

EC 2017/18 HSDG Business Plan Presentation to the Portfolio Committee on Human Settlements

20 June 2017



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

BUILDING THE FUTURE TODAY, TOGETHER

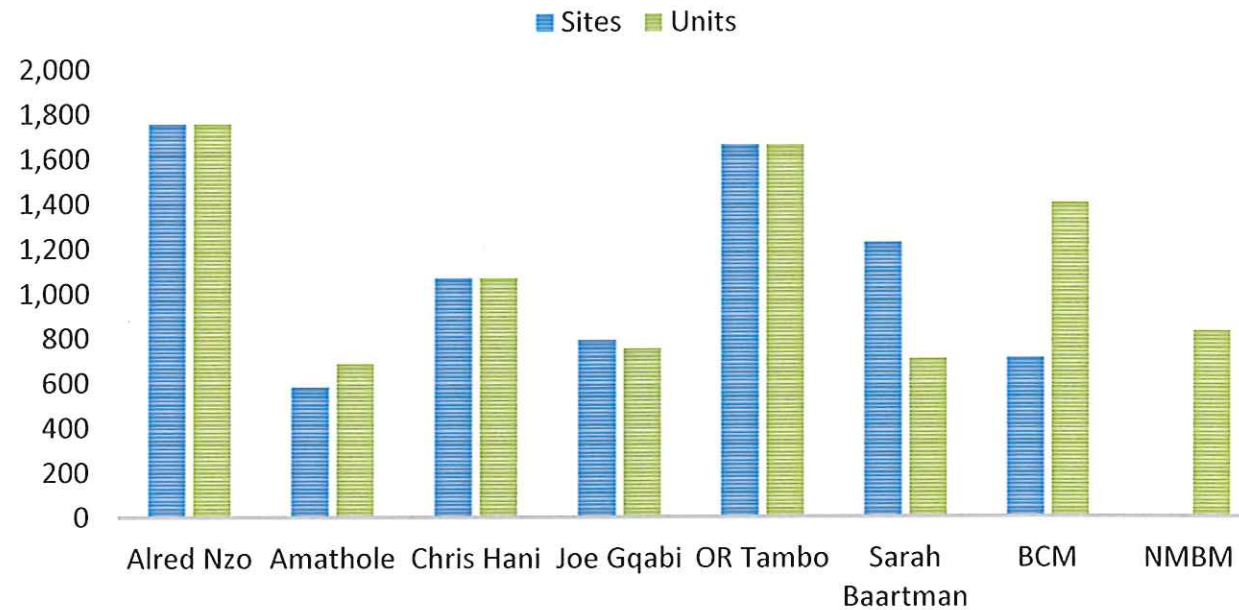
INTRODUCTION AND PROVINCIAL CONTEXT

- The overall budget for the Province is **R 2,239, 316, 000 billion**
- Regional Budget for Units and Sites = **R 2,041,888,001 bn**
- Centralised = **R 197,427,999 m**
- Rectifying **1465** defective units with a budget of **173,333,607million (7.7%)**.

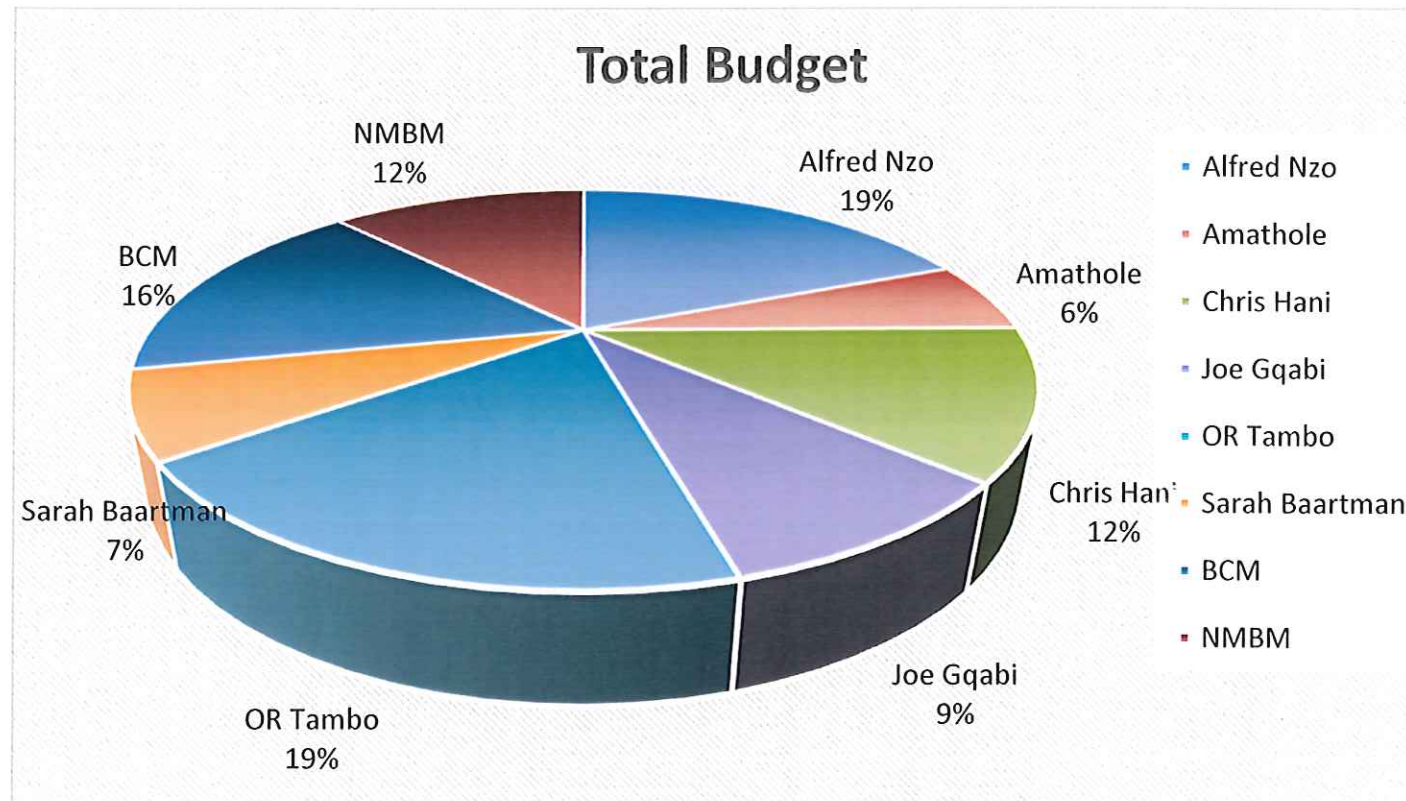
- The EC Dept. of Human Settlements will be constructing **11,921** units as follows:
 -
 - RDP (40m²) House = 11 090Units
 - FLISP, Individual Subsidies, Social & Rental Housing = 831 Units
 - Total = 11 921Units

- The department will also be servicing **7,805 sites**

REGIONAL BREAKDOWN OF PLANNED TARGETS



REGIONAL BREAKDOWN OF BUDGET ALLOCATION



SUMMARY OF PLANNED TARGETS: 2017/18

	Total Sites	Budget for Sites	Total Units	Budget for Units	Budget for Other Programmes	Total Allocation per programme
UISP	884	33 288 532	4 506	741 967	-	775 256
NEW INDIVIDUAL UNITS (EXL. RURAL)	0	0	261	4 000 000	-	4 000 000
CRU (CONSTRUCTED)	0	0	30	2 110 000	-	2 110 000
SOCIAL AND RENTAL HOUSING	0	0	6	3 242 511	-	3 242 511
FLISP	0	0	540	20 004 234	-	20 004 234
RURAL HOUSING	4 570	36 819 000	4 819	705 754 051	-	742 573 051
TOTAL	5 454	70 107 532	10 162	735 852 763	-	772 705 052
MILITARY VETERANS	0	0	216	26 310 000	-	26 310 000
TITLE DEEDS BACKLOG ERADICATION	10 000	60 552 000	0	0	-	60 552 000
TITLE DEEDS (NEW DEVELOPMENTS)	-	-	-	-	-	-
LAND ACQUISITION	HDA Competency	HDA Competency	N/A	N/A	-	-

REGIONAL BREAKDOWN OF PLANNED TARGETS

REGION/ DISTRICT MUNICIPALITY	Total Sites	Budget for Sites	Total Units	Budget for Units	Budget for Other Programmes	Total Allocation per programme
ALFRED NZO	1755	R18 082 275	1755	R292 294 849	-	R310 377 124
AMATHOLE	583	R12 234 878	688	R83 599 053	-	R95 833 931
CHRIS HANI	1072	R14 992 641	1072	R180 149 886	-	R195 142 527
JOE GQABI	794	R9 620 650	754	R138 077 768	-	R147 698 418
OR TAMBO	1663	R16 326 567	1663	R292 561 571	-	R308 888 138
SARAH BAARTMAN	1225	R29 546 795	708	R83 950 205	-	R113 497 000
BUFALLO CITY	713	R27 863 214	1400	R236 338 736	-	R264 201950
NELSON MANDELA	0	R0	3050	R606 248 912	-	R606 248 912
CENTRALISED	0	R0	831	R197 427 999	-	R197 427 999
TOTAL	7805	R128 667 020	11921	R2 110 648 979	-	R2 239 316 000

PROVINCIAL SUMMARY OF PROJECT READINESS

LEGEND

Project Ready for construction
/Contractor & PRT on Site

Projects require SCM, Process dealing
with contracts and IPW's

Projects under Planning (No sites)

Provincial (All Projects)	Sites	Units	Budget	% of Total HSDG budget allocation
232	7115	10231	R 1 856 976 623	82%
38	690	859	R 154 922 222	7%
35			R 29 989 155	1.3%
3 programmes		831	R 197 427 999	8.9%
305	7 805	11 921	R 2 239 316 000	100%
Projects Revitalisation of Distressed Communities	Sites	Units	Budget	% of Total budget allocation
				%
				%
				%
Total				
Catalytic Projects	Sites	Units	Budget	% of Total budget allocation
				%
				%
				%
Total				



PROVINCIAL SUMMARY OF TITLE DEEDS TO BE ERADICATED AND READINESS

	Pre 1994	Post 1994	Cost implications	Source of funding
Total Provincial Backlog to be eradicated				
Deeds Ready for conveyancing <u>IN 2017/18 F/Y</u>	1074	10 000	61 626 000	HSDG
Beneficiaries to be confirmed	-	-	-	-
No of Title Deeds in Township Establishment Processes	-	-	-	-

PLANNED TARGETS PER PROGRAMME

MTSF PICTURE PER PROGRAMME	Total Sites	Budget for Sites	Total Units	Budget for Units	Total Allocation per programme
UISP TOTAL	853	R33 698 503	4506	R741 557 801	R775 256 304
2.2b IRDP: Phase 1:Planning and Services INFORMAL SETTLEMENTS	813	R33 288 532	0	R0	R33 288 532
2.2d IRDP: Phase 2:Top Structure Construction INFORMAL SETTLEMENTS	0	0	2834	R404 701 700	R404 701 700
2.2e IRDP: Phase 4:Top Structure Construction (INFORMAL SETTLEMENTS)	0	0	0	0	0
2.3b People's Housing Process INFORMAL SETTLEMENTS	0	0	0	0	0
2.4 Informal Settlement Upgrading	40	R409 971	1672	R336 856 101	R 337 266 072
NEW INDIVIDUAL SUBSIDIES TOTAL (EXCL. RURAL)	1 695	R55 861 559	990	R114 167 932	116 814 448
1.1a Individual housing subsidies (R0 - R3 500) credit linked	0	0	0	0	0
1.1b Individual housing subsidies (R0 - R3 500) Non - Credit Linked	0	R0	261	R4 000 000	R4 000 000
2.2a IRDP: Phase 1:Planning and Services	1 604	R54 091 588	0	R0	R54 091 588
2.2c IRDP: Phase 2:Top Structure Construction	0	R0	394	R58 722 860	R58 722 860

PLANNED TARGETS PER PROGRAMME

MTSF PICTURE PER PROGRAMME	Total Sites	Budget for Sites	Total Units	Budget for Units	Total Allocation per programme
2.3a People's Housing process	31	R1 360 000	305	R46 192 954	R47 552 954
2.5a Consolidation Subsidies (Excluding Blocked Projects)	60	R409 971	30	R5 252 118	R5 662 089
SOCIAL AND RENTAL HOUSING INCLUDING CRU TOTAL	0	R0	36	R2 853 628	R2 853 628
3.1 Institutional Subsidies	0	R0	6	R743 628	R743 628
3.2b Social Housing: Capital Grants for rental housing (Funded by NDoH)	0	0	0	0	0
3.3b Community residential units (CRU) Constructed	0	R0	30	R2 110 000	R2 110 000
RURAL HOUSING TOTAL	4570	R36 819 127	4819	R705 753 924	R742 573 051
4.1 Farm Worker Housing Assistance	0	0	0	0	0
4.2 Rural Housing: Communal land rights	4570	R36 819 127	4819	R705 753 924	R742 573 051
1.2 FLISP	0	0	540	R20 004 234	R20 004 234



PLANNED TARGETS PER PROGRAMME

MTSF PICTURE PER PROGRAMME	Total Sites	Budget for Sites	Total Units	Budget for Units	Total Allocation per programme
5. PRIORITY PROJECTS (New opportunities: sites & units)	0	0	0	R9 106 565	R9 106 565
6. PROVINCIAL SPECIFIC PROGRAMMES (New opportunities: sites & units)	130	R64 651 170	289	R38 221 515	R102 872 685
SUB-TOTAL NATIONAL MTSF TARGET	130	64 651 170	289	47 328 080	111 979 250
Emergency Housing Programme (new units)	-	-	250	R17 250 365	R17 250 365
GRAND TOTAL	7 248	R 191 030359	11 430	R 1 648 915 964	R 1 786 731 282

PLANNED TARGETS PER PROGRAMME

PROGRAMMES FOR MINING TOWNS		Total Planned Sites	Budget for Sites	Total Planned Units	Budget for Units	Total Budget Allocation per programme
Military Veterans		0	0	216	R26 310 662	R26 310 662
Title Deeds Backlog (Pre-1994)		1074	0	0	0	R1 074 000
Title Deeds Backlog (Post-1994)		-	-	10 000	10 000 000	R60 552 000
Title Deeds (New Developments)		-	-	6 000	6 000 000	6 000 000
1.11a Land parcels procured(IHAHSD)	Acquired					
	Released					
	Rezoned					

NIA



REVITALISATION OF DISTRESSED MINING COMMUNITIES

PROGRAMMES FOR REVITALISATION OF DISTRESSED MINING COMMUNITIES	Total Planned Sites	Budget for Sites	Total Planned Units	Budget for Units	Total Budget Allocation per programme
TOTAL					

NIA

CATALYTIC PROJECTS

PROJECT NAME	Total Planned Sites (2017/18)	Budget for Sites	Total Planned Units (2017/18)	Budget for Units	Total Budget Allocation per programme
TOTAL					

N/A

OTHER PROGRAMMES

Other programmes	Total Planned Sites	Budget for Sites	Total Planned Units	Budget for Units	Total Budget Allocation
PROGRAMMES REQUIRING MINISTERIAL APPROVAL	N/A	N/A	N/A	N/A	N/A
PROGRAMMES REQUIRING DETAILED REPORTS	-	-	-	-	-
OTHER (NHBRC, SOCIAL HOUSING OPERATIONAL SUPPORT, ACCREDITATION)	N/A	N/A	N/A	N/A	R3 621 789
DISASTER MANAGEMENT	557	R1 672 000	741	R129 989 167	R114 410 802
TOTAL	557	R1 672 000	741	R129 989 167	R118 032 591

ADDITIONAL ISSUES



human settlements

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PROVINCIAL EXPENDITURE

MONTHS	CASH FLOWS AS PER BP R'000	CASH RECEIVED R'000	EXPENDITURE R'000	DEVIATION R'000	% SPENT
April 2017	254 624	254 624	221 625	32 999	87%
May 2017	257 214	235 171	268 010	-32 839	113%
June 2017	185 096	193 439	176 363	17 076	91%
Total	696 934	683 234	665 998	17 236	95%

Outstanding payments R 191 907 as at 15 June 2017: Paid as at 15 June 2017 R176 363



BENEFICIARY MANAGEMENT IN EC

Policy Principles:

- Housing Programmes target those households who are not able to independently resolve their own housing needs
- Priority is given to the most vulnerable households:
 - older persons (60 years and above)
 - disabled persons or beneficiaries with disabled family members
 - Households with special needs
 - House holds faced with eminent evictions
- Policy provisions are made for households with special housing needs and approval is done accordingly
- Opportunity is given to qualifying beneficiaries to purchase completed habitable existing stands through individual housing subsidy.

BENEFICIARY MANAGEMENT IN EC (cont.)

Programme Performance

- Tremendous performance regarding approval of beneficiaries has been reported over the past financial years. This has contributed to a significant number of beneficiaries approved on Housing Subsidy System (HSS) whom are still awaiting for houses.
- High demand for individual housing necessitated the directorate to over-perform on the instrument over the past financial years leading to financial constraints.

BENEFICIARY MANAGEMENT IN EC (cont.)

Key High Level Hindrances	Key Interventions
<ul style="list-style-type: none"> • Illegal occupation of houses • Wrongful beneficiaries allocated houses while legitimate beneficiaries remain homeless or in informal settlements • Missing and untraceable beneficiaries upon completion of houses affecting handing over and transfers of title deeds. • Manipulation of Beneficiary list at project level (favouritism with incidence of alleged corruption) • Conversion of houses into illegal shops/tarvens etc • Limited funding resources to implement individual housing subsidy 	<p>Establishment of Beneficiary Allocation Committees:</p> <p>To facilitate a fair, transparent and inclusive selection for all housing development projects undertaken through the IRDP and ISUP.</p> <p>To ensure the prioritization of the vulnerable groups in the allocation of houses.</p> <p>National Housing Needs Register is utilized as the anchor document to source beneficiaries. This is viewed as a credible database.</p>

LAND TO BE ACQUIRED 2017/18

- The function was handed over to the HDA who are now currently responsible for the procurement of land parcels for human settlements developments



STATUS OF BLOCKED PROJECTS

DISTRICT NAME	MUNICIPALITY	PROJECT	UNITS	BULK INFRASTRUCTURE REQUIRED			
				WATER	SANITATION	ELECTRICITY	ROADS & STORM WATER
CHRIS HANI	Sakhisizwe Local Municipality	Cala	3035	Yes	Yes	No	Yes
	Intsika yethu local Municipality	Tsomo ext 263	263	Yes	Yes	No	Yes
	Tsolwana Local Municipality	Tarkastad	1671	Yes	Yes	No	No
CHRIS HANI	Engcobo Local Municipality	Ngcobo Ext 11	1854	Yes	Yes	No	Yes
	Lukhanji Municipality	New Rathwick	3000	Yes	Yes	No	Yes
	Lukhanji Municipality	Ilinge	1210	Yes	Yes	No	Yes
AMATOLE	Amahlathi	Kati-Kati	300	No	No	X	X



STATUS OF BLOCKED PROJECTS

DISTRICT NAME	MUNICIPALITY	PROJECT	UNITS	BULK INFRASTRUCTURE REQUIRED			
				WATER	SANITATION	ELECTRICITY	ROADS & STORM WATER
SARAH BAARTMAN	Kouga	Kruisfontein (Humansdorp)	2500	No	Yes	No	No
	Kouga	Pellsrus	220	Yes	Yes	No	No
	Kouga	Ocean View	1500	Yes	Yes	No	No
	Kouga	Sea Vista (St. Francis Bay)	2000	No	Yes	No	No
	Kouga	Weston (Hankey)	990	Yes	Yes	No	No
	Kouga	Patensie	278	Yes	Yes	No	No
	Sundays River	Langbos	300	Yes	Yes	No	No
	Sundays River	Molly Blackburn	450	Yes	Yes	No	No



STATUS OF BLOCKED PROJECTS

DISTRICT NAME	MUNICIPALITY	PROJECT	UNITS	BULK INFRASTRUCTURE REQUIRED			
				WATER	SANITATION	ELECTRICITY	ROADS & STORM WATER
OR TAMBO	Mhlontlo Local Municipality	Tsolo Junction	400	Yes	Yes	No	No
	Nyandeni Local Municipality	Nyandeni 500	500	No	Yes	No	No
	Mhlontlo Local Municipality	Qumbu 500 (Unblocked)	500	No	Yes	No	No
	Mhlontlo Local Municipality	Langeni 5000	5000	Yes	Yes	No	No
OR TAMBO	Port St Johns Local Municipality	Port St Johns 321	321	Yes	No	No	No
	King Sabata Dalindyebo Local Municipality	Polar Park BNG	1400	Yes	Yes	No	No
	King Sabata Dalindyebo Local Municipality	Joe Slovo BNG	3350	Yes	Yes	No	No

UPGRADING OF INFORMAL SETTELEMENTS

Regions	Assessments	Upgrading Plans
Nelson Mandela Metro	40	34
Buffalo City Metro	-	32
Chris Hani	20	0
Joe Gqabi	5	5
Sarah Baartman	86	49
O.R Tambo	22	0
Alfred Nzo	5	5
Amathole	33	5
TOTAL	211	130



TITLE DEEDS STEERING COMMITTEE MEETINGS

- The Title Restoration Project Steering Committee is functional and continues to sit on a quarterly basis. The Province is represented in the National Title Restoration Committee regularly and the Provincial representative attends the national meetings regularly.
- The title deeds to be issued should be the same as planned units (BNG houses) for new developments
- The targets for 2017/18 for post-1994 title deeds is 10 000
- The targets for pre-1994 is 1 074
- The target for the current developments is 6 000



STATUS OF BULK INFRASTRUCTURE PROJECTS

PROJECT	Region	CURRENT STATUS
Kati Kati	Amathole	Running
Ntabankulu	Alfred Nzo	Running
Patensie 278	Sarah Baartman	Running
Hankey 990	Sarah Baartman	Running
Cala	Chris Hani	Running



USDG EXPENDITURE

METRO	EXPENDITURE TO DATE
Nelson Mandela Metro	R
Buffalo City Metro	R
TOTAL	R



SUMMARY & CONCLUSION

- The budget Split between Regions and Centralized Programmes is 91.2% and 8.8% respectively.
- The 91.2% of the overall budget allocated to Regions is due to the Decentralization of Project based programmes (i.e. Social Amenities, Social and Rental etc.).
- The required Motivation Letters were submitted with the final Business Plan.
- The final Business Plan is aligned to the APP in terms of no-financials.



THANK YOU

