**11. BUDGETARY REVIEW AND RECOMMENDATION REPORT (BRRR) OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, DATED 14 OCTOBER 2016**

The Portfolio Committee on Human Settlements (the Committee), having considered and assessed the performance of the Department of Human Settlements and its entities, reports as follows:

**1. INTRODUCTION**

In 2009, the President assented to the Money Bills Amendment Procedure and Related Matters Bill. The Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) came into effect on 16 April 2009. The Act aims to provide for a procedure to amend Money Bills before Parliament. The Act also enables Parliament to amend the Budget and other Money Bills. This includes the annual Division of Revenue Bill, the annual Appropriation Bill and the Adjustments Appropriation Bill.

In 2010, Cabinet adopted an outcomes based delivery approach to achieve the predetermined objective to accelerate services to the people. To ensure compliance with this approach, all spheres of government should work in a coordination to effect twelve measurable outcomes which assists to focus all policy and programme implementation. These predetermined objectives, with associated and defined targets, should be reached at a date set out by the President. Outcome 8 is focused directly on the mandate of the Department of Human Settlements and states that the department is responsible for the creation of sustainable human settlements and improved quality of household life.

Many people still live in poor conditions, without access to basic services in a proliferation of marginalised informal settlements as a result of poor planning and socio and geo-spatial dislocations of the apartheid legacy. These informal settlements are located far from economic opportunities and are in many instances without access to water, sanitation facilities, and electricity and refuse removal. This, together with the shortage of land, the lack of affordable housing opportunities and security of tenure was the motivation behind Outcome 8 of the MTSF. The Delivery Agreements for Outcome 8 focus on the following outputs:

* Output 1 The Accelerated delivery of housing opportunities
* Output 2 Universal access to basic services
* Output 3 The efficient utilization of land for human settlements
* Output 4 An improved property market.

The intention for Outcome 8 is to create sustainable human settlements and improved quality of household life. In order for the Department to achieve its Outcome 8 mandate coupled with challenges of approximately 2.2 million housing backlog, the Department has reconfigured its functioning through a Turn-Around Strategy approved by the Department of Public Service and Administration and the National Treasury.

**1.1 MANDATE OF THE COMMITTEE**

The Committee’s mandate is to maintain an oversight responsibility that ensures a quality process of scrutinising and overseeing government’s action. It is driven by the ideal of releasing a better quality of life for all people in South Africa. It is also required to facilitate public participation as well as oversee compliance with regulatory legislative frameworks related to human settlements.

In brief, the Committee

* Considers legislation referred to it;
* Conducts oversight of any organ (s) of state and constitutional institution (s) falling within its portfolio;
* Facilitates appointment of candidates to entities;
* Considers international agreements; and
* Considers budget of department and entities falling within its portfolio.

**1.2 MANDATE OF THE DEPARTMENT OF HUMAN SETTLEMENTS**

The mandate of the Department of Human Settlements is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of housing policy and the provision of human settlements.

Since the formulation of the Comprehensive Housing Plan in 2004, the department has conducted various initiatives to enhance the creation of comprehensive, integrated, co-ordinated, sustainable human settlements and quality housing. These initiatives include the review of the National Housing Code which determines national norms and standards in respect of housing development. In keeping with this responsibility, the Department has set short, medium, and long term human settlements development goals towards breaking of apartheid spatial patterns while promoting access to adequate housing, affordable services in better living environments and a more functional equitable residential property market.

As mentioned in the introduction to this report, Outcome 8 of the government’s outcome-based service delivery approach is focused on the mandate of the Department of Human Settlements. This mandate is to create sustainable human settlements and work towards improving the quality of household life. Section 26 of the Constitution of the Republic of South Africa (1996) and the Housing Act (No. 107 of 1997) are still considered the foundation for the operational models and the spending focus of the Department.

**1.3 AIMS OF THE DEPARTMENT OF HUMAN SETTLEMETS**

In line with the National Development Plan (NDP), the Human Settlements aims at achieving visible results from effectively coordinated spatial planning systems by 2030 and this is done through:

* The development of the Spatial Master Plan for Human Settlements that will direct investments to the priority precincts;
* Implementation of Catalytic Projects;
* Prioritising, targeting and focusing resources (financial and other) towards scale delivery;
* Supporting and encouraging government and private sector collaboration and integration;
* Promoting the participation of Youth and Women in human settlements development programmes;
* Scaling up delivery on the informal Settlements Upgrading Programme.

**2. PURPOSE OF THE BUDGETORY REVIEW AND RECOMMENDATIONS REPORT (BRRR)**

In terms of Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile Budgetary Review and Recommendation Reports (BRRRs) that assess service delivery and financial performance of departments and may provide recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term Budget Policy Statement (MTBPS).

**2.1 METHODOLOGY**

The Portfolio Committee on Human Settlements compiled the 2015/16 BRRR using the following documents:

* The National Development Plan: Vision for 2030;
* Medium Term Strategic Framework;
* 2015 State of the Nation Address;
* The National Housing Code;
* Strategic Plans of the Department of Human Settlements and its entities;
* Annual Performance Plans of the Department of Human Settlements, assessment made by the Department of Planning, Monitoring and Evaluation, Financial and Fiscal Commission (FFC), and Auditor-General South Africa outcomes of audit findings.

**3. NATIONAL DEVELOPMENT PLAN VISION 2030**

In relation to the National Development Plan (NDP) 2030, the Department has the following strategic priorities:

* Respond systematically, to entrenched spatial patterns across all geographic scales that perpetuates social inequality and economic inefficiency;
* Implement strategically the chosen catalytic interventions to achieve spatial governance;
* Achieve a creative balance between spatial equity, economic competitiveness and environmental sustainability;
* Expand personal freedoms by providing the residents of South Africa with greater choice of where to live;
* Support individuals, communities and the private sector in engaging with the state on the future of the spaces and settlements in which they live and work while streamlining processes to enable local governments to implement strategic spatial intervention.

**4. MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) KEY TARGETS INCLUDE:**

The Department of Human Settlements had set targets for the MTSF as indicated below:

* Policy for Coherent and Inclusive Approach to Land for Human Settlements;
* Human Settlements White Paper;
* Housing Code revised;
* Housing Act amended;
* 2200 Informal settlements upgraded;
* 750 000 Households provided with basic services;
* 563 000 subsidy housing opportunities provided;
* 110 000 loans (70 000 FLISP and 40 000 DFI supported) issued;
* 27 000 social housing units;
* 10 000 Community Residential Units;
* 35 000 affordable rental housing opportunities provided.

**5. SONA 2015/16: ANALYSIS OF KEY PRIORITIES PARTAINING TO THE DEPARTMENT**

During the 2015 State of the Nation Address (SONA), President Zuma indicated that the social contract signed by the banking and mining sectors for the creation of sustainable human settlements, the upgrading of informal settlements and the upgrading of distressed mining towns.

* 1. **Strategic Priorities of the Department of Human Settlements**

In order to systemically work towards achieving the vision of the NDP and transforming the functioning of human settlements and the workings of the space economy, specific reforms are focused on the MTSF and are aimed at the following:

* Ensuring that poor households have adequate housing in better living environments;
* Supporting the development of a functionally and equitable residential property market;
* Improving institutional capacity and coordination for better spatial targeting.

Furthermore, the Strategic Plan for the Department (2015 – 2020) identified a number of key priority areas that support the incremental achievement of the vision of the NDP:

* Scaling up and upgrading informal settlements;
* Transferring of all title deeds for subsidy units;
* Developing a more coherent and inclusive approach to land;
* Implementing a coherent and multi-segmented social rental housing programme that includes backyard rentals;
* Dealing with affordable market with a particular emphasis on a constructive engagement and strengthening of partnerships with the private sector to improve delivery;
* Consolidating the Development Finance Institutions.

**6. DEPARTMENT AND THE ENTITIES PROGRAMME PERFORMANCE**

Before discussing the performance of the Department and its entities, it is imperative to provide context or issues that affect the performance:

**6.1 Situational analysis**

Twenty years into democracy, towns and cities remained fragmented, imposing high costs on households and the economy. The delivery of some additional 3.8 million subsidised houses offered adequate shelter to poor people and also helped contribute to an unprecedented tenfold growth in value to a historical racially distorted property market. However, the market’s enormous price cliffs act as barriers for most black South Africans to progress up the property ladder and thus exclude their effective participation in the property market. This was exacerbated by the disproportionate income levels particularly of those living below the income band (gap market). The settlements locations were too far from economic opportunities and have also put a burden to costs related with transport and other services.

Despite the progress achieved in housing delivery, human settlements patterns in South Africa remained dysfunctional across the country. The major challenges persistent in the sector included:

* A fractured housing market and inability for poor household to participate;
* On-going housing affordability problem across various sub-markets particularly the gap market;
* Weak spatial planning and governance capacities;
* High cost of well-located land for human settlements development driving development in the periphery;
* The inability to adequately respond to the diverse needs of low-middle income households. The programme have been criticised for providing uniform housing development with minimal regard for proving a range of typologies and tenure types to support the needs of poor households. The limited success of social housing has also been an impediment in providing rental accommodation to a range of households;
* Escalating cost of development for government resulting in the reduced housing units delivered.

South Africa was confronted with a shrinking tax base and a widening national expenditure as well as increasing numbers of people dependent on government for housing assistance, provision of basic services and upkeep of their residential areas. Statistics South Africa reported that there were about 14.4 million households with a household size of about 3.4 persons per household. It was predicted that total of households would grow as the household size drops. It was estimated that by 2020 there would be about 3.6 million new households’ formations, with 55% falling within the income category of less than R3500 per month. This would contribute to an increasing demand for housing.

Census 2011 reported that while more than 77.7% of the 14.4% households live in formal dwellings, there was about 13.6% that reside in informal dwellings and 7.9% in traditional dwellings. Statistics South Africa estimated that the demand for adequate housing was about 2.2 million households, which included households in informal settlements and backyard shacks. These households were dependent on the intervention of the state for housing. Of these, 1.7 million have registered in the Needs Database of the Department of Human Settlements.

Although there have been increases to the average household income (i.e. about R103 204), the levels were not sufficient for households to be able to house themselves. A total of about 3.5 million households with income between R3501 and R15000 per month do not qualify for full government subsidy. While households with a monthly income of between R3500 and R7500 may qualify for a mortgage loan of between R140 000 and R300 000, the supply of stock was almost non-existent. This means, there was an increasing number of households that do not qualify for a government subsidy of mortgage finance due to a number of reasons that include non-availability of stock and inability to access mortgage finance.

In response to the 2030 government trajectory, the National Development Plan (NDP) as South Africa’s blueprint for eliminating poverty and reducing inequality by 2030, acknowledged that the fundamental reshaping of the apartheid spatial form may take decades but directs that South Africa should strive for a meaningful progress in creating urban settlements that were functionally integrated, balanced, and vibrant, including the revival of the rural areas. The NDP also recommended that in order to address the current weaknesses of human settlements, housing policies and programmes, the following actions be taken:

* Systematically respond to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency;
* Take account of the unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region before making decisions on developments;
* Review State housing policies to better realise constitutional housing rights, ensure that the delivery of housing was used to restructure towns and cities, and strengthen the livelihood prospects of households;
* Support active citizenry and develop incentives through a range of interventions, which includes the establishment of social compacts;
* Planning for human settlements be guided by a set of normative principles that would create liveable, equitable, sustainable, resilient and efficient spaces including supporting economic opportunities and social cohesion.

To reshape human settlements by 2050, the NDP proposes that:

* Inequalities in the land market that makes difficult for the poor to access the benefits of life in towns and cities addressed;
* Stronger measures to reconfigure towns and cities towards more efficient and equitable urban forms be adopted;
* Housing and land policies that accommodate diverse household types and circumstances be developed.

**6.1.1 Strategies to improve the identified challenges:**

As part of laying the foundation for transforming the functioning of human settlements and the workings of the space economy, the 2014-2019 Medium Term Strategic Framework focused on reforms aimed at achieve the following:

* Ensuring that poor households have adequate housing in better living environments;
* Supporting the development of a functionally and equitable residential property market;
* Improving institutional capacity and coordination for better spatial targeting.

**6.1.2 Over the next years priority would be given to:**

* Scaling up the Upgrading of informal settlements;
* Transfer all title deeds for subsidy units;
* Developing a more coherent and inclusive approach to land;
* Implementing a coherent multi-segmented social rental-housing programme that includes backyard rentals;
* Dealing with affordable market with a particular emphasis on a constructive engagement and strengthening partnerships with the private sector to improve delivery;
* Consolidating the Development Finance Institutions (DFIs).

For the success of the planned housing and human settlement programme reforms/strategies, significant institutional reforms to improve the coordination of housing and human settlement development would be put in place. This includes strengthening capabilities for municipalities and integrating the housing and human settlement grants. This would also be supported by and improved interface of the housing and human settlement planning elements with the spatial planning frameworks driven within other government departments.

**6.1.3 Performance environment**

The dawn of democracy in 1994 created a new dispensation in which access to basic services such as housing, water and sanitation was recognised as a fundamental human right. South Africa inherited high levels of poverty and it continues to be confronted with unequal and often inadequate access to resources, infrastructure and social services. The Bill of Rights enshrined the right to basic services and commanded that the state must take reasonable measures to achieve the progressive realisation of these rights.

The characteristics of the dwellings in which households live and their access to various services and facilities provide an important indication of the wellbeing of household members. It was widely recognised that shelter satisfies a basic human need for physical security and comfort. According to the 2014: General Household Survey, the percentage of households that fully owned the dwellings they inhabited increased slightly from 52,9% in 2002 to 61,4% in 2008, before declining to 55,3% in 2014. This increase was accompanied by a decrease of about five percentage points for households that rented accommodation. Households that maintained ‘other’ tenure arrangements increased from 11,7% in 2002 to 12,4% in 2014.

In 2014, more than three-quarters (79,4%) of the South African households lived in formal dwellings, followed by 12,9% who lived in informal dwellings, and 6,8% in traditional dwellings. The highest concentration of households in Limpopo (93,6%) lived in formal dwellings, followed by the households in Mpumalanga (88,1%). Although the highest concentrations of informal dwellings were found in North West (21%) and Gauteng (19,2%), it was worth noting though that the majority of households in these two provinces lived formal dwellings: with 78,9% of Gauteng households living in formal households. More than one-fourth of households (27,7%) in Eastern Cape resided in traditional dwellings compared to 17% of households in KwaZulu-Natal.

The department’s delivery environment was in the main influenced by the increase in urbanisation resulting in the increase demand for housing. Even though South Africa had progressively accommodated an additional 4.1 million households in formal dwellings, an upward growth from 74.4% in 2003 to 79.4 % in 2014, demand for housing continue to exist.

Households were also experiencing challenges in spending patterns and recurring low savings. The low savings combined with consumers’ credit-risk profile contribute to the inability of access credit particularly for mortgages. This offers evidence of vulnerability for low income earners to access credit particularly mortgage loans which was the main form of funding for housing development. With the increase of the repo rate by 0.25 basis points in November 2015, the prime interest rate by commercial banks increased to 9. 75%. The increase in interest rate had a severe impact on disposable income for individuals with mortgages and other forms of credit exposure. The report by International Monetary Fund (IMF) indicates that in 2014, the South African economy was estimated to have grown by just 1.4% after expanding by 1.9% in 2013, 2% in 2012, 3.6% in 2011, and 3.1% in 2010.

Even though South Africa has the second biggest economy in the continent over the past ten years, the country’s GDP growth has been lagging behind. This has resulted to increasing dependency form government as 68. 8% households in rural areas and 30.9% of residents in urban areas were living in poverty. Only 30% of South Africans were able to afford a house of more than R500 000 as house prices, inflation, and income have affected the affordability levels. Low-income earners have found it increasingly difficult to enter the property market because of stringent lending regulations and declining levels of disposable income arising from increasing interest rates.

Statistics South Africa indicated that there were about 14.4 million households with a household size of about 3.4 persons per household. It was predicted that the total number of households would grow as the household size drops and that by 2020 there would be about 3.6 million new household formations, with 55% falling within the income category of less that R3500 per month. This would contribute to an increasing demand for housing.

**6.1.4 Organisational environment**

The Department provided leadership in the fulfilment of the Constitutional Mandate of providing access to adequate housing to South Africans. The Department has revised its strategic goals and objectives and aligned them to the long term goal of achieving the sustainable human settlements. The strategic goals and objectives had the five year targets.

To accelerate delivery and to address capacity related challenges, the department, then, reviewed its organisational structure. The review of the structure was informed by the departmental strategy of ensuring that good, corporate governance was achieved, responsive policies and programmes were developed and there was increased support for better delivery. The realignment of the structure has also been informed by the identified needed to transform the residential property market, and strengthening the monitoring systems.

Even though stringent measures were applied in the allocation of compensation budget, the department would base its realignment of the structure with the available resources.

**7. STRATEGIC OUTCOMES-ORIENTED GOALS**

The Department of Human Settlements has since its existence attempted to capture the mandate to build functioning communities and respond to the national dynamics by drafting a human settlements strategy which aims to create sustainable human settlements and improve the quality of household life.

Following the national and provincial elections in 2009, the government adopted a Medium Term Strategic Framework (MTSF) and included the priority of “building cohesive and sustainable communities”, which directly informs the strategic objective of the Department. The adoption of the Outcomes 8 as the development outcome that the Department must achieve, builds on the priority set in the MTSF by Cabinet in July 2009.

The adoption of the outcome-based performance has focused the priorities of the Department, and key areas of development were identified, on which the Department must focus to achieve its goals and outcomes. The failure in the recent past has been to have a plethora of outcomes and goals to be achieved and limited impact. It was important that, based on the current state of the overall national development goals, the Department focuses on key national development strategic outcomes and goals, which were the eradication of poverty, inequality and redressing of social and economic underdevelopment.

**8. PROGRESS ON THE IMPLEMENTATION OF MTSF AS AT 31 MARCH 2016**

|  |  |  |  |
| --- | --- | --- | --- |
| **MTSF TARGET 2019** | **ANNUAL TARGET**  **2015/2016** | **PROGRESS 2015/2016** | **TOTAL DELIVERED FROM 2014-MARCH 2016** |
| 745 000 households living in adequate housing through the subsidy and affordable housing segments | 149 000 households living in adequate housing | 112 256 households living in adequate housing through the subsidy and affordable housing segments | 232 583 households living in adequate housing through the subsidy and affordable housing segments  Shortfall for 2 years : 298 000 |
| 750 000 households in informal settlements upgraded | 150 000 households in informal settlements upgraded | 96 271 households in informal settlements upgraded:   * + HSDG: 52 411households   + USDG: 43 860 households | 170 288 households in informal settlements upgraded.  Shortfall from 2014-2016: 129 712 households |
| 563 000 individual units for subsidy housing submarket provided | 112 600 individual units for subsidy housing submarket | 100 339 individual units provided for subsidy market – | 195 549 subsidy housing units provided.  Shortfall from 2014- March 2016: 29 6521 |
| 9 000 title deeds backlog eradicated | 127 223 | 87 199 pre- and post-1994 title deeds issued | 113 478 title deeds issued |
| 563 000 new title deeds issued to home owners | 112 600 new title deeds issued to home owners | 19 529 title deeds issued to new home owners | 52 279 title deeds issued.  195 549 subsidy housing units delivered between 2014- March 2016.  Shortfall of 143 270 |
| Affordable housing loans for new houses in the affordable-gap housing market  110 000 loans (70 000 FLISP and 40 000 DFI supported) | 22 000 loans granted | 25 807 units produced through loans | 39 863 new units in the affordable housing market produced through loans granted by the DFIs |
| 50 catalytic projects implemented demonstrating spatial, social and economic integration | 10 catalytic projects implemented | 101 catalytic projects recommended for approval by the Minister | 101 catalytic projects recommended for approval by the Minister |
| Number of informal settlements assessed | 460 informal settlements assessed | In collaboration with the HDA, the National Upgrading Support Programme (NUSP) completed the assessment of 816 informal settlements in 62 municipalities. Of these 503 detailed settlement plans are being developed. | The relevant appointments have been concluded and additional feasibilities and settlement plans are being undertaken. |
| 10 000 hectares of well-located land rezoned and released for new developments | 2 000 hectares of well-located land rezoned and released for new developments | 4 622 hectares of land released for new developments | 7 257.5 hectares of land released for new developments |

**9. HUMAN SETTLEMENTS ALLOCATIONS - MTEF ALLOCATIONS**

The Department of Human Settlements executes its mandate, in line with national priorities through four programmes, as reported on in the Annual Report for 2015/2016. For 2015/2016 the Department received an allocation of R30.5 billion, of which R30 billion was spent, or 98.3% of the budget. The Department underspent a total of R508.8 million, or 1.6%. Despite an overall good spending rate, Programme 3 showed the weakest spending rate, with only 72.5% of its budget spent, also highlighted in the Auditor-General (AG) report. The following shows the performance targets per as per the main programme:

**9.1 Performance targets per main programme 2015/2016**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Number of targets** | **Achieved** | **Not fully achieved** | **Unclear** | **Percentage Achieved** |
| 1. Administration | 17 | 10 | 5 | 2 | 58.8% |
| 1. Human Settlements Policy, Strategy and Planning | 23 | 16 | 4 | 3 | 69.5% |
| 1. Programme Delivery Support | 15 | 9 | 6 | 0 | 60% |
| 1. Housing Development Finance | 8 | 7 | 1 | 0 | 87.5% |
| **Total** | **63** | **42** | **16** | **5** | **66.6 %** |

This table above provided an overview of numbers and targets achieved and not completely achieved and was not meant to serve as a measuring or rating tool to determine the effectiveness of the programmes of the Department. In general, the Department has fared better in achieving its targets in Programmes 4 and 2, compared to Programme 3 and Programme 1. Each of the Programmes would be discussed in more detail below.

**9.1.1 Programme Performance**

***Programme 1. Administration***

|  |  |
| --- | --- |
| Total Targets set | 17 |
| Targets achieved | 10 |
| Targets not fully achieved | 5 |
| Unclear | 2 |
| Success rate | 58.8% |
| Total budget spent | R411 million or 94.4% |

This programme was allocated R435.2 million, of which R411 million was spent (94.4%, which was less than the 98.4% of the budget spent for the previous year) with an under-expenditure of R 27.1 million (5.8%). The reason provided for the under-expenditure relates to capital assets due to delays in the procurement of switches.

In this programme, the largest item in terms of expenditure was goods and services (R212 million or 51.5%), followed by compensation of employees (R186 million). Ten out of the 17 targets were met, and included a strategy to increase the supply of affordable housing and producing quarterly reports on trends in new NHBRC enrolments. Targets that were not met included the issuing of 113 181 title deeds to new home owners in the subsidy market, where only 14 266 title deeds were issued. The Department has developed a title deed eradication strategy to accelerate the registration and transfer process.

Two (2) targets were not clearly phrased or otherwise not reported on with sufficient detail to verify whether the targets were met or not. These were: the target relating to the percentage increase in estate agencies operating in the affordable housing market and the scoping report on the backlog of title deeds. Funding allocated to consultants in this programme has been shifted to other items. The Department should be commended for these cost cutting measures.

***Programme 2. Human Settlements Policy, Strategy and Planning***

|  |  |
| --- | --- |
| Total Targets set | 23 |
| Targets achieved | 17 |
| Targets not fully achieved | 4 |
| Unclear | 2 |
| Success rate | 73.9 % |
| Total budget spent | R 75.7 million or 97.7% |

Programme 2 was allocated R77.4 million (which was less than the allocation for the previous year of R80 million) with an actual expenditure of R75.7 million (or 97.7%), which was less than the expenditure for the previous year (98. 2%). The reason provided for the under-expenditure is that the purchasing of computer equipment was delayed due to posts that were frozen. The biggest expense was compensation to employees with R49.8 million spent on this item (or 65.7% of the budget allocated for this programme).

The 17 targets were achieved out of the 23 targets for the programme, with four targets not achieved and two targets where either the target was phrased vaguely, or where the information provided did not provide clarity on whether the target has been met or not. Targets that were met include the Policy for Inclusive Approach to Land for Humans Settlement Development and the evaluation for improved human settlements conducted: Access and Social Housing.

Targets that were met include the implementation of the mine worker strategy and the development of policy and administrative systems that support individual transactions in the affordable housing market. Targets where either the phrasing of the target was vague or where non-specific information was provided that makes the verification of the target difficult, include the wording in the description of the performance on the target related to the consultation on the amendment of the Housing Act.

The numbering of the targets under this programme was problematic and it resulted in the numbering of all targets for the following programmes to not be aligned with the numbering of the same targets in the Annual Performance Plan (APP).

***Programme 3. Programme Delivery Support***

|  |  |
| --- | --- |
| Total Targets set | 15 |
| Targets achieved | 9 |
| Targets not fully achieved | 6 |
| Unclear | 0 |
| Success rate | 60 % |
| Total budget spent | R120.7 million or 72.5 % |

This programme was allocated R166.6 million (reduced from R168.9 million allocated for the previous year) and spent R120.7 (or 72.4%) of the budget for this programme. This programme was the worst performer in terms of spending for the last few years. A number of reasons are provided in the Annual Report for the Department for the under-expenditure for 2015/2016. These include the following:

* Delays in finalising the agreements around the Youth Brigade training with the Department of Rural Development and Land Reform meant that R7.5 million allocated to training was not transferred;
* Underspending in the National Upgrading Support Programme was reported and reasons provided include:
  + Some contracts were running behind schedule due to slow responses from municipalities to approve work;
  + Some service providers submitted invoices late;
  + In a few cases the Department completed net draft RQFs, but municipalities took long to approve these;
  + Due to capacity constraints the new capacity building programme could not be implemented.
* Payments on the Bursary Scheme for non-employees was less than anticipated;
* The purchasing of computer equipment was delayed due to frozen positions;
* Expenditure was less than anticipated due to over estimation;
* Expenditure on financial assets relates to approved losses approved by the loss control committee.

Out of 15 identified targets, the Department achieved eight targets, with six targets not fully achieved. Targets that were achieved include the 250 000 housing opportunities planned and assessed and 22 planned mining towns’ interventions. The Department also exceeded their target in both these cases. The targets that were not met include the provision of 14 400 affordable rental housing options.

***Programme 4. Housing Development Finance***

|  |  |
| --- | --- |
| Total Targets set | 8 |
| Targets achieved | 7 |
| Targets not fully achieved | 1 |
| Unclear | 0 |
| Success rate | 87.5% |
| Total budget spent | R 29.4 billion or 98.5% |

This programme was allocated R29.8 billion, of which R29.4 billion was spent (98.5%). This allocation was more than the previous year, when R28.713 billion was allocated, and 99.9%). Underspending was attributed to a number of reasons, including:

* Delays due to SITA’s failure to provide the Department with supporting documents to invoices submitted to the Department;
* The capacity building programme not being implemented due to capacity constraints;
* Social Housing Regulatory Authority: Restructuring Capital Grant: R323 million was not transferred due to delays in developing the credible pipeline that would allow the agency to spend;
* Social Housing Regulatory Authority: Institutional Investment Grant: R41.9 was not transferred due to a policy framework that was not developed and the entity could not use the grant as a result, due to the need for a framework or guideline;
* In terms of both the National Upgrading Support Programme and project management support to Catalytic Projects, the Housing Development Agency’s claim was not received on time for the transfers to be made due to technical issues related to the electronic claims submission.

In terms of the performance of the Department, seven (7) of the eight (8) targets were achieved, including the restructuring of the Housing and Human Settlements Grants Framework. One target was not met, which related to the approval of the strategy for developing diversified finance products for the affordable market.

**9.1.2 Human Resources**

The Department reported that it had a total of 821 posts, of which 649 were filled (with a vacancy rate of 21%). The highest vacancy rate was experienced in Programme 3 (at 36.9%), which was also the programme where under-expenditure was the most prominent. This was followed by Programme 4 (30.1% vacancy rate).

The Department did not initiate any disciplinary processes against an employee during 2015/16 that was suspended. Furthermore, not all SMS members signed performance management agreements due to members being on incapacity leave, with others on leave, and due to challenges with the Strategic Plan, as raised by Parliament and the Auditor-General (AG).

**10. OVERALL QUALITATIVE OUTPUTS ACHIEVED AS AT 31 MARCH 2016**

The Department reported its achievements for the 2015/16 financial year, and these include:

**10.1 Consolidation of the Human Settlements Development Finance Institutions (DPIs) has commenced -**

* The relevant directives have been issued by Minister Sisulu and being actioned by the Department in conjunction with the National Housing Finance Corporation (NHFC), Rural Housing Loan Foundation (RHLF) and National Urban and Reconstruction Housing Agency (NURCHA);
* A tax amendment was pending that would allow for the transfer of assets and liabilities of RHLF and Nurcha into the NHFC. This allowed for the operational integration;
* A policy foundation for the creation of a single DFIs was developed, allowing for the development of a draft business case and commencement of the process to draft a bill.

**10.2 Policies and programme frameworks**

The following policies and programme frameworks were revised for consultation and adoption and also inform the content of the White Paper being drafted for adoption and publication for comment:

* Beneficiary Allocations Policy;
* Revision of the Pre-emptive Clause on the Sale of Subsidised Houses;
* Community Residential Units Policy;
* The Review of programmes in the Housing Code;
* An evaluation of the Social Housing Programme was completed;
* An investment framework to guide human settlements development was completed for consultation and adoption;
* A proto-type of the business intelligence dash-board developed to improve monitoring and reporting on programme;
* A central intervention to fast track the issuing of title deeds commenced;
* A consumer education programme was implemented with provinces and municipalities to curb illegal property sales and ensuring that consumers appreciated socio-economic benefits and value of owning the property;
* A programme ensured that the National Home Builders Registration Council (NHBRC) enrolled all subsidised projects and monitored their construction;
* An interspherial package of support was developed, concluded and implemented in Nelson Mandela Bay Municipality;
* A training support and incubation programme for youth and women implemented by the Department with the NHBRC, Estate Agency Affairs Board (EAAB) and Housing Development Agency (HDA);
* The Implementation Guidelines for Peoples’ Housing Process (PHP) was tabled for approval;
* The strategy for human settlements in mining town towns developed to support the running programme interventions;
* The revision of the guidelines for human settlements development commenced;
* Programme and institutional support to allow for accreditation of the housing function was provided to municipalities;
* 232 583 additional households provided with adequate housing;
* 170 288 additional households upgraded;
* Assessment and analysis of 101 catalytic projects was completed and recommended for due diligence and implementation;
* 126 278 loans issues by the Human Settlements DFIs;
* Three (3) municipalities pre-assessed for accreditation;
* 463 feasibilities in informal settlements were completed in various municipalities;
* 12 097 additional affordable rental opportunities were delivered
  + 3 480 Social Housing;
  + 21 52 Community Residential Units (CRUs);
  + 6 565 through NHFC loans provided;
  + Various Provincial PHP initiatives yielded 8 498 PHP units.

**10.3 Comment on partially achieved targets**

The following comments are for partially achieved targets:

* The DFI consolidation process was a multi-year process hence completion of a target overlaps over reporting periods;
* The in-year target on the issuing of title deeds performed poorly and measures were being put in place to allow for recovery;
* The drafting of the policy for coherent and inclusive approach to land and regulations for land use management;
* The evaluation of the access to the city evaluation was cancelled due to non-performance by the service provider;
* The upgrading of households in informal settlements – annual target was not met and required intervention measures were being considered and in place including the ring-fencing of grants;
* The accreditation of municipalities was partially achieved due to the fact that the approach to accreditation required revision based on practical implementation difficulties;
* The bio-annual reports on property trends was not disseminated – and it was resolved that the department is collating the information through the research and policy unit and would be published accordingly;
* The capacity building programme in programme three (3) was not implemented, and the target has been re-prioritised.

**11. HUMAN SETTLEMETNS CONDITIONAL GRANT EXPENDITURE**

**11.1 Human Settlements Development Grant (HSDG) Expenditure Performance as at 31 March 2016**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Provinces** | **Voted Funds** | **Reallocated Funds** | **Adjustment** | **Roll Overs** | **Total Available** | **Year to date (1 April 2015 - 31 March 2016** | | | |
| **Transferred Funds** | **Spent by Provinces** | **Variance Spent vs Total Available** | **Spent as % of Total Available** |
| **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| **Eastern Cape** | 1 962 372 | 400 000 | 100 000 | - | 2 462 372 | 2 462 372 | 2 458 180 | 4 192 | 100% |
| **Free State** | 1 057 284 | - | - | - | 1 057 284 | 1 057 284 | 1 057 237 | 47 | 100% |
| **Gauteng** | 4 979 844 | -908 377 | - | - | 4 071 467 | 4 071 467 | 4 048 079 | 23 388 | 99% |
| **KwaZulu-Natal** | 3 235 475 | 308 377 | - | - | 3 543 852 | 3 543 852 | 3 543 852 | 0 | 100% |
| **Limpopo** | 1 283 877 | - | - | 308 012 | 1 591 889 | 1 283 877 | 1 123 130 | 468 759 | 71% |
| **Mpumalanga** | 1 265 162 | - | - | 70 380 | 1 335 542 | 1 265 162 | 1 335 486 | 56 | 100% |
| **Northern Cape** | 380 408 | 100 000 | - | - | 480 408 | 480 408 | 476 559 | 3 849 | 99% |
| **North West** | 2 063 131 | 100 000 | - | - | 2 163 131 | 2 163 131 | 2 163 129 | 2 | 100% |
| **Western Cape** | 1 975 122 | - | - | - | 1 975 122 | 1 975 122 | 1 975 122 | 0 | 100% |
| **Total** | **18 202 675** | **-** | **100 000** | **378 392** | **18 681 067** | **18 302 675** | **18 180 774** | **500 125** | **97%** |

*(Source: Department of Human Settlements Annual Performance Report, 2016)*

**11.2 Urban Settlements Development Grant (USDG)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **USDG EXPENDITURE (01 JULY 2015 - 31 MARCH 2016)** | | | | | | | | | |
| **Municipality** | **Voted Funds**  **1** | **Rollover from 2014/15    2** | **Total Available Funds     3 (1+2)** | **Actual Transfer from Voted funds**  **4** | **Spent by Metros    5** | **% Spent against Total Available funds   6 (5÷3)** | **% Spent against Transferred funds   7 (5÷4)** | **Unspent from Total Available Funds   8 (3-5)** | **% Unspent against Total Available Funds   9 (8÷3)** |
| **R'000** | | | | | **R'000** |
| **Buffalo City** | 713 132 | 42 403 | 755 535 | 713 132 | 488 267 | 64.6 | 68.5 | 267 268 | 35.4 |
| **Nelson Mandela Bay** | 846 480 | - | 846 480 | 846 480 | 537 912 | 63.5 | 63.5 | 308 568 | 36.5 |
| **Mangaung** | 693 847 | 77 536 | 771 383 | 693 847 | 425 730 | 55.2 | 61.4 | 345 653 | 44.8 |
| **Ekurhuleni** | 1 842 887 | 486 507 | 2 329 394 | 1 842 887 | 1 000 322 | 42.9 | 54.3 | 1 329 072 | 57.1 |
| **City of Johannesburg** | 1 731 220 | - | 1 731 220 | 1 731 220 | 1 097 710 | 63.4 | 63.4 | 633 510 | 36.6 |
| **City of Tshwane** | 1 500 683 | 36 868 | 1 537 551 | 1 500 683 | 890 416 | 57.9 | 59.3 | 647 135 | 42.1 |
| **eThekwini** | 1 838 336 | - | 1 838 336 | 1 838 336 | 871 279 | 47.4 | 47.4 | 967 057 | 52.6 |
| **City of Cape Town** | 1 387 760 | 163 495 | 1 551 255 | 1 387 760 | 670 022 | 43.2 | 48.3 | 881 233 | 56.8 |
| **Total** | **10 554 345** | **806 809** | **11 361 154** | **10 554 345** | **5 981 658** | **52.7** | **56.7** | **5 379 496** | **47.3** |

*(Source: Department of Human Settlements Annual Performance Report, 2016)*

**11.3 Municipal Human Settlements Capacity Grant Expenditure Performance as at 1 July 2015- 31 March 2015 expenditure**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **MHSCG EXPENDITURE (01 JULY 2015 - 31 MARCH 2016)** | | | | | | | | | |
| **Municipality** | **Voted Funds     1** | **Rollover from 2014/15**  **2** | **Total Available Funds     3 (1+2)** | **Actual Transfer from Voted funds**  **4** | **Spent by Municipality**  **5** | **% Spent against Total Available funds  6 (5÷3)** | **% Spent against Transferred funds**  **7 (5÷4)** | **Unspent from Total Available Funds**  **8 (3-5)** | **% Unspent against Total Available Funds**  **9 (8÷3)** |
|  | **R'000** | | | | | **R'000** |
| **Buffalo City** | 9 253 | - | 9 253 | 9 253 | 2 328 | 25.2 | 25.2 | 6 925 | 74.9 |
| **Nelson Mandela Bay** | 9 847 | 23 235 | 33 082 | 9 847 | 11 943 | 36.1 | 121.3 | 21 139 | 63.9 |
| **Mangaung** | 9 206 | - | 9 206 | 9 206 | 954 | 10.4 | 10.4 | 8 252 | 89.7 |
| **Ekurhuleni** | 14 313 | 50 818 | 65 131 | 14 313 | 4 457 | 6.8 | 31.1 | 60 674 | 93.2 |
| **City of Johannesburg** | 16 505 | 59 573 | 76 078 | 16 505 | 4 026 | 5.3 | 24.4 | 72 052 | 94.7 |
| **City of Tshwane** | 12 831 | 16 420 | 29 251 | 12 831 | 2 466 | 8.4 | 19.2 | 26 785 | 91.6 |
| **eThekwini** | 14 342 | 39 980 | 54 322 | 14 342 | 11 359 | 20.9 | 79.2 | 42 963 | 79.1 |
| **City of Cape Town** | 13 703 | 31 580 | 45 283 | 13 703 | 14 216 | 31.4 | 103.7 | 31 067 | 68.6 |
| **Total** | **100 000** | **221 606** | **321 606** | **100 000** | **51 749** | **16.1** | **51.7** | **269 857** | **83.9** |

*(Source: Department of Human Settlements Annual Performance Report, 2016)*

**11.4 Delivery on HSDG Targets for the April 2015 – March 2016 Year**



*(Source: Department of Human Settlements Annual Performance Report, 2016)*

**12. REFLECTING ON THE FINANCIAL AND FISCAL COMMISSION (FFC) REPORT**

The Financial and Fiscal Commission (FFC) is an independent, permanent, statutory institution established in terms of Section 220 of the Constitution. According to FFC Act, the Commission makes recommendations, envisaged in Chapter 13 of the Constitution or in national legislation of Parliament, Provincial Legislatures, and any other organ of state determined by national legislation.

The Commission found that housing affordability in South Africa was directly influenced by the state. This was affected by a number of economic variables such as inflation, interest rate and unemployment. In addition, there were high levels of indebtedness remains in South Africa. According to the World Bank, South Africans were the biggest borrowers in the world, with 86% of the population was in debt. The situation was further complicated households spending more on consumer goods and less to spend on their houses.

The Commission further found that there was an increase in interest rates which deterred access to houses, especially for low income earners as this group was generally offered higher interest rate by banks. The overall unemployment has increased over the recent years from 24.1% on 2013 to 26.6% in July 2016.

The Commission observed that department’s overall performance was good over the past 6 years, average spending over 98% of allocated funds. Targets set for 2015/16 with respect to top structures was over-achieved in some provinces and narrowly missed in some provinces. Concerns with Gauteng; where target for top structure was missed by 41% as funding was reallocated to other provinces despite higher volumes of households migrating to the province.

**13. REFLECTING ON THE AUDITOR-GENERAL’S FINDINGS**

The Auditor-General has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen the South African democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. The AG opinion was as follows:

* The Auditor-General (AG) expressed an unqualified audit opinion with emphasis of matter. This means that the financial statements of the Department present fairly. The AG expressed its opinion with emphasis of matter related to material underspending in Programme 3 of the Department to the amount of R38.2 million;
* The AG expressed its opinion on supplementary information contained in the report which was not audited as well as on material misstatements in the annual performance report, which were subsequently corrected by management;
* The AG furthermore found that the financial statements were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the Public Finance Management Act. Material misstatements of the appropriation statement, non-current assets, revenue and disclosure items identified by the auditors were subsequently corrected, which lead to the unqualified audit opinion;
* The AG found that the contractual obligations and money owed by the Department were not settled within 30 days, as required by the Public Finance Management Act and Treasury Regulation 8.2.3.
* The AG also identified significant internal control deficiencies that resulted in findings on the annual performance report and the findings on compliance with legislation. The AG also found that leadership did not exercise adequate oversight and monitoring with regard to financial reporting and compliance with laws and regulations. The AG found that regular, accurate and complete financial reports that are supported and evidenced by reliable information were not prepared.

**14. REFLECTING BY THE DEPARTMENT OF PLANNING, MONITORING AND EVALUATION**

The Department of Planning, Monitoring and Evaluation (DPME), in relation to the Department of Human Settlements, is responsible assessment of the country’s performance in quantitative measures against national priority outcomes. Data is sourced from government administrative datasets, national statistics and research undertaken by local and international institutions. The evaluation seeks to assess programme design, implementation, and impact. This is because human settlements programme instruments respond to complex operating environment of complicated legislative frameworks of multiple institutional political, administrative and financial rules which provide for an expansive delivery system.

The evaluation provides early pointers that overall housing programmes work, but performance and outcome are mixed. The DPME reflected on the following findings:

* That subsidised housing has contributed significantly to addressing poverty and stabilising society – providing a foot onto property ladder;
* The structure for financing housing and human settlements have a critical causal relationship for sustainable human settlement outcomes;
* IRDP supports integrated settlement making when based on specialised implementing agents, capable of managing the complex interface between planning, financing and implementation of projects with clear agreements of responsibility and accountability;
* Evaluations show both planning and implementation agency interface limitations;
* Housing or human settlements meta-theory of change (multiple outcomes) is contested;
* Poor correlation between programme, housing project, housing, household, settlements making, city plans. Resulting in uneven plans and monitoring.

**15. OBSERVATIONS**

The Committee made the following observations:

* The most critical, the Committee raised several recurring issues from the previous BRRR report (2013/14, 2014/15). These include material misstatement of disclosure items which were identified, were subsequently corrected. Leadership did not exercise adequate oversight and monitoring to their financial reporting and compliance with law and regulation. It is concerning that, similar to the previous financial years, the Auditor-General made adverse findings in respect of the usefulness and reliability of performance information reflected in the Annual Report. There is therefore a need for the Department to improve accountability and compliance;
* That the Department be commended for efforts to save money usually spent on consultants in the various programmes, and audit improvement of the Housing Subsidy System (HSS);
* With regards to the Auditor-General, assurance by Senior Management and accounting authorities has remained stagnant at providing some assurance. This has been attributed to management not overseeing financial and performance reporting, monitoring compliance with legislation and ensuring that adequate internal controls are implemented, hence the repeated findings by the AGSA;
* That the Department did not initiate disciplinary processes against employees during 2015/16 that were suspended. Furthermore, not all Senior Management Staff (SMS) members signed Performance Management Agreements;
* That Programme 3 (NUSP programme) has been the worst performing programme in terms of expenditure. Furthermore to that, the vacancy rate in this programme is the highest;
* Housing for Military Veterans was identified as an important factor, yet it did not feature prominently in the annual report for 2015/16.
* That there is no standardised definition on human settlements across government departments and entities. As a result, there is no correlation between programme, housing project, house, household, settlement making, city plans. This results in fragmented planning, project blockages, and disjointed evaluation;
* The spending patterns as at August 2015 show that the department has a -5.3% deviation from the norm, spending has therefore improved;
* There is lack of project pipeline planning at both provincial and municipal levels. There was also no alignment of project planning, infrastructure funding and implementation. At municipal level, there is lack of capacity to plan, implement projects that entail integration, densification and mega projects;
* There has been a lack of investment in bulk infrastructure and services as well as in related capacity at the Municipal Sphere to allow for development of human settlements and housing programmes;
* There are delays in negotiations with mining companies including delays in land and hostel donation for housing purposes;
* That the issuing of title deeds was slow and the backlog was not addressed;
* That the Informal Settlements Upgrading Programme was not performing optimally;
* Limited access to land controlled by Traditional Authorities resulting in lack of servicing and titling of such land, this was reported prominently during the oversight visit to the Eastern Cape, KwaZulu-Natal and other provinces;
* That the Municipal Human Settlements Capacity Grant in Metros was not performing;
* The NUSP programme has been performing poorly.

**16. RECOMMENDATIONS**

**Having been briefed by the institutions that support democracy (Financial and Fiscal Commission and the Office of the Auditor-General South Africa); the Department of Planning, Monitoring and Evaluation and the Department of Human Settlements on its annual report, the Committee recommends that the Minister should:**

***On legislation and or policy related matters:***

* Ensure that the Department fast-track the revision of the USDG Policy Framework to achieve its human settlements and housing targets, while ensuring management of rapid urbanisation. In addition, that the metropolitan municipalities should utilise the grant optimally as stipulated on the framework.
* Ensure that the Department fast-tracks the drafting of Policy on Backyard Dwellers.
* Ensure that the Department fast-tracks the revision of the policy on Community Residential Units and the issue of cost should be addressed and the provision of the people with disabilities should be considered.
* Accelerate the consulting process to finalise the release of a White Paper on Human Settlements and thereafter a Human Settlements Bill as this was critical for the development and review of housing and human settlements policy. This will also assist in closing down of Thubelisha, Servcon and National Housing Fund.
* Accelerate the drafting or revision of the Finance Linked Individual Subsidy Programme. This programme is not performing well in all provinces whilst is meant to benefit or earmarked for the middle class. The Committee support the centralisation of the programme.
* Ensure that the Department has a framework in place on the utilisation of the 3 - 5% of the Urban Settlement Development Grant that is going to be ring-fenced for capacity building in the municipalities since the Municipal Human Settlements Capacity Grant has been discontinued.
* Fast-track the consolidation process of the Development Finance Institutions (DFIs) to promote improved financing of human settlements and housing programmes and present the progress made in that regard.

**General recommendations**

* Ensure that the roll-over funds (City of Cape Town and Ekurhuleni) be retained within the human settlements sector because of its centrality to service delivery.
* Ensure that the Department improve the performance in programme 3. This was evident due to the fact that the National Upgrade Support Programme was performing poorly whilst there is a need to improve the living conditions for people in informal settlements.
* Ensure that the Department respond on the issues raised by the Auditor-General as a number of relevant issues in the audit report. It is however concerning that issues raised during previous financial years were not resolved. There was a need for monthly monitoring of Action Plans and the need for robust internal audit. Subsequently, quarterly reporting to the Committee.
* Advance the implementation of catalytic projects to ensure that the recommendations of the National Development Plan are realised.
* Advise the Department to synchronise its Annual Report with those of provincial departments for easy referencing.
* Put in place corrective measures to address the stipulated 30 day turnaround of processing and payment of invoices; it was suggested that the Project Managers should monitor the payments of contractors upon submission of the invoices.
* Improve the monitoring and oversight of the sector delivery supply chain ensuring improved efficiencies and value for money.
* Ensure that the NHBRC present the full rectification programme, progress made and its future plans.
* Ensure that the Department recruit to address the high vacancy rate within the Department (21% vacancy rate), and ensure the realisation of the Equity Employment Plan by integrating people with disabilities. This can receive greater emphasis in the next financial year.
* Ensure that the restoration and the issuing of title deeds is implemented and fast-tracked. This would empower beneficiaries as registered housing asset and that can be used as “collateral”; in addition, the Minister should ensure that the Provincial Steering Committee report progress made on the restoration of pre-1994 and post-1994 title deeds.

**17. CONCLUSION**

It is the submission of the Committee that the implementation of these recommendations would positively respond to the objectives of the Department and entities, the National Development Plan and the lives of the people. Recurring challenges observed would be resolved as swiftly as possible if accountability regarding these recommendations could be forthcoming from all the entities within the sector. To ensure the realisation of these objectives at specified timeframes, the Committee will conduct its oversight on specified intervals.

Report to be considered.