24,74%	
FLISP		0	0	0,00%	
LAND			0	0,00%	

- Targets considered ambitious, given recent levels of performance.
- Thus rationality of B/Plan presented, to be reconfirmed -
- Inadequate use of particularly non-financial monitoring and reporting systems, including the HSS & BAS,
- absence of a detailed audit of both the financials and deliverables

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Gauteng

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRADING	3 993	7 244	897 864	21,84%	
AFFORDABLE RENTAL	0	3233	501 891	12,21%	
FLISP		898	50 640	1,23%	
LAND			45 000	1,09%	

- Critical performance risk requiring attention in implementation of potential transfer of some R3 billion to the 3 Metropolitan Municipalities.
- Relevant steps must be taken to ensure capacity building & programme & project management is in place where assignment of housing function is awarded.

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KwaZulu-Natal

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRADING	8 043	6 633	895 675	18,41%	
AFFORDABLE RENTAL	0	1 094	375 030	11,59%	
FLISP		800	100 000	3,09%	
LAND			153 368	4,74%	

- Emphasis on Rural Housing as opposed to urban centres of the Province.
- Concern is the commitment made for Cornubia – 1%.

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Limpopo

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRADING	3 000	0	79 464	5,93%	
AFFORDABLE RENTAL		120	92 500	6,98%	
FLISP		200	10 000	0,75%	
LAND			12 991	0,97%	

- PDHS indicated:
- Will not achieve affordable rental target,
- Emphasis on rural housing - 65%
- Only reserved 15% for Lephalale Project
- Clarity on administration & management of both finances and actual delivery
- R300 million surrendered in 2012/13, yet contractual commitment appear to have been made against said amount.

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Mpumalanga

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRAIDING	1 200	2 141	181 070		16.10%
AFFORDABLE RENTAL	0	453	43 659		3.88%
FLISP		80	6 640		0.59%
LAND			42 819		3.80%

- Implementability of B/plan called into question, given recent delivery trends & lack of programme and monitoring systems in place.
- Ensure relevant funding is available to eradicate bucket sanitation backlog
- PDHS to provide NDHS with:
 1. Relevant performance audit & accountability statement for all monies allocated in respect of financial & non financial information for 2012/13
 2. A report on short fall in non-financial delivery & related financial performance in respect of 2012/13 financial year

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Northern Cape

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRAIDING	1 219	625	87 158		22.02%
AFFORDABLE RENTAL	164	366	32 646		8.24%
FLISP		35	2 905		0.74%
LAND		0	0		0.00%

- Province must ensure relevant revisions to funding & programmes to ensure compliance with targets set in terms of Outcome 8 agreement signed with the Minister of Human Settlement and provincial MEC for Human Settlements.

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North West

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRAIDING	3 036	7 253	482 947		39.44%
AFFORDABLE RENTAL	0	1 065	110 902		9.05%
FLISP		300	20 000		1.63%
LAND			5 000		0.41%

- Inadequate funding reserved for rental programme, particularly in Mining Towns.
- Rather emphasis given to Rural Housing – 21% provision, rather than a better balance with basic services – comment made within context of massive infrastructure drive via SIP4.
- Has not addressed the outstanding matter of unenclosed toilets.

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Western Cape

PROGRAMME	SITES	UNITS	BUDGET	ALLOC.	% of
INF. SETT. UPGRAIDING	3 969	3 098	413 580		21.73%
AFFORDABLE RENTAL	0	1 359	23 455		1.22%
FLISP		0	0		0.00%
LAND			350		0.02%

- Province unlikely to achieve Outcome 8 targets for Informal Settlements and Affordable Rental.
- Reality of limited resources coupled with already established & credible pipeline, considered view that with minimal adjustments the business plan is supported.

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Support to Provinces

PROVINCE	RESERVATIONS/CONDITIONALITIES
All Provinces	<ul style="list-style-type: none"> • Ensure relevant revisions to funding & programmes to ensure compliance with targets set for Outcome 8.
E/Cape; F/State; Limpopo; Mpumalanga; N/West	<ul style="list-style-type: none"> • Ensure relevant programme & project pipeline planning is undertaken to prevent recurrence of under-expenditure.
E/Cape; F/State; Limpopo; Mpumalanga; N/West	<ul style="list-style-type: none"> • Ensure relevant funding available to eradicate bucket sanitation backlog.
KZN; Limpopo	<ul style="list-style-type: none"> • Ensure adequate resource provision for Priority Projects.
Gauteng; KZN; W/Cape; E/Cape.	<ul style="list-style-type: none"> • Relevant steps must be taken to ensure capacity building & programme & project management is in place where assignment of housing function is awarded.

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PROVINCE RESERVATIONS/CONDITIONALITIES

Mpumalanga	<ul style="list-style-type: none"> • Provide NDHS with relevant performance audit & accountability statement for all monies allocated by NDHS for financial & non-financial information for 2012/13. • Provide NDHS within 30 days a report on short fall in non-financial delivery & related financial performance for the 2012/13 financial year.
F/State; Limpopo; Mpumalanga	<ul style="list-style-type: none"> • Province must confirm that funding allocated for 2013/14 will be utilized only to implement provincial business plan as submitted.
Limpopo	<ul style="list-style-type: none"> • Province must provide relevant reports on which contracts entered into during December 2013 are to be funded & confirmation regarding how non-financial delivery performance has been accounted for.

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National Human Settlements Development Grant Business Plan 2013/14

Outcome 8
 Slum Upgrading, Rental, FLISP, Land National Priorities
 Rectification, Rural, Priority Projects, Emergency Housing, PHP, HSDG in Metropolitan Municipalities
 Summary of HSDG

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 National Human Settlements Development Grant Business Plan 2013/14
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FLISP

Province	Units	Budget	% Allocation
Eastern Cape	217	24 195	0,96%
Free State	0	0	0,00%
Gauteng	896	50 640	1,23%
Kwa-Zulu Natal	800	100 000	3,09%
Limpopo	200	10 000	0,75%
Mpumalanga	80	6 640	0,59%
Northern Cape	35	2 805	0,74%
North West	300	20 000	1,63%
Western Cape	0	0	0,00%
Total	2 528	214 380	
% National Allocation			1,26%

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Slum Upgrading

PROVINCE	SITES	UNITS	BUDGET	% of Allocation	Projected Deficits at 31 March 2014	Minimum Requirement
Eastern Cape	1,465	5,020	491,131	19,46%	27,684	43,20%
Free State	5,761	7,545	427,987	38,18%	2,686	7,70%
Gauteng	1,489	5,020	491,131	19,46%	30,494	27,10%
Kwa-Zulu Natal	8,043	6,655	595,675	18,41%	37,489	45,90%
Limpopo	3,000	0	79,464	5,99%	-860	0,00%
Mpumalanga	1,200	2,141	181,070	2,77%	16,659	62,70%
Northern Cape	1,219	625	87,158	22,02%	3,224	34,10%
North West	3,035	7,283	482,947	39,44%	12,527	42,60%
Western Cape	3,969	3,098	418,580	21,73%	17,236	35,90%
Total	29,201	37,357	3,285,143		146,946	
% National Allocation				19,18%		

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Acquisition of Land

Province	Ha	Parcels	Amount (R000)	Allocation	%
Eastern Cape	0	272	55,000	0	2,18%
Free State	0	0	0	0	0%
Gauteng	110,125	12	45,000	0	1,09%
Kwa-Zulu Natal	1,850	0	153,368	0	4,74%
Limpopo	0	0	12,891	0	0,97%
Mpumalanga	5000	2	42,819	0	3,80%
Northern Cape	0	0	0	0	0%
North West	116	0	5,000	0	0,41%
Western Cape	0	0	350	0	0,02%
Total	117,091	12	314,428	0	
% National Allocation					1,85%

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Affordable Rental Housing

Province	Sites	Units	Amount (R000)	% of Allocation	Projected deficit up to 31 March 2014	Minimum Requirement
Eastern Cape	100	1,512	144,588	5,72%	9713	31,4%
Free State	3	1,154	27,232	24,7%	1,916	11,7%
Gauteng	0	3,233	501,891	12,21%	8,740	16,1%
Kwa-Zulu Natal	0	1,034	375,600	11,38%	9,047	13,9%
Limpopo	528	420	42,600	9,8%	5,621	27,2%
Mpumalanga	0	462	32,646	8,24%	3,792	25,5%
Northern Cape	164	368	110,092	9,65%	4,022	28,2%
North West	0	1,369	22,455	1,22%	1,363	5,9%
Western Cape	0	10,398	1,801,604	9,85%	44,489	
Total	793					
% National Allocation				9,85%		

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Rectification

Province	Sites	Budget	Units	Budget	Total Budget	Total Budget Allocation	%
Eastern Cape	2,328	14,733	5,461	250,123	264,566	10,4%	
Free State	0	0	1,169	58,229	58,225	5%	
Gauteng	0	0	0	10,000	10,000	0,24%	
KZN	0	0	1,682	224,232	224,232	3%	
Limpopo	0	0	747	39,000	39,000	2,9%	
Mpumalanga	0	0	120	7,120	7,120	0,8%	
Northern Cape	0	0	150	11,400	11,400	2,3%	
North West	0	0	1,259	62,189	62,189	5,07%	
Western Cape	0	0	600	15,715	15,715	0,9%	
Total	2,328	14,733	11,168	678,008	692,737		
% National Allocation						4,07%	

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Rural Housing

Province	Sites	Units	Budget	% Prov Allocation
Eastern Cape	5,980	6,212	468,604	18.57%
Free State	0	0	0	0
Gauteng	700	0	23,337	0.57%
KZN	0	12,000	1,112,414	34.38%
Limpopo	0	12,815	890,023	64.92%
Mpumalanga	0	300	557,780	49.60%
Northern Cape	1,000	400	30,800	7.78%
North West	1,133	4,584	259,193	21.17%
Western Cape	0	0	0	0
Total	8,813	36,311	2,754,571	16.21%

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Priority Projects

Province	Town	Ringrd	Provincial Planned	% Prov Allocation	Minimum Requirement
Eastern Cape	Duncan Village	109 767	4 276	0.17%	4.34%
Gauteng	Luthering	182 944	182 944	4.45%	4.45%
	Diepsloot	91 472	186 820	4.55%	2.22%
	Sweetwaters	45 736	78 813	1.91%	1.11%
	Khutsong	96 046	96 046	2.34%	234.00%
Sub Total GP		416 188	544 623	12.45%	
KZN	Cornubia	120 743	32 750	1.01%	3.73%
Limpopo	Lephalale	291 651	202 176	15.26%	22.00%
Western Cape	Donmederis	62 736	60 610	3.15%	3.25%
Total		1 417 293	844 435	8.34%	4.57%

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Emergency Housing

Province	Sites	Units	Budget	DORA Allocation	% Allocation
Eastern Cape	731	881	145,265	94,100	5.78%
Free State	0	0	22,419	73,200	2.00%
Gauteng	0	0	0	60	0%
KZN	0	1,221	82,128	51,700	2.54%
Limpopo	1	498	35,666	35,600	2.69%
Mpumalanga	0	105	13,320	600	1.10%
Northern Cape	0	183	13,323	17,100	3.37%
North West	70	553	49,182	26,300	4.02%
Western Cape	0	0	46,812	0	2.43%
Total	802	3,442	407,116	298,660	2.39%

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People's Housing Process

PROVINCE	SITES	UNITS	BUDGET (0000)	% of ALLOC.
Eastern Cape	0	175	18,789	0.74%
Free State	0	10	724,170	64.80%
Gauteng	0	50	3,643	0.08%
Kwa-Zulu Natal	120	1,665	107,858	3.30%
Limpopo	0	0	0	0
Mpumalanga	0	5,500	395,000	34.24%
Northern Cape	0	0	0	0
North West	0	210	9,295	0.75%
Western Cape	0	2,390	79,800	4.14%
Total	120	10,000	1,328,555	7.8%

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NHBRC Enrollment

PROVINCE	SITES	UNITS	BUDGET (0000)	% of ALLOC.
Eastern Cape	0	27 500	32 514	18.81%
Free State	0	0	15 000	1.33%
Gauteng	0	0	17 000	0.41%
Kwa-Zulu Natal	0	23 683	24 367	0.75%
Limpopo	0	0	15 134	1.14%
Mpumalanga	0	0	700	0.05%
Northern Cape	0	0	0	0
North West	0	0	22 891	1.85%
Western Cape	0	0	17 784	0.92%
Total	0	51 183	145 190	0.9%

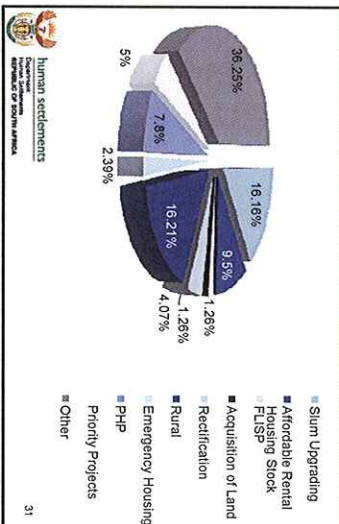
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USDG/HSDG Allocations for Metro's

METRO	USDG Amount (000)	Gazetted Amount: from Grant	Amount (000)	HSDG % of Allocation	TOTAL (000)
Buffalo City	613,305	245,758	245,758	9.74%	859,063
Nelson Mandela	727,865	205,900	383,142	15.18%	1,111,128
Manguang	596,719	280,825	280,825	25.05%	877,544
Ekurhuleni	1,584,912	933,800	1,024,645	25.10%	2,614,558
Joburg	1,488,877	1,314,000	4,421,144	34.12%	5,910,021
Tshwane	1,280,611	785,600	801,720	19.51%	2,082,331
eThekweni	1,580,999	878,400	950,825	29.39%	2,531,825
Cape Town	1,193,497	733,484	733,484	38.08%	1,926,981
TOTAL	9,076,906	4,855,184	8,851,544	52.11%	17,923,451

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Summary HSDG-2013



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Summary of HSDG Allocations – 2013/14

Programme	Budget	Allocation %
Outcome 8	6 171 376	27.71%
Slum Upgrading	3 265 143	19.16%
Affordable Rental Housing Stock	1 601 804	9.50%
Acquisition of Land	314 428	1.85%
Rectification	314 428	1.85%
Rural	4 913 039	28.90%
Emergency Housing	692 737	4.07%
PHP	214 380	1.26%
Priority Projects	2 754 371	16.21%
Other	407 116	2.39%
Total	6 899 758	40.97%
Nat'l Allocation	16 983 872	16.98%
Total	16 983 872	16.98%

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Outcome 8

Programme	Sites	Units	Outcome 8 Deficit	Budget	Allocation %
Informal Settlement Upgrading	29 201	37 357	146 946	3 255 143	19.16%
Affordable Rental	793	10 356	44 498	1 601 104	9.5%
Affordable Housing (FLISP)		2 528		214 380	1.26%
Sub Total	29 998	50 241		5 070 627	29.85%
Land	117 091	12		314 428	1.85%
Total				5 385 055	31.70%

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Strategic Integrated Projects

Mining Towns
2013/14

Summary of Nat'l Priorities

Programme	Sites	Units	Budget	Allocation %
Rectification	2 328	14 733	692 736	4.07%
Rural	8 813	36 311	2 754 371	16.21%
Emergency	802	3 442	407 116	2.39%
Total	11 943	54 486	3 854 223	22.69%

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Greater Tubatse – Burgersfort and Steelport in Limpopo

Sub-Programme	Sites (R)	Budget (R)	Units	Budget (R)	Total Annual Budget	%
Social & Rental Housing	0	0	0	0	0	0
Housing Finance linked financial subsidies (FLISP)	0	0	0	0	0	0
Informal Settlements Upgrading	2 471	30 154 000	0	0	30 154 000	2.86
Other	0	0	135	2 284 000	2 284 000	0.17
TOTAL	2 471	30 154 000	135	2 284 000	41 438 000	3.13

Provincial Allocation: R1324,742

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Lephalale - Limpopo

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Social & Rental Housing	528	33,894,000	120	55,336,000	90,000,000	6.79
Housing finance linked individual subsidies (FLISP)	0	0	0	0	0	0
Informal Settlements upgrading	2	615,000	0	0	615,000	0.05
Other	202	112,982,000	0	0	112,982,000	8.53
Total	730	147,291,000	120	55,336,000	203,697,000	15.37
Provincial Allocation : R1,124,742						
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Matlosana - NW

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Social & Rental Housing	0	0	100	5,892,500	5,892,500	0.46
Housing finance linked individual subsidies (FLISP)	0	0	0	0	0	0.00
Informal Settlements upgrading	0	0	200	11,705,000	11,705,000	0.96
Other	0	0	1,405	95,559,000	95,559,000	7.80
Total	0	0	1,705	113,207,400	113,207,400	9.24
Provincial Allocation R 1,224,437						
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Madibeng - NW

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Social & Rental Housing	0	0	95	30,400,000	30,400,000	2.46
Housing finance linked individual subsidies (FLISP)	0	7,549,355	200	13,559,748	21,079,103	1.72
Informal Settlements upgrading	1,915	45,759,446	0	0	45,759,446	3.74
Other	0	0	350	23,383,206	23,383,206	1.91
TOTAL	1,915	53,308,801	646	87,312,854	120,621,755	9.85
Provincial Allocation R 1,224,437						
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Rustenburg - NW

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Social and Rental	0	0	120	39,400,000	39,400,000	3.14
Housing finance linked individual subsidies (FLISP)	0	0	100	6,754,875	6,754,875	0.55
Informal Settlements upgrading	1,450	37,397,500	500	33,824,500	71,222,000	5.82
Other	0	0	1200	64,755,043	64,755,043	5.29
TOTAL	1,450	37,397,500	1,920	143,794,418	181,181,918	14.80
Provincial Allocation R 1,224,437						
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Matjhabeng - FS

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Social & Rental Housing	3	0	50	49,158,900	49,158,900	4.39
Housing finance linked individual subsidies (FLISP)	0	0	0	0	0	0.00
Informal Settlements upgrading	740	22,500,000	765	51,972,446	81,121,046	7.24
Other	200	12,770,417	357	6,373,767	19,144,184	1.71
Total	943	35,270,417	1,172	107,505,113	148,424,130	13.13
Provincial Allocation : 1,120,938						
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Emalaheni - Mpumalanga.

Sub-Programme	Sites	Budget (R)	Units	Budget (R)	Total Annual Budget (R)	%
Rental	0	0	239	39,845,630	39,845,630	3.5%
Informal Settlements	1000	28,000,000	400	28,000,000	54,000,000	4.8%
RDPE	500	13,000,000	0	0	13,000,000	1.1%
FLISP	0	0	0	0	0	0
Other	0	0	0	500,000	500,000	0.04%
TOTALS	1,500	39,000,000	639	68,345,630	107,345,630	9.44%
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West Rand District Municipality

Sub-Programme	Size	Budget (R)	Units	Budget (R)	Total Annual Budget	%
Rental	0	0	279	75,205,622	75,205,622	1.9%
Informal Settlements	1,450	75,627,894	1,490	124,101,826	199,829,520	4.8%
RDSP	4000	103,794,000	0	0	103,794,000	2.5%
FLSP	0	0	100	12,411,428	12,411,428	0.3%
Other	700	23,337,200	1,590	120,662,232	226,726,200	5.5%
TOTALS	6,150	202,948,894	3,419	341,441,108	618,088,800	14.4%

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HSDG Allocations to SIP's – 2013/14

Mining Towns	Sites	Budget (R)	Units	Budget (R)	Total Allocation	% Allocation
Greater Tubbaise : Burgersfort & Steelport (LP)	2,471	39,154	135	2,284	41,438	3.13
Leopoldia (LP)	730	147,261	120	56,336	203,597	15.37
Rustenburg (NM)	1,450	37,397	1,920	143,794	181,191	14.80
Madibane (NM)	0	53,308	645	113,207	113,207	9.24
Matielana (NM)	1,915	35,270	1,172	107,505	149,424	13.33
Matlhabeng (NM)	1,500	39,000	639	68,345	107,345	9.44%
Ematlaheni (MP)	6,150	202,948	3,419	341,401	618,056	14.9%
West Rand (GP)	0	0	0	0	97,046	2.4%
Cartonville (GP)	0	0	0	0	0	0
Total	15,119	554,338	9755	900,174	1,631,917	14.60%

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NHFC Programme Roll-Out

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NHFC – Programme Rollout

- The five strategic priorities of the NHFC are informed by :
 - National Priorities of Human Settlements as determined by :
 - Pillars of Human Settlements Development Strategy
 - Medium Term Budget Statement (MTBS) and Cabinet Lekgotla
 - SONA 2010-2013
 - Outcome 8, and
 - Political Resolutions:
 - Adoption of the National Development Plan (NDP) to resolve the myriad of socio-economic problems

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1. Expand housing finance activities, through the effective provision of housing finance solutions, thus enabling low-to-middle income households to have choice of renting or owning or incrementally building, to meet their housing needs

- Provide direct wholesale funding or in partnership with other agencies, into the inner city regeneration and in the provision of both social in partnership with SHRA and private rental housing - aligned to Output 1 of Outcome 8 and with the NDP on prioritising inner city developments and funding wide variety of housing types
- Provide integrated housing development, project funding, directly and in partnership - aligned with NDP by encouraging mixed types and land use
- Provide direct wholesale funding and in partnership with other lenders, to households who fund the housing needs on an incremental basis for unsecured housing loans - aligned with Output 1 of Outcome 8 and NDP on recognising the role played by Informal Settlements

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2. Facilitate the increased and sustained lending by financial institutions to the affordable housing market by

- Improving ACCESS to housing finance through the mortgage default insurance (MDI) implementation - aligned to SONA and Output 4 of Outcome 8
- The implementation of the FLSP in partnership with all Provinces, to address the household AFFORDABILITY challenges - aligned to SONA and Output 4 of Outcome 8;

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3. Mobilise funding into the human settlement space, on a sustainable basis, in partnership with the broadest range of institutions

- Mobilise Multilateral agencies (AFD & EIB) co-funding into social and rental housing - aligned to Output 1 of Outcome 8 and with the NDP on prioritising Inner-City developments and funding wide variety of housing types
- Optimally leverage private sector funding including employer-based partnerships. IHS Fund II to support the growth of the affordable housing market - aligned to Output 1 and 4 of Outcome 8 and with the NDP on prioritising Inner-City developments, funding wide variety of housing types and promotion of large scale integrated developments

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4. Conduct the business activities of the NHFC in a manner that ensures the continued economic sustainability of the NHFC whilst promoting lasting social, ethical and environmental development

- Improve on our sustainability ratios including ROA, CTR - through our pricing, portfolio mix and reduced cost structure - aligned to the NDP on State Owned Entities of DFIs
- Improve efficiency and effectiveness through continuously enhancing of systems, processes and competences across corporation- aligned to the NDP on State Owned Entities of DFIs
- Reorganise the human capital to promote a high performing organisation with the right people, with the right competences and in the right places - aligned to the NDP on State Owned Entities of DFIs

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5. Provide robust, timely and relevant market research

- Through **ADVOCACY**, and in partnership with all tiers of government, support the growth of housing in the GAP market by addressing obstacles in the supply-side:
 - » Lack of Bulk Infrastructure
 - » Lack of well-located land (partnership with HDA)
 - » Delay in Regulatory Approvals - Deeds Office.
- The strategic priorities are underpinned by clearly defined outcomes, activities to be undertaken to achieve those outcomes and quantifiable performance indicators set as measurements that reflect the critical success factors of the organization.

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Land Development Programme - HDA

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State Properties – Identified For Human Settlements Development

PROVINCE	EXTENT (ha)	2002/23	2006/12 (PRELIMINARY)	2002/23	2006/2012	2012/23	PROPERTIES/REQUESTS (ha)	2012/23	PROPERTIES (ha)
GAUTENG	4501,1713	442,827	29	2	304,648,677		752,89		752,89
NORTHWEST	7416,6703	228,376	28	1	794,579,272		5940,4951		5940,4951
NATAL	10971,2612	511,429	91	30	154,421,451		10,661		10,661
LIMPOPO	17202,2789	12584,3469	99	46	612,127,708	554,0203	18,114		18,114
WESTERN CAPE	994,1814	-	15	-	891,1314		-		-
FREESTATE	11293,9971	402,7795	95	-	207,99,4939		74,62128		74,62128
EASTERN CAPE	9384,1225	9112,209	56	-	2722,3650		492,065		492,065
KWAZULU-NATAL	7822,8219	16,122	8	-	667,2844		-		-
NORTHERN CAPE	-	-	-	-	-		-		-
TOTAL	69158,4076	23188,5919	423	67	6700,0362	554,0203	7477,4954		7477,4954

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Integrated Urban Development Framework

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Integrated Urban Development Framework

- The Department of Cooperative Governance has commenced with the drafting of a Integrated Urban Development Framework.
- The National Department of Human Settlements forms part of the core departments which will finalise the draft for approval by Cabinet and related government institutions and structures.
- A draft IUDF is expected by July 2013.



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Integrated Urban Development Framework

- The Deputy Minister of the Department forms part of the Interministerial committee which exercises oversight over the IUDF process.
- The Department is responsible for managing the National Urban Forum which will form the basis of national consultation of matters related to urban development.



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Green Economy Initiatives



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Green Economy Initiatives

- Incorporation of Energy Efficiency Regulations into the Departmental Programmes
 - Revised National Building Regulations adopted by Department of Trade & Industry (Dti).
 - The focus is on improved insulation and related improvements for improved energy efficiency.
 - The Department has commissioned a process to allow for the subsidized housing programme to incorporate the revised building norms and standards adopted by DTI.
 - A process is currently in progress to finalize the financing arrangements to fund the revised building norms and standards.
 - Upon conclusion of the proposals by Minister a presentation to the Portfolio Committee.



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Solar Water Heating Initiatives of Government

- The Department of Energy in conjunction with Eskom and District and Local Municipalities are undertaking a programme to provide households to be provided with heated water through solar geysers.
- The focus is on the provision of subsidies to encourage households to convert to solar power for water heating.
- The Department of Energy, Eskom and Municipalities are funding the programme roll-out through a variety of mechanisms.




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Thank You




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The Challenges in the Implementation of the Outcome 8 Delivery Agreement




- 29 Municipalities no strategies – Considerable progress made in Limpopo and Free State with the assistance of the HDA
- Informal settlement upgrading plans - 49 Municipalities
 - 3 Metros and 14 municipalities: TOR for assistance approved and advertising for service providers can proceed;
 - 4 Metros and 4 Municipalities: Approval of proposals for assistance awaited before TOR can be developed;
 - HDA is currently assisting Mangaung and will then proceed to assist 5 remaining municipalities in the Free State - An agreement is currently being negotiated with North West;




Upgrading Of Informal Settlements

- Actual number of households provided with upgraded services as on 31 December 2012 141 973 households.
- Including USDG funding this increases to 188 333 households
- This represents 47.1% of 2014 target
- Over same period the Provinces have delivered 166 660 housing units.




Upgrading Of Informal Settlements

- Comments
 - Total delivery including USDG does not meet 50% of total target with one year left;
 - Provincial delivery in 2012/13 financial year was very slow – third quarter only reported 22 460 households in informal settlements provided with upgraded services
 - A workshop with Provincial Departments on 13 December 2012 showed that provincial business plans for 2013/14 do not make sufficient provision for Outcome 8 objectives – actual projections actually poor;
 - Importance has been emphasized at various business plan workshops, quarterly performance reviews and Outcome 8 meetings



- The National Upgrading Support Programme has been rolled out to 30 Municipalities
 - Provincial NUSP structures established and operational
 - Categorisation of Informal Settlements:
 - Four Provinces completed;
 - Three Provinces underway or being updated with assistance from NUSP and HDA
 - Two Provinces NUSP negotiations still taking place
 - Overall upgrading strategies in place in 49 Municipalities
 - 1 Metro and 13 Municipalities being assisted with current plans;



- A conclusion is that most Provincial Departments are not prioritising Outcome 8 objectives and are not making much effort to reprioritize projects to accomplish objectives;
- Minister has signed delivery agreements with each MEC and the latter will have to report on why targets have will not be reached;
- The Minister has indicated to Cabinet that target in terms of 400 000 households provided with upgraded services may not be reached.

- Currently a review is being undertaken to ensure that all programmes contributing towards the upgrading of the 400 000 households are taken into account and counted when progress is reported and a final figure will be presented in June for consideration by stakeholders.

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Accreditation Of Municipalities

Performance to date

- Level 1 - 8 Municipalities and 1 District Municipality.;
- Level 2 - 7 Metros, 3 District Municipalities and 7 Local Municipalities
- Assessed for Level 2 - 20 Municipalities
- Implementation protocols currently being drafted with a view to Level 3 accreditation of Metropolitan Municipalities by end of 2013/14 financial year to put in place measures to assign responsibility for the housing function.

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Efficient Utilization Of Land For Human Settlements Development

Actual delivery:

- 69 163 ha of state land identified for assessment;
- 47 604 ha assessed for suitability for release;
- 7 477,5 ha has been released in FS, GP, KZN, LP & NW
- Provincial Private Land Acquired - 10 218,9 ha
- Two properties in Elias Mafsoaledi Municipality measuring 523,3 ha submitted for approval to be released for upgrading of informal settlements
- Higher density - New subsidy options for, such as semi-detached higher density being developed for submission to Human Settlements MinMec

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STATUS QUO: PROVISION OF WELL-LOCATED RENTAL ACCOMMODATION

PROVINCE	TOTAL DELIVERY	% OF 2014 TARGET	TOTAL DELIVERY (including USDG)	% OF 2014 TARGET (including USDG)
EG	2 029	17,1	2 503	20,6
FS	1 723	32,6	2 960	56,1
GT	9 285	48,2	9 444	49,1
KZN	7 613	50,0	8 055	52,8
LP	136	2,2	136	2,2
MP	675	12,7	675	12,7
NC	5	0,3	5	0,3
NW	2 888	49,7	2 888	49,7
WC	6 790	74,8	6 979	76,9
Total	31 299	39,2	33 436	41,8

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STATUS QUO : DEVELOPMENT FINANCE: LOANS GRANTED

INSTITUTION	TOTAL DELIVERY	% OF 2014 TARGET
NHFC (Mortgage Loans)	1 791	92,8
NHFC (Incremental Loans)	7 635	18,8
NHFC (Wholesale funding)	21 355	51,1
NHFC (Leverage)	4 228	32,9
RHLE	116 103	63,9
NURCHA	7 118	62,1

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Rental Accommodation, Accreditation, Release Of Land

- Comments
 - Some progress on designation of restructuring zones, revision of Rental Policy and Rental legislation;
 - Discussion with Rental Unit and SHRA to update progress to be provided regarding current status with restructuring zones, private rental and rental tribunals as well as NHFC funding of rental pipeline;
 - No progress for third quarter on accreditation process;
 - No additional progress on release of land - discussion with HDA to update information - Target has been met though.

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Improved Property Market

- Mortgage Default Insurance Scheme:
 - Concurrence from the National Treasury for MDI is still outstanding and revisions being discussed
- Finance Linked Individual Subsidy:
 - Revised FLISP Policy implemented on 1 April 2012 and NW assisted 180 households up to 31 December 2012;
 - Implementation protocols concluded with 8 Provinces and identified projects being rolled out.
- Long term fixed interest rate instrument
 - Planned for launching in 2014



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Improved Property Market

- 49 960 loans approved for the affordable market for 2010/11 and 2011/12;
- Stringent qualification criteria applied by banks is not promoting growth in the affordable housing;
- The NDHS to discuss with the Banks and encourage them to be transparent with the reasons for declining home loans;
- A process of consultation with public, private, social, community and labour stakeholders are still to be arranged.
- Department in conjunction with DP&SA is developing a policy and programme for the provision of access to finance by public servants



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Actions Taken/ Challenges

- A full informal settlement upgrading implementation support programme will be negotiated between the National Department, Provincial Departments and the 49 municipalities;
- A process has been initiated to review completed work to identify further areas of assistance;
- New reporting format being developed to collect progress information of USDG specifically in terms of impact of grant funding on households in informal settlements;
- Process to provide technical assistance to Metros/ Municipalities still slow and will have to be fast tracked



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- The current prioritization model being applied in the Provinces focuses on the construction of houses and not servicing of stands;
- A better balance needs to be made between house construction and provision of servicing of sites.
- The current prioritization models needs to find improved balance between political priorities, planning, funding and meeting of essential basic needs of communities.
- A "convention" has been established that Human Settlements funding is used for servicing and provision of homes for informal settlements' households – An improvement is required at Provincial and Municipalities about how best to "blend" ALL GRANT funding for poor households.



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- A process of verifying and agreement of the reporting principles to be applied in programmes contributing to Outcome 8, is being held with Provinces and Municipalities.
- The relevant Departmental Units need to collate, verify and report on the number of households being assisted in terms of the rental and affordable housing programmes.
- Discussions to be held with internal stakeholders regarding loans by banks to GAP market and human settlements financial charter




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- Proposals for the revision of the CRU Policy, the Social and Rental Policy as well as the Institutional Subsidy as a package is currently being developed – The policy for Backyard Rental will form part of the aforementioned proposals;
- Funding needed to revise norms and standards of CRU – currently to high;
- SHRA held discussions with NHFC with a view to the facilitation of project funding by various financial institutions.
- The current funding model for rental housing requires substantially greater funding than for individual housing programmes.




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- NDHS currently preparing for implementation of Phase 2 of rationalization of DFIs which provides for the development of a business case and enabling legislation;
- There is substantial interventions required in respect of capacity, knowledge and expertise in the Provinces and Municipalities – A concerted state intervention is required to assist in the “rebuilding” of capacity and knowledge in Provinces and Municipalities.

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