

# ANNUAL REPORT 2014/2015

Public Sector Development Agency of Choice



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA





## **Vision**

Vibrant  
communities living  
on well-located  
land

## **Mission**

Building  
partnerships to  
create integrated  
sustainable human  
settlements

# Objectives

The HDA was established to address the land acquisition and assembly process so as to accelerate housing delivery and the human settlements. The specific functions of the agency are set out in Section 7 of the act.

**The two main objectives of the Agency are to:**

Identify, acquire, hold, develop and release well-located land and buildings

Provide project management support and housing development services

# What is the HDA?

**T**he Housing Development Agency (HDA) is a national public development agency established by an Act of Parliament (Act 23 of 2008). The HDA promotes sustainable communities by making well-located land and buildings available for the development of housing and human settlements. As an organ of state, the HDA is accountable through its Board to the Minister of Human Settlements.

# Performance Highlights for 2014/2015

- Out of 24 targets, the HDA achieved a total of 22 or 92%
- 3698.2993 hectares of land was released for human settlement development
- A Master Spatial Plan was developed by the HDA and fast-tracked by the Ministry
- A total of 16 properties are currently held by the Agency and 27 leases are in place
- The two Johannesburg inner city buildings have been released for social housing and transfer is in progress
- The HDA's GIS tool, known as LaPsis (land and property spatial information system) has 470 registered users (284 new users for the year under review) and is widely used in various provinces and municipalities
- Municipal profiles were completed including the prioritised mining towns were completed and published

# Performance Highlights for 2014/2015 continued

- The HDA's other GIS tool, the NaHSLI (The National Human Settlements Land Indices) Intelligent dashboard, has been fully aligned to land Identification and Assessment Criteria and is being used to analyse and assess properties (295) for land suitability
- The PDHA framework was adopted by the Parliamentary Portfolio Committee
- 18 Implementation protocols (IP) with provinces and local authorities are in place, including a recently signed IP with Gauteng
- The HDA now has six regional offices in Western Cape, Eastern Cape, Free State, Limpopo and Northern Cape and KwaZulu-Natal
- 19 sustainable human settlements projects and programmes are supported in all nine provinces
- Delivery continues on two national priority projects on N2 Gateway and Zanemvula projects

# Performance Highlights for 2014/2015 continued

- Various materials and publications were produced to capture best practice and learning, in particular for videos related to the incremental approach to informal settlements upgrading
- A draft work programme has been compiled to support the mining towns intervention
- Criteria for the identification of catalytic projects has been developed and communicated to the provinces and municipalities through consultative processes
- Limpopo's MTOP has been renewed for a further three years; Free State for a further five years and a new MTOP for three years with KwaZulu-Natal

# 2014/15 Macro Indicators

**Table 2: Macro indicators**

Macro Indicators	Description of Indicator	Goal and Programme (most closely linked to achievement indicator)	Annual Target 2014/15	Achieved/not achieved	Notes
1) A master spatial plan agreed and endorsed by the Board and submitted to NDHS	A master spatial plan is developed in collaboration with partners in support of integrated human settlements and spatial transformation	Land Planning and Assembly (Goal 1 and Programme 2)	Master Spatial Plan MSP/SPF completed	Achieved	MSP concept document developed
2) Number of Hectares of well located land released for human settlement development (targeting poor and middle income households)	Support provided to provinces/ and municipalities on land assembly resulting in the release of specific land aimed at meeting the human settlement needs/strategy of the province/municipality	Land and Housing Support Services (Goal 2 and Programme 3)	<b>2 500 ha</b>	Achieved	<b>3698.2993ha</b>



# 2014/15 Macro Indicators continued

**Table 2: Macro indicators**

Macro Indicators	Description of Indicator	Goal and Programme (most closely linked to achievement indicator)	Annual Target 2014/15	Achieved/ not achieved	Notes
3) Number of projects supported with HDA services	Support provided with projects covering planning, preparation and/ or technical implementation including Section 29 mandated projects as agreed with the NDHS and/ or provinces and/ or municipalities	Land and Housing Support Services (Goal 2 and Programme 3)	<b>10</b>	Achieved	<b>19</b>
4) Number of provinces/ municipalities supported with HDA services (technical support programmes)	Land assembly, geo-spatial info, informal settlement upgrading, pipeline & programme support; emergency housing support; IGR support or other support in line with the HDA functions captured in section 7 of the HDA Act agreed with the NDHS and/ or provinces and/ or municipalities	Land and Housing Support Services (Goal 2 and Programme 3)	<b>13</b>	Achieved	Provinces = <b>9</b> Municipalities = <b>18</b> Total = <b>27</b>

# 2014/15 Macro Indicators continued

**Table 2: Macro indicators**

Macro Indicators	Description of Indicator	Goal and Programme (most closely linked to achievement indicator)	Annual Target 2014/15	Achieved/ not achieved	Notes
5) Number of IGR protocols concluded and maintained	Facilitate the process of concluding and maintaining implementation protocols with organs of state that will enable the provision of HDA services and support	Administration (Goal 4 and Programme 1)	<b>18</b>	Achieved	<b>14</b> IPs maintained <b>1</b> IP concluded <b>3</b> MTOPs maintained
6) PHDA operational framework approved	Operational framework for the implementation of PHDA linked to MSP/SPF and lead catalytic projects	Land Planning and Assembly (Goal 1 and Programme 2)	PHDA operational framework approved by Exco	Achieved	

# Programme 1: Administration

- The HDA received an unqualified audit report for the year ended 31 March 2014
- Financial, supply chain and risk management reporting, systems and procedures continue to improve
- HR successfully implemented the HDA recognition programme for top staff performance
- A record 17 new employees were recruited this year
- IT environment, achieving a stable, innovative and responsive IT environment, which is crucial to HDA's efficiency
- Performance management system remains in place and evaluations conducted twice annually
- Communications and marketing activities continue to inform, position and brand the HDA as a credible, professional and responsive organisation

# Programme 2: Land Planning and Assembly

- During the year under review the development of a Draft National Land Assembly Strategy (NLAS) was finalised
- Also finalised was the compensation framework for state-owned companies (SOC) land and property and human settlements
- The key achievement for the programme was the development of the Master Spatial Plan (MSP) and the HDA consulted widely during the development of the plan and received encouraging inputs from provinces, metros, sector departments and supporting stakeholders
- Human Settlements Spatial Transformation Plans were initiated for selected mining towns
- The Priority Housing Development Areas work has been aligned to the Master Spatial Plan
- 284 new users registered on LaPsis and 281 207 properties, address and deeds searches were completed

# Programme 2: Land Planning and Assembly continued

- Spatial trends analyses were conducted in support of the development of the national MSP, as well as for all nine provincial MSPs
- Municipal profiles were completed for 10 municipalities in the Free State, Limpopo and Northern Cape
- The 'Guidelines on the identification of well-located land' was published
- Three Policy Briefs viz., the SEZ and the PHDA, The Restitution of Land Rights Amendment Act and its impact on HDA, as well as the Property Valuation Act (PVA) and its impact on the HDA, were developed
- The Monitoring and Evaluation Framework was adopted by our Board

# Programme 3: Land Housing and support services

- 3698.2993ha of land released for human settlement development
- The property portfolio consists of 7 HDA-owned and nine properties held in trust on behalf of the provinces and carries 27 leases nationally
- Two HDA buildings in the City of Johannesburg were released
- Land holding strategy and policy developed
- Land Assembly support services were provided to all nine provinces
- The HDA human settlements project planning and pipeline framework was approved IGR outreach continues to be focused on KZN, North West, Gauteng and Mpumulanga provinces
- A series of financial workshops took place on the various forms of incremental tenure that can be applied in the upgrading of peri-urban to semi-rural informal settlements
- The Agency provided a proposal to the NDHS to provide programme and project management support to the department and identified mining towns on the human settlement component of the national mining town intervention

# Programme 3: Land Housing and support services continued

- The HDA is also supporting the NDHS in the identification of lead catalytic projects
- Criteria for the identification of catalytic projects were developed and communicated to provinces and municipalities through consultative processes
- Submissions of projects from five provinces covering 28 projects were received
- The provision of technical support for the implementation of informal settlement upgrading work in various MTOP provinces and municipalities is ongoing.

# Land released for human settlements

State-owned land and released for human settlements 2010-2015

Province	Municipality	Total Extent	Indicative yield Low density (20 units /ha)
<b>Eastern Cape</b>	Amahlathi Local Municipality	838.6651	922
	Buffalo City Metropolitan Municipality	1237.5879	13613
	Intsika Yethu Local Municipality	800.55	8806
<b>Free State</b>	Maluti a Phofung Local Municipality	1361.9631	14982
	Mangaung Metropolitan Municipality	318.65	3505
<b>Gauteng</b>	Mogale City Local Municipality	754.93	8304
<b>KwaZulu-Natal</b>	Abaqulusi Local Municipality	307.24	3380
	Hibiscus Coast Local Municipality	2.04	22
	uMngeni Local Municipality	9.1	100
<b>Limpopo</b>	Greater Tzaneen Local Municipality	27.46	302
	Mutale Local Municipality	189.87	2089
<b>North West</b>	Madibeng Local Municipality	1069.94	11769
	Mahikeng Local Municipality	324.0117	3564
	Rustenburg Local Municipality	4 665.28	51318
<b>Grand Total</b>		<b>11 907.2878</b>	<b>130980</b>



# Land released for human settlements

State-owned land released for human settlements 2014-2015

Province	Municipality	Total Extent Low density (20 units /ha)	Indicative yield
<b>Eastern Cape</b>	Amahlathi Local Municipality	838.6651	9225
	Buffalo City Metropolitan Municipality	965.6779	10622
<b>Free State</b>	Maluti a Phofung Local Municipality	506.7231	5574
<b>North West</b>	Mahikeng Local Municipality	324.0117	3564
<b>Grand Total</b>		<b>2635.0778</b>	<b>28986</b>

# Current property portfolio

Area Description	Size (+-Ha)	Development Status
<b>FREE STATE PROVINCE</b>		
Bethlehem	4.9	Land & buildings
Kroonstad	2.1	Land & buildings
Kroonstad	1.2	Land & buildings
Kroonstad	48.6	Vacant land
Bloemfontein	40.9	Vacant land
Bloemfontein	5.0	Vacant land
Welkom	2.4	Land & buildings
Bethlehem	0.4	Land & buildings
<b>GAUTENG PROVINCE</b>		
Johannesburg	0.3	Building
Johannesburg	0.2	Building
Pretoria	19.4	Vacant land
Pretoria	18.8	Vacant land
<b>LIMPOPO PROVINCE</b>		
Bela Bela	72.6	Vacant land
<b>WESTERN CAPE PROVINCE</b>		
Philippi	2.5	Vacant land
Malmesbury	700.6	Vacant land
<b>EASTERN CAPE PROVINCE</b>		
Queenstown	5.2	Land & buildings
<b>TOTAL</b>	<b>924.496</b>	<b>Land &amp; buildings</b>

## ANNUAL FINANCIAL STATEMENTS

# Statement of Changes in Net Assets

For the year ended 31 March 2015

Figures in R'000	Non-distributable reserves	Accumulated surplus	Total
<b>Balance at 1 April 2013</b>	57	57,756	57,813
Deficit for the year due to surplus returned to National Treasury		(19,563)	(19,563)
<b>Balance at 31 March 2014</b>	<b>57</b>	<b>38,193</b>	<b>38,250</b>
<b>Balance at 1 April 2014</b>	<b>57</b>	<b>38,193</b>	<b>38,250</b>
Adjustment on operating lease straight lining		(1,872)	(1,872)
Deficit for the year	-	(5,996)	(5,996)
<b>Balance at 31 March 2015</b>	<b>57</b>	<b>30,325</b>	<b>30,382</b>

## ANNUAL FINANCIAL STATEMENTS

# Statement of Cash Flow

For the year ended 31 March 2015

Figures in R'000	Note(s) R '000	2015 R'000	2014
<b>Cash flows from operating activities</b>			
Receipts		155,605	151,576
Grants		150,730	139,942
Management fees		1,278	8,834
Other receipts		3,597	2,800
Payments		(184,472)	(152,487)
Employee costs		(81,565)	(73,867)
Other payments		(102,907)	(78,620)
<b>Cash utilised in operations</b>	22	<b>(28,867)</b>	<b>(911)</b>
Interest received		2,215	1,834
Interest paid - finance charges on finance leases		(25)	(145)

## ANNUAL FINANCIAL STATEMENTS

# Statement of Cash Flow continued

For the year ended 31 March 2015

Figures in R'000	Note(s) R '000	2015 R'000	2014
<b>Net cash flows from operating activities</b>		<b>(26,677)</b>	<b>778</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(983)	(2,296)
<b>Net cash flows from investing activities</b>		<b>(983)</b>	<b>(2,296)</b>
<b>Cash flows from financing activities</b>			
Decrease in projects obligations		(88,155)	(123,557)
(Decrease)/increase in lease liability		(91)	297
Surplus refund to National Treasury		(6,402)	(5,934)
<b>Cash flows from financing activities</b>		<b>(94,648)</b>	<b>(129,194)</b>
Decrease in cash and cash equivalents		(122,308)	(130,712)
Cash and cash equivalents at beginning of the year		177,701	308,413
<b>Cash and cash equivalents at end of the year</b>	8	<b>55,393</b>	<b>177,701</b>

## ANNUAL FINANCIAL STATEMENTS

# Detailed Statement of Financial Performance

For the year ended 31 March 2015

Figures in R'000	2015 R '000	2014 R'000
<b>Revenue</b>		
Grants received	150,730	115,416
Grant received from the National Department of Human Settlements	101,047	97,496
Grant returned to National Treasury for the 2011 - 2012 year ends	-	(19,563)
Insurance claim received	-	1,439
Lwandle	10,001	-
NUSP	3,948	-
Operational grant - Free State	7,040	15,758
Operational grant - Joe Slovo Rectification	-	263
Operational grant - Limpopo	5,336	11,619
Operational grant - Northern Cape	7,349	440
Operational grant - Section 29 projects	16,009	14,366
Provision to return grant to National Treasury for the year end	-	(6,402)
Section 29 - project management fee	1,278	8,834
Sundry income	3,597	3,187
<b>Gross revenue</b>	<b>155,605</b>	<b>127,437</b>

## ANNUAL FINANCIAL STATEMENTS

# Detailed Statement of Financial Performance continued

For the year ended 31 March 2015

Figures in R'000	2015 R '000	2014 R'000
<b>Other Income</b>		
Investment income	2,215	1,834
	2,215	1,834
	<b>157,820</b>	<b>129,271</b>