

when the sun rises
we work hard to deliver

Mpumalanga Department of Human Settlements

Presentation to the Portfolio Committee

08 November 2016

PURPOSE

- The purpose of this presentation is to brief the members of the **Portfolio Committee** on the progress made with regards to spending patterns and delivery trends of the **Mpumalanga Department of Human Settlements Plans (2016/17)**.

In essence, the presentation covers the following key areas:

- *Progress made to date regarding the implementation of the MTSF Targets;*
- *The six months performance (both financial and non-financial information);*
- *Proposed Remedial Actions in dealing with the challenges identified.*

BACKGROUND

- The Department of Human Settlements draws its mandate from **Outcome 8 of the National Development Plan** which is *Sustainable Integrated Human Settlements and Improved Quality of Household Lives*.
- Furthermore, the **Executive Council** approved the **Mpumalanga Human Settlements Master Plan** which serves as a guiding framework in the Implementation of Sustainable Integrated Human Settlements during the period under review.
- In line with the **Mpumalanga Vision 2030; Integrated Urban Development Framework as well as other relevant key policy directives**, the department's new approach to sustainable integrated human settlements seeks to address the challenges brought about by the inherited racially-based planning and uncoordinated approach to place-making which led to the proliferation of marginalised and disconnected settlements.

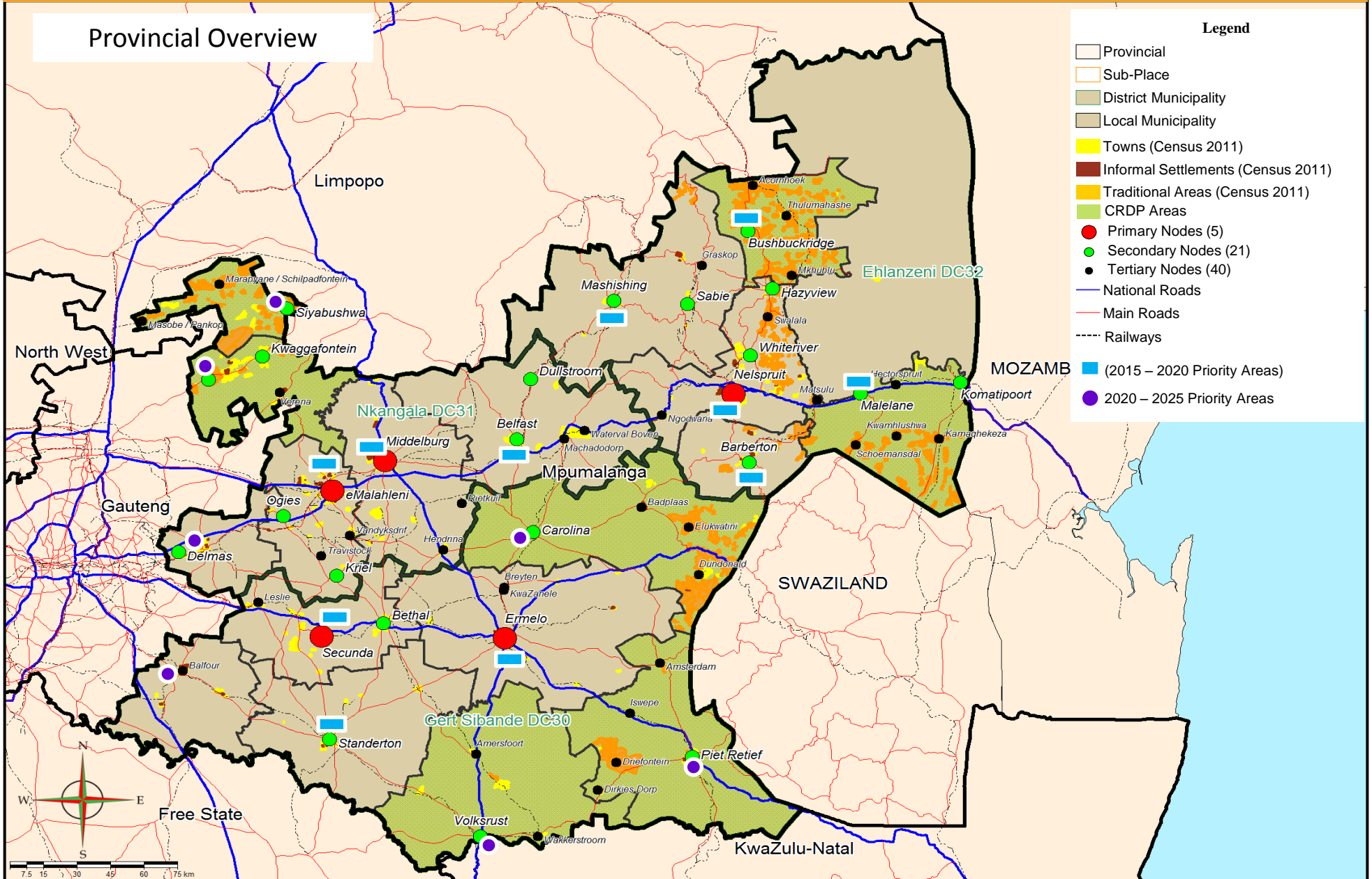
VISION AND MISSION OF THE DEPARTMENT

•To coordinate and facilitate the creation of integrated sustainable human settlements through:

- ✓ Servicing of sites and construction of houses and other socio-economic facilities for poor communities.
- ✓ Collaboration with other state departments in delivery of public facilities.
- ✓ Collaboration with private sector and other government departments / agencies

Mpumalanga Province – Human Settlement Priority Areas

Provincial Overview



SUMMARY OF MEDIUM TERM STRATEGIC FRAMEWORK 2014-19 AND PROGRESS TO DATE

MTSF Targeted Instruments	Provincial Planned Targets	Average Annual Targets	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 6-Months performance
UISP – Servicing of Sites	44 785	8 957	7 000	5 990	7 466 (The BP target is 5 989 sites since 1 477 sites are funded from the equitable share)	3 879
Individual Units (Top Structures)	41 905	8 381	8 104	9 245	8 540	1 630
Social Housing	1 545	309	154	70	0	Not planned for 2016/17
Community Residential Units	800	160	177	0	100	The project is at 25% of implementation
Finance Link Individual Subsidy Programme	4 240	848	7	27	80	20
TOTAL	93 275	18 655	15 442	15 332	16 186	5 529
Title Deeds	80 000	16 000	8 169	5 152	15 000	3 064

SIX MONTHS SUMMARY OF NON-FINANCIAL PERFORMANCE

MTSF Targeted Instruments	2016/17 Target	Six Months Target	2016/17 6-Months performance
Servicing of Sites	7 466	3 058	3 879
Individual Units (Top Structures)	8 620	4 208	1 650
Rental Housing: Community Residential Units Redevelopment with amenities	100	25% of project construction	The project is at 25% of implementation
TOTAL	16 186	7 610	5 529
Title Deeds	15 000	7 500	3 064

FINANCIAL PERFORMANCE: 2016/17 BUDGET ALLOCATION

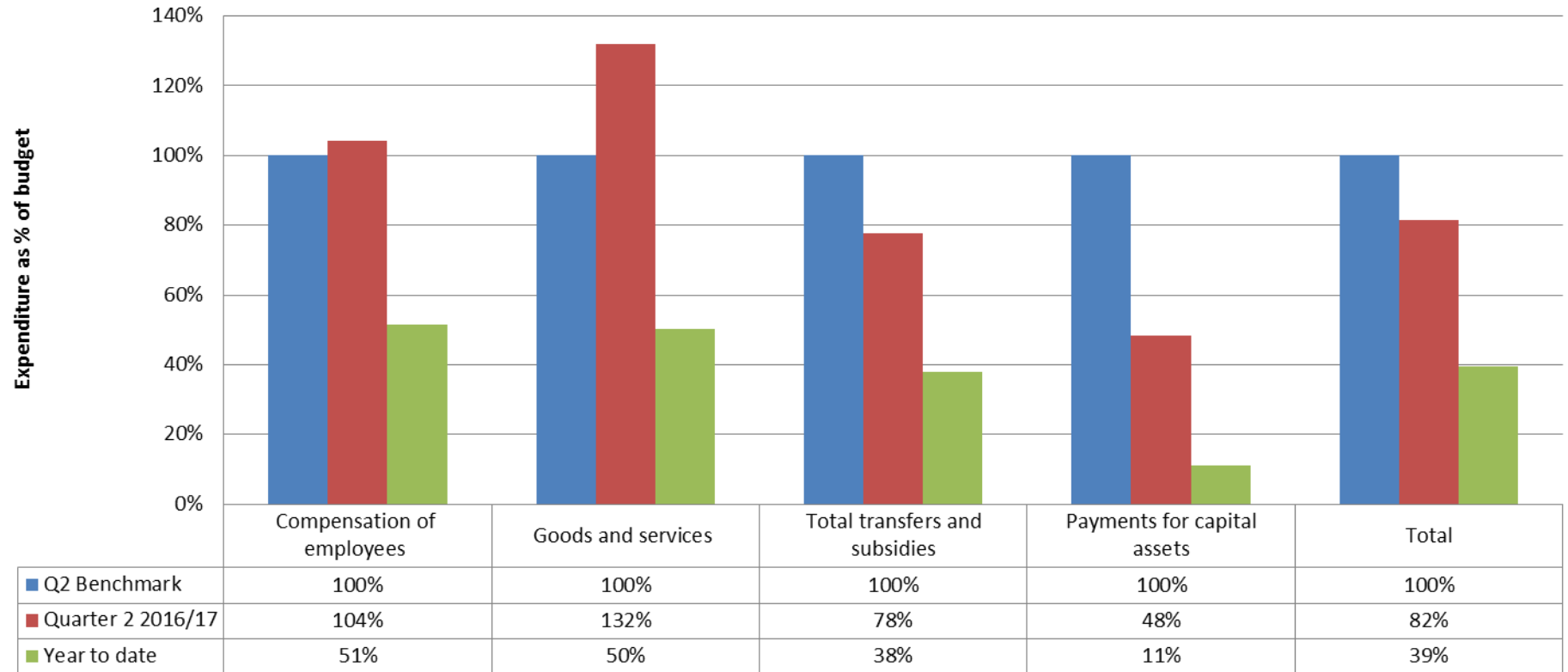
SOURCE OF FUNDING	Budget Allocation R'000	Amount Received from Provincial Treasury	Amount Received R'000	Amount Spent R'000	Available R'000	% of budget funds spent	% of available funds spent
Equitable Share	505 451	152 287	152 287	223 866	281 585	44%	56%
Human Settlement Development Grants	1 314 645	621 592	621 592	494 191	820 454	38%	62%
EPWP	2 012	503	503	-	2 012	0%	100%
TOTAL	1 822 108	774 382	774 382	718 057	1 104 051	39%	61%

DEPARTMENTAL EXPENDITURE SUMMARY

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Programmes:								
ADMINISTRATION	34 449	40 031	116.2%	(5 582)	-16.2%	133 425	68 939	51.7%
HOUSING NEEDS, RESEARCH AND PLANNING	9 485	9 658	101.8%	(173)	-1.8%	38 265	18 342	47.9%
HUMAN SETTLEMENT DEVELOPMENT	437 908	344 110	78.6%	93 798	21.4%	1 647 162	630 777	38.3%
HOUSING ASSETS MANAGEMENT, PROPERTY MANAGEMENT	814	-	0.0%	814	100.0%	3 256	-	0.0%
TOTAL	482 656	393 799	81.6%	88 857	18.4%	1 822 108	718 058	39.4%
Economic Classification:								
Compensation of employees	43 555	45 424	104.3%	(1 869)	-4.3%	167 725	86 301	51.5%
Goods and services	13 901	18 328	131.8%	(4 427)	-31.8%	57 060	28 664	50.2%
Total transfers and subsidies	423 430	329 191	77.7%	94 239	22.3%	1 589 524	602 237	37.9%
Payments for capital assets	1 770	856	48.4%	914	51.6%	7 799	856	11.0%
Total	482 656	393 799	81.6%	88 857	18.4%	1 822 108	718 058	39.4%

DEPARTMENTAL EXPENDITURE SUMMARY

Economic Classification - Q2 Actual Expenditure v/s Q2 Benchmark and year-to-date expenditure

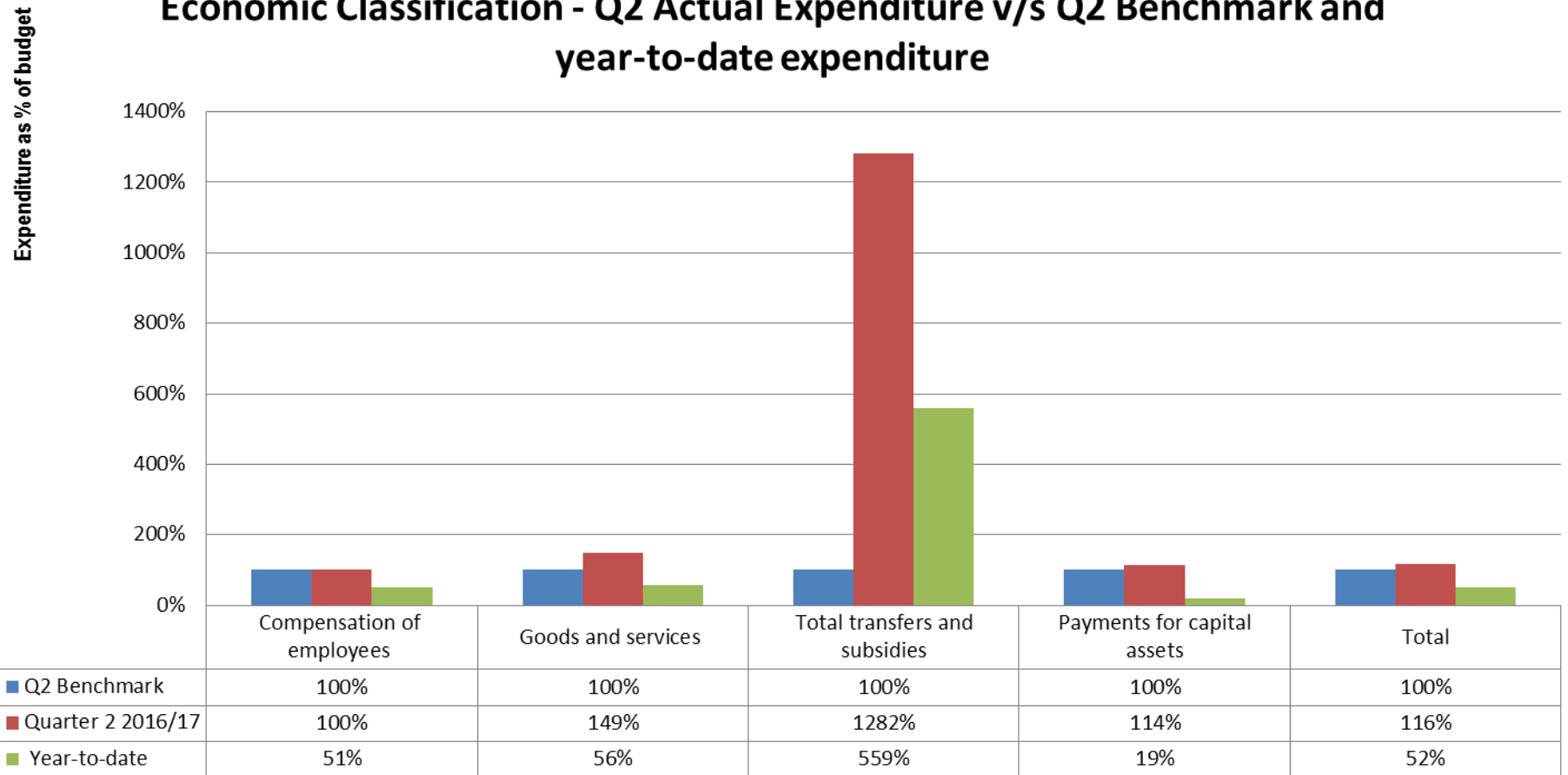


ADMINISTRATION

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Subprogrammes								
OFFICE OF THE MEC	1 828	2 085	114.1%	(257)	-14.1%	7 267	3 815	52.5%
CORPORATE SERVICES	32 621	37 946	116.3%	(5 325)	-16.3%	126 158	65 124	51.6%
TOTAL	34 449	40 031	116%	(5 582)	-16.2%	133 425	68 939	51.7%
Economic Classification:								
Compensation of employees	22 988	23 071	100.4%	(83)	-0.4%	86 195	43 715	50.7%
Goods and services	10 700	15 963	149.2%	(5 263)	-49.2%	42 792	24 150	56.4%
Total transfers and subsidies	11	141	1281.8%	(130)	-1181.8%	39	218	559.0%
Payments for capital assets	750	856	114.1%	(106)	-14.1%	4 399	856	19.5%
Total	34 449	40 031	116.2%	(5 582)	-16.2%	133 425	68 939	51.7%

ADMINISTRATION

Economic Classification - Q2 Actual Expenditure v/s Q2 Benchmark and year-to-date expenditure

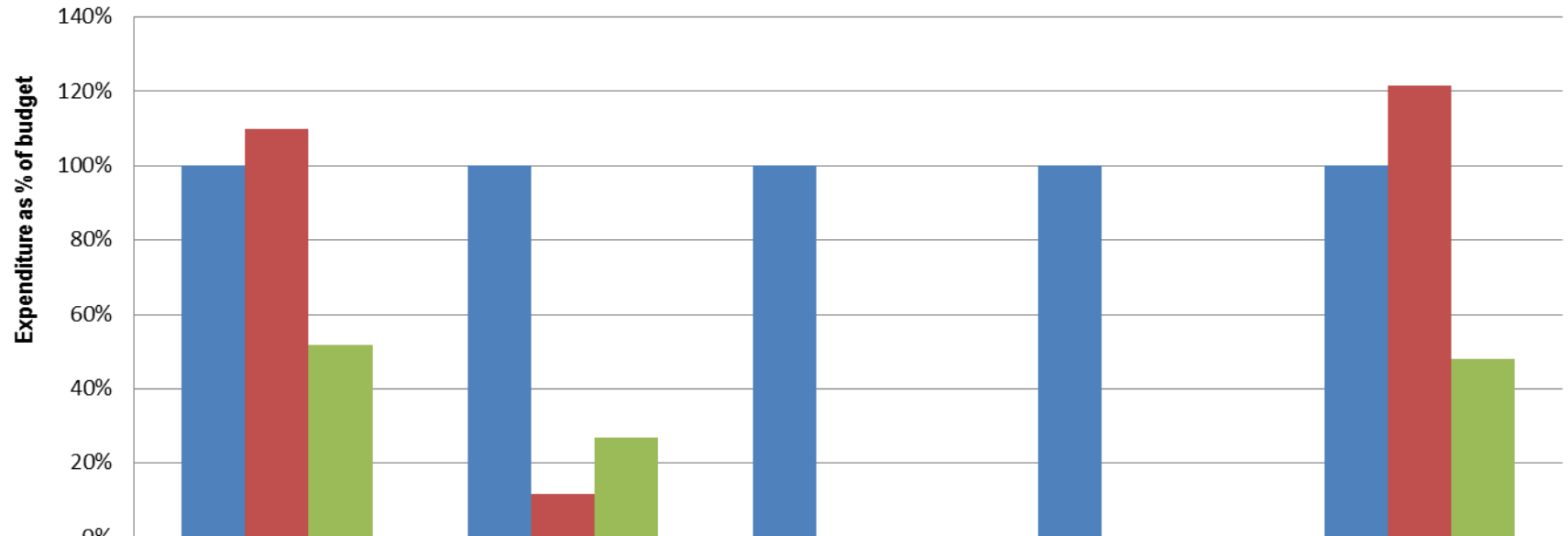


HOUSING NEEDS, RESEARCH AND PLANNING

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Subprogrammes								
ADMINISTRATION	7 941	8 752	110.2%	(811)	-10.2%	32 028	16 560	51.7%
POLICY	410	186	45.4%	224	54.6%	1 649	355	21.5%
PLANNING	483	451	93.4%	32	6.6%	1 954	870	44.5%
RESEARCH	651	269	41.3%	382	58.7%	2 634	557	21.1%
TOTAL	9 485	9 658	101.8%	(173)	-1.8%	38 265	18 342	47.9%
Economic Classification:								
Compensation of employees	7 947	8 723	109.8%	(776)	-9.8%	31 713	16 474	51.9%
Goods and services	1 538	935	60.8%	603	39.2%	6 552	1 771	27.0%
Total transfers and subsidies				-			97	100.0%
Total	9 485	9 658	101.8%	(173)	-1.8%	38 265	18 342	47.9%

HOUSING NEEDS, RESEARCH AND PLANNING

Economic Classification - Q2 Actual Expenditure v/s Q2 Benchmark and year-to-date expenditure



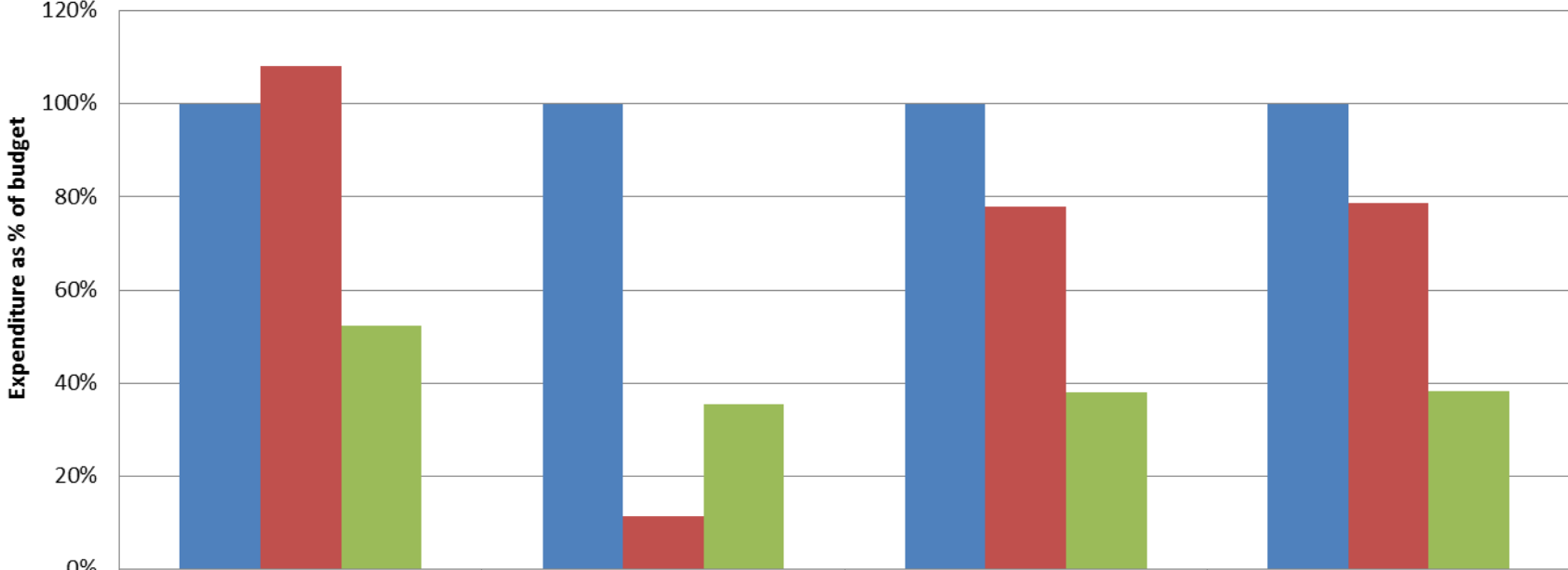
	Compensation of employees	Goods and services	Total transfers and subsidies	Payments for capital assets	Total
■ Q2 Benchmark	100%	100%	100%	100%	100%
■ Quarter 2 2016/17	110%	12%	0%	0%	122%
■ Year-to-date	52%	27%			48%

HOUSING DEVELOPMENT

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Subprogrammes								
ADMINISTRATION	15 303	107 115	700.0%	(91 812)	-600.0%	332 517	136 585	41.1%
FINANCIAL INTERVENTION	49 173	27 250	55.4%	21 923	44.6%	195 582	74 358	38.0%
INCREMENTAL INTERVENTION	322 447	179 977	55.8%	142 470	44.2%	949 395	374 764	39.5%
SOCIAL AND RENTAL INTERVENTION		10 020		(10 020)	-100.0%	30 000	16 913	56.4%
RURAL INTERVENTION	50 985	19 748	38.7%	31 237	61.3%	139 668	28 157	20.2%
TOTAL	437 908	344 110	78.6%	93 798	21.4%	1 647 162	630 777	38.3%
Economic Classification:								
Compensation of employees	12 620	13 630	108.0%	(1 010)	-8.0%	49 817	26 112	52.4%
Goods and services	1 663	1 430	86.0%	233	14.0%	7 716	2 743	35.5%
Payments for capital assets	1 020		0.0%	1 020	100.0%	3 400		0.0%
Total transfers and subsidies	422 605	329 050	77.9%	93 555	22.1%	1 586 229	601 922	37.9%
Total	437 908	344 110	78.6%	93 798	21.4%	1 647 162	630 777	38.3%

HOUSING DEVELOPMENT

Economic Classification - Q2 Actual Expenditure v/s Q2 Benchmark and year-to-date expenditure



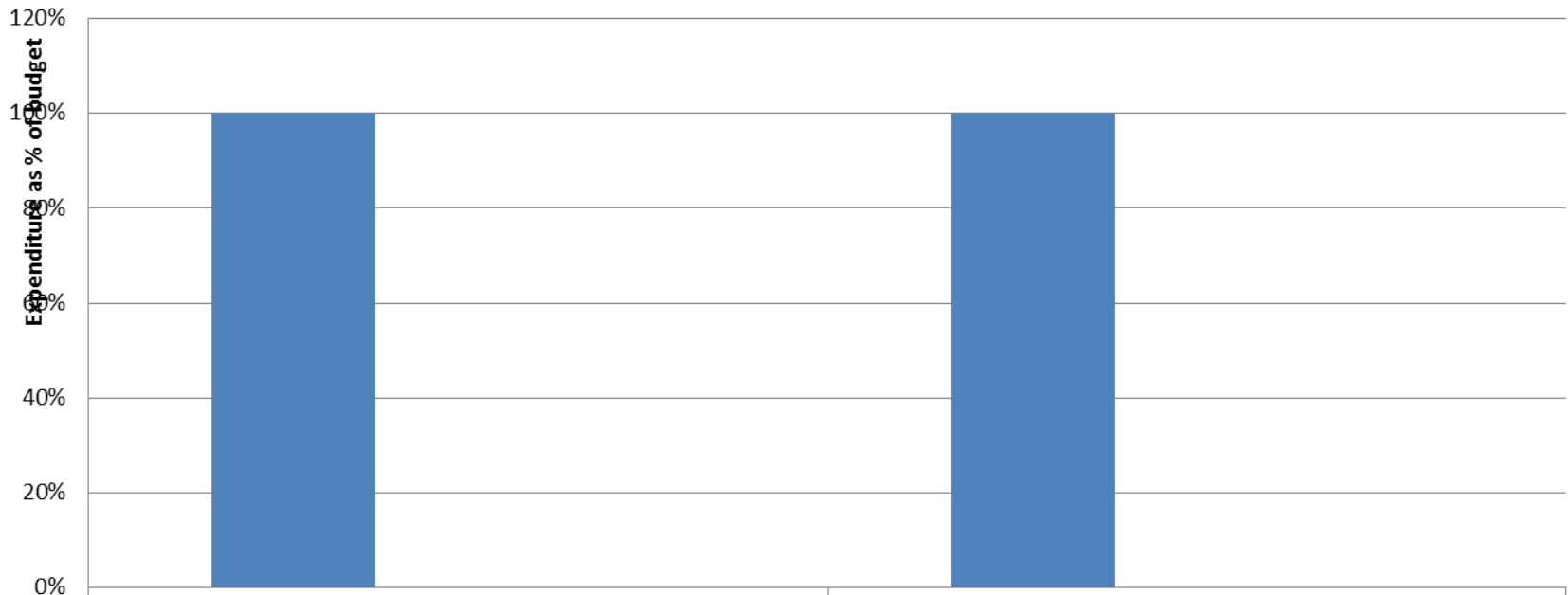
	Compensation of employees	Goods and services	Total transfers and subsidies	Total
■ Q2 Benchmark	100%	100%	100%	100%
■ Quarter 2 2016/17	108%	11%	78%	79%
■ Year-to-date	52%	36%	38%	38%

HOUSING ASSETS MANAGEMENT

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Subprogrammes								
ADMINISTRATION	814		0.0%	814	100.0%	3 256		0.0%
TOTAL	814	-	0.0%	814	100.0%	3 256	-	0.0%
Economic Classification:								
Total transfers and subsidies	814		0.0%	814	100.0%	3 256		0.0%
Total	814	-	0.0%	814	100.0%	3 256	-	0.0%

HOUSING ASSETS MANAGEMENT

Economic Classification - Q2 Actual Expenditure v/s Q2 Benchmark and year-to-date expenditure



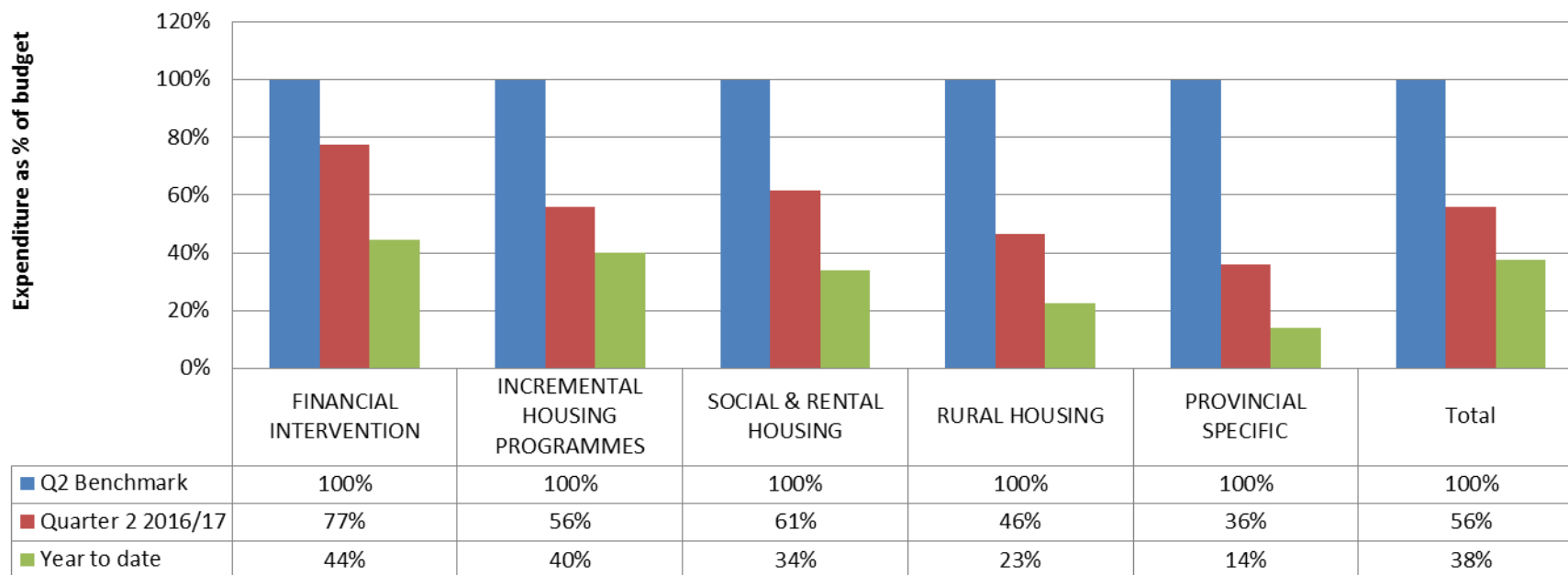
	Total transfers and subsidies	Total
■ Q2 Benchmark	100%	100%
■ Quarter 2 2016/17	0	0%
■ Year-to-date	0%	0%

HUMAN SETTLEMENTS DEVELOPMENT GRANT SPENDING SUMMARY

R Thousands	QUARTER 2					YEAR-TO-DATE		
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
Grant Instruments								
FINANCIAL INTERVENTION	28 451	22 007	77.4%	6 444	22.6%	152 525	67 781	44.4%
INCREMENTAL HOUSING PROGRAMMES	321 279	179 977	56.0%	141 302	44.0%	940 640	374 764	39.8%
SOCIAL & RENTAL HOUSING	16 315	10 020	61.4%	6 295	38.6%	50 000	16 913	33.8%
RURAL HOUSING	42 578	19 748	46.4%	22 830	53.6%	124 867	28 157	22.5%
PROVINCIAL SPECIFIC	14 613	5 243	35.9%	9 370	64.1%	46 613	6 577	14.1%
TOTAL	423 236	236 995	56.0%	186 241	44.0%	1 314 645	494 192	37.6%

HUMAN SETTLEMENTS DEVELOPMENT GRANT SPENDING SUMMARY

HSDG Instruments-Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure

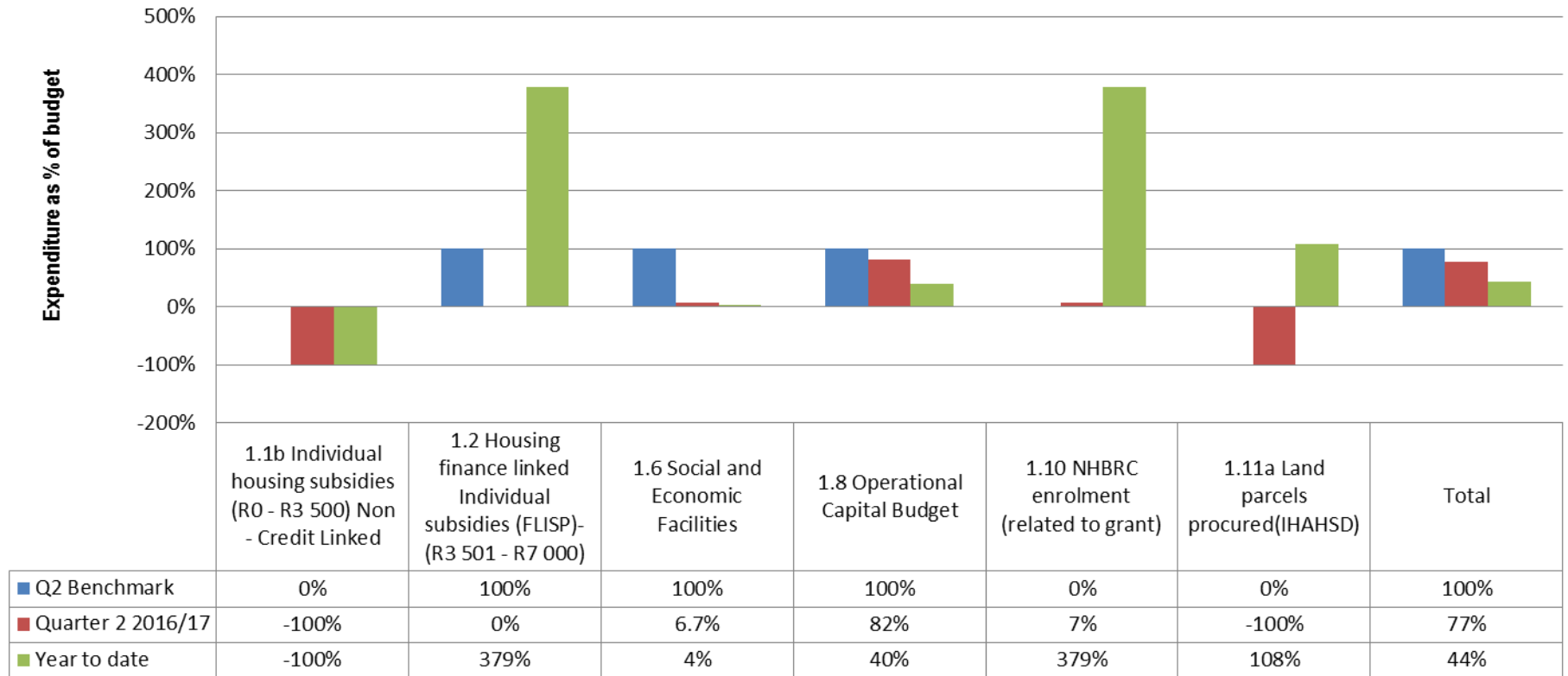


FINANCIAL INTERVENTION SPENDING

FINANCIAL INTERVENTION						YEAR-TO-DATE		
QUARTER 2						YEAR-TO-DATE		
R Thousands	Budget (July-Sept)	Actual	Outcome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outcome as % Budget
FINANCIAL INTERVENTION								
1.1b Individual housing subsidies (R0 - R3 500) Non - Credit Linked	-	337	100.0%	(337)	100.0%	-	383	-100.0%
1.2 Housing finance linked Individual subsidies (FLISP)-(R3 501 - R7 000)	1 740	-	0.0%	1 740	100.0%	6 960	-	0.0%
1.6 Social and Economic Facilities	10 280	688	6.7%	9 592	93.3%	46 500	1 644	3.5%
1.8 Operational Capital Budget	16 431	13 518	100.0%	2 913	100.0%	65 732	26 085	39.7%
1.10 NHBRC enrolment (related to grant)		2 844	100.0%	(2 844)	-100.0%	1 333	5 049	378.8%
Land parcels procured		4 620	100.0%	(4 620)	-100.0%	32 000	34 620	108.2%
Total	28 451	22 007	77.4%	6 444	22.6%	152 525	67 781	44.4%

FINANCIAL INTERVENTION SPENDING

Financial Intervention- Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure

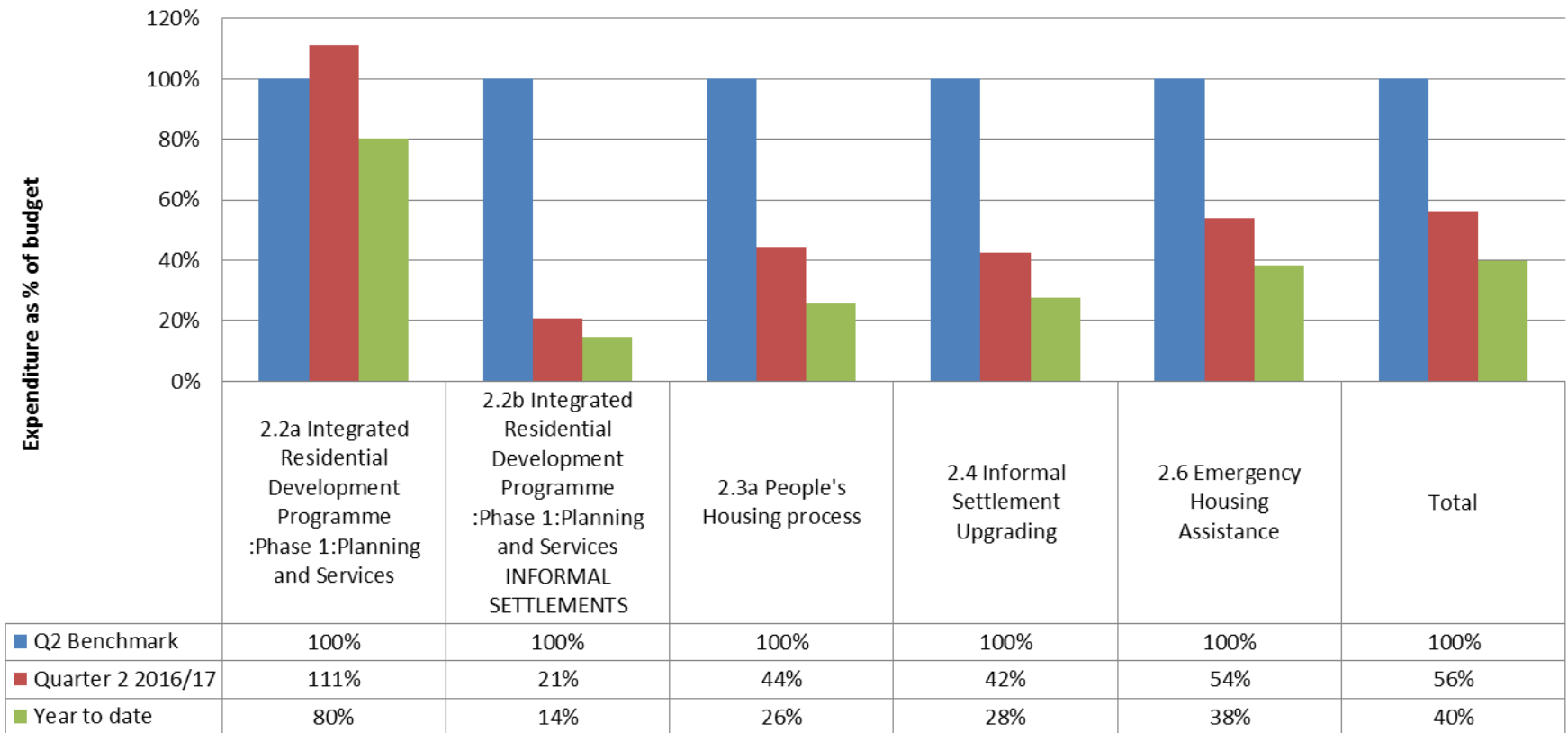


INCREMENTAL HOUSING PROGRAMME SPENDING

INCREMENTAL HOUSING PROGRAMMES						YEAR-TO-DATE		
R Thousands	QUARTER 2					Main Budget	Actual to the end of Sept 16	Outome as % Budget
	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending			
INCREMENTAL HOUSING PROGRAMMES								
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services	78 932	87 779	111.2%	(8 847)	-11.2%	262 277	210 400	80.2%
2.2b Integrated Residential Development Programme :Phase 1:Planning and Services <u>INFORMAL SETTLEMENTS</u>	54 551	11 268	20.7%	43 283	79.3%	172 799	24 964	14.4%
2.3a People's Housing process	38 729	17 205	44.4%	21 524	55.6%	115 790	29 830	25.8%
2.4 Informal Settlement Upgrading	143 982	60 978	42.4%	83 004	57.6%	374 716	103 812	27.7%
2.6 Emergency Housing Assistance	5 085	2 747	54.0%	2 338	46.0%	15 058	5 758	38.2%
Total	321 279	179 977	56.0%	141 302	44.0%	940 640	374 764	39.8%

INCREMENTAL HOUSING PROGRAMME SPENDING

Incremental- Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure and NT Benchmark

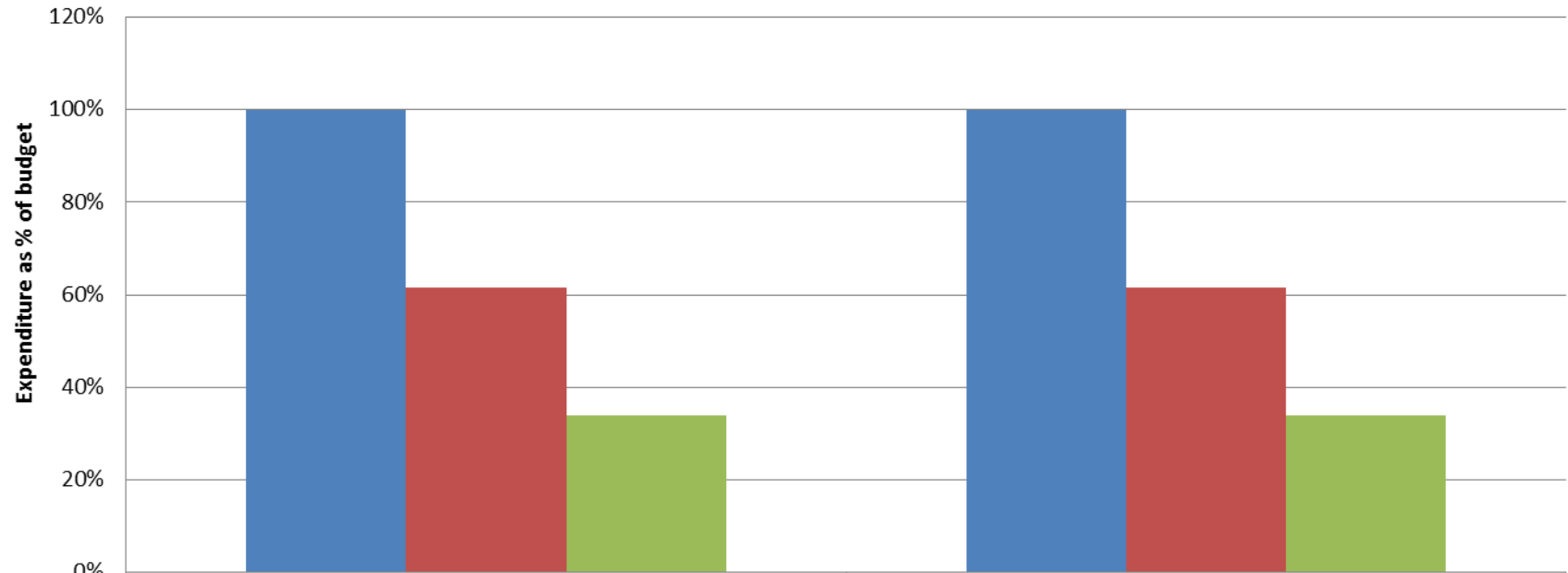


SOCIAL AND RENTAL

SOCIAL & RENTAL HOUSING						YEAR-TO-DATE		
QUARTER 2						YEAR-TO-DATE		
R Thousands	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
SOCIAL & RENTAL HOUSING								
3.3b Community residential units (CRU) <u>Constructed</u>	16 315	10 020	61.4%	6 295	38.6%	50 000	16 913	33.8%
Total	16 315	10 020	61.4%	6 295	38.6%	50 000	16 913	33.8%

SOCIAL AND RENTAL

Social & Rental Housing- Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure



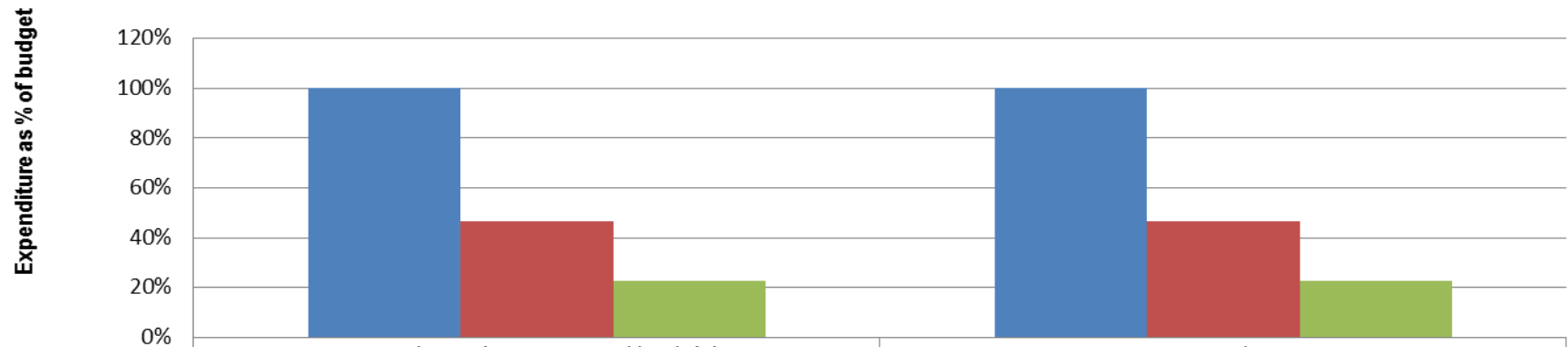
	3.3b Community residential units (CRU) Constructed	Total
■ Q2 Benchmark	100%	100%
■ Quarter 2 2016/17	61%	61%
■ Year-to-date	34%	34%

RURAL HOUSING

RURAL HOUSING						YEAR-TO-DATE		
QUARTER 2						YEAR-TO-DATE		
R Thousands	Budget (July-Sept)	Actual	Outome as % Budget	R (Over) / under-spending	% (Over) / under-spending	Main Budget	Actual to the end of Sept 16	Outome as % Budget
RURAL HOUSING								
4.2 Rural Housing: Communal land rights	42 578	19 748	46.4%	22 830	53.6%	124 867	28 157	22.5%
TOTAL	42 578	19 748	46.4%	22 830	53.6%	124 867	28 157	22.5%

RURAL HOUSING

Rural Housing-Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure



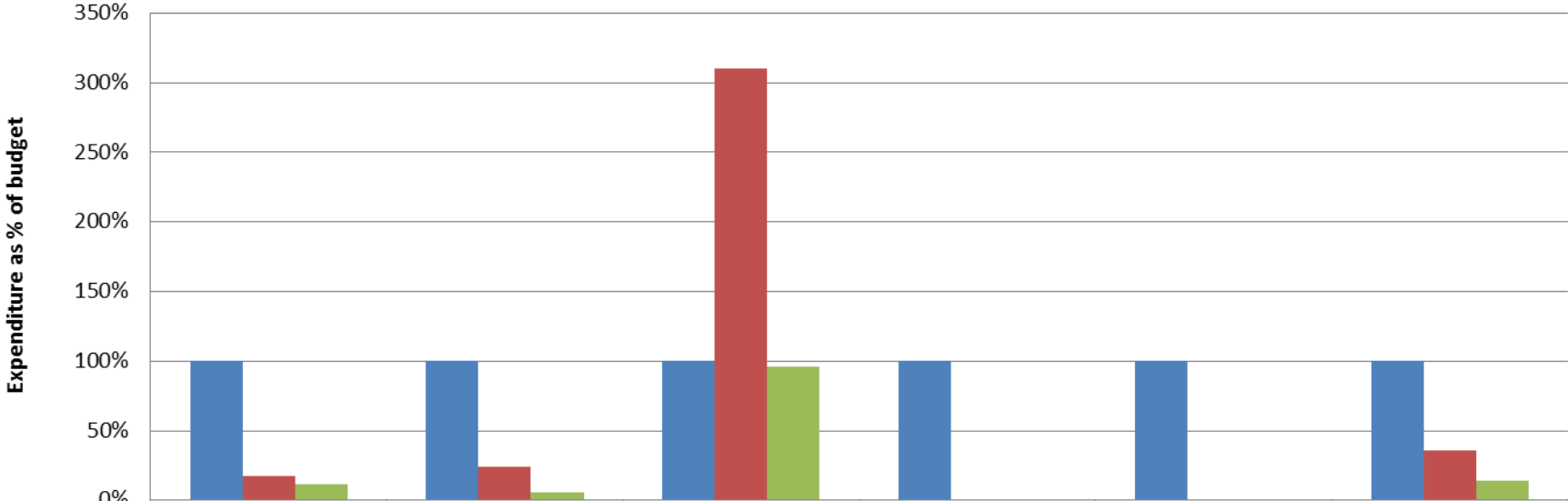
	4.2 Rural Housing: Communal land rights	Total
Q2 Benchmark	100%	100%
Quarter 2 2016/17	46%	46%
Year-to-date	23%	23%

PROVINCIAL SPECIFIC

PROVINCIAL SPECIFIC	QUARTER 2								
R Thousands	Budget (July-Sept)	Actual	Outcome as % Budget	R (Over) / under-spending	% (Over) / under-spending		Main Budget	Actual to the end of Sept 16	Outcome as % Budget
PROVINCIAL SPECIFIC									
1.13 War Veterans	6 567	1 118	17.0%	5 449	83.0%		13 691	1 557	11.4%
Title Deeds Pre 1994	992	238	24.0%	754	76.0%		4 000	238	6.0%
Title Deeds Post 1994	1 252	3 887	310.5%	(2 635)	-210.5%		5 000	4 782	95.6%
Title Deeds Current and New Developments	1 500	-	0.0%	1 500	100.0%		6 000		0.0%
Disaster	4 302	-	0.0%	4 302	100.0%		17 922	-	0.0%
TOTAL	14 613	5 243	35.9%	9 370	64.1%		46 613	6 577	14.1%

PROVINCIAL SPECIFIC

Provincial Specific-Q2 Actual Expenditure v/s Q2 Benchmark and Year-to-date expenditure



	1.13 War Veterans	Title Deeds Pre 1994	Title Deeds Post 1994	Title Deeds Current and New Developments	Disaster	Total
■ Q2 Benchmark	100%	100%	100%	100%	100%	100%
■ Quarter 2 2016/17	17%	24%	310%	0%	0%	36%
■ Year-to-date	11%	6%	96%	0%	0%	14%

CHALLENGES AND REMEDIAL ACTIONS

DEVIATIONS	CHALLENGES	REMEDIAL MEASURES TAKEN BY THE PROVINCE
<p>Slow Delivery of Housing units</p>	<p>The non-availability of bulk services in most of the Integrated Human Settlements projects</p> <p>Municipalities could not honour their commitments to install bulk services</p>	<p>The Department has strengthened cooperation and involvement of Municipalities in order to deliver human settlements programmes that will yield more housing opportunities</p> <p>The Department has made an application for bulk funding through the Provincial Budget and Finance Committee to address the challenges of non-availability of bulk particularly in Integrated Human Settlements Projects</p>

CHALLENGES AND REMEDIAL ACTIONS

DEVIATIONS	CHALLENGES	REMEDIAL MEASURES TAKEN BY THE PROVINCE
<p>Slow Delivery of Housing units</p>	<p>Slow performance and lack of capacity by certain appointed contractors</p> <p>There were a number of community unrest experienced by the Province particularly towards the local government elections (i.e. Particularly in the major towns of Emalahleni, Steve Tshwete, Mbombela and Govan Mbeki)</p>	<p>The Department has ensured that non-performing contractors are terminated and appointed high capacity contractors.</p> <p>High Political activity period due to elections has gone and contractors are back on site and all Contractors were instructed to increase capacity and working teams to cover for the lost period caused by community unrest towards the local government elections</p> <p>The Department has appointment qualified and competent town planners, engineers and project managers; to enhance project monitoring an implementation</p>

CHALLENGES AND REMEDIAL ACTIONS

DEVIATIONS	CHALLENGES	REMEDIAL MEASURES TAKEN BY THE PROVINCE
<p>Delivery of Title Deeds</p>	<p>There has been slow performance of conveyances due to limited capacity;</p> <p>Lack of township establishment in most areas where units are constructed</p>	<p>The Department has employed additional conveyancers to speed up the process of title deeds.</p> <p>The Department has appointed professional town planners to fast track township establishment processes</p> <p>There is close monitoring of the implementation of the programme in collaboration with municipalities to fast-track delivery</p>

PICTURES OF SOME HUMAN SETTLEMENT PROJECTS IN MPUMALANGA PROVINCE

Klarinet Integrated Human Settlement



Emalahleni Social Housing Project



Lekwa/ Standerton Human Settlement



Tsalanang CRU Redevelopment



Tsalanang CRU Redevelopment



Tekwane South Integrated Human Settlement (Serviced Sites)





ement Upgrade Project
(development)



Rural/ Farm Worker Project



Rural/ Farm worker Project



Old Farm Shacks



Informal Settlement Upgrade Project









THANK YOU
DANKIE
REA LEBOHA



NDOLIVHUA
ENKOSI

HI NKHENSILE
SIYATHOKOZA
SIYABONGA



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