

Working for Integration



ANNUAL REPORT FOR THE 2016 / 2017 FINANCIAL YEAR

HOUSING DEVELOPMENT AGENCY

PRESENTED BY PASCAL MOLOI

Chief Executive Officer



1 Introduction to the Housing Development Agency

2 Overview of the HDA's Functions

3 The HDA MTSF Targets

4 Overview of National Priority Programmes

5 The HDA's Performance Highlights

6 Summary of Catalytic Projects

7 The Mining Towns Revitalization Project

8 Informal Settlements Upgrading Project



9 Performance Against Macro Indicators

10 Budget Programme Performance Information

11 Financial Results

Introduction to the Housing Development Agency

The HDA was established to address the land acquisition and assembly process so as to accelerate housing delivery and the human settlements . The specific functions of the Agency are set out in Section 7 of the HDA Act (Act No. 23 of 2008)

VISION

Vibrant communities living on
well located land

MISSION

Building partnerships to create
integrated sustainable human
settlements

OBJECTIVE S

- ☐ Identify, acquire, hold, develop and release well located land and buildings
- ☐ Provide project management support and housing development services



OVERVIEW OF HDA FUNCTIONS, PROGRAMMES AND PERFORMANCE TARGETS

Overview of HDA Functions



Access land for human settlements projects



Package human settlements projects



Establish delivery partnerships with the private sector



Mobilise, coordinate, and invest funds on behalf of the public sector



Facilitate the resolution of blockages



Monitor and implement human settlement projects



Transformation and Empowerment

MTSF Targets supported by HDA



10 000 of well located hectares land rezoned and released for new development targeting poor and lower middle income households



13 288 855
hectares

9 Provinces supported with HDA services through technical capacity programmes for human settlements development



IGR Programme
Coordinating
relationships with
all nine Provinces

Develop, implement and maintain an approved Master Spatial Plan



The Master
Spatial Plan has
been developed

National priority programmes provided with implementation support (Catalytic Projects, Mining towns & Informal Settlements)

National Priority Programems

Catalytic Projects

Mining Towns

Informal Settlements



48 Government led
catalytic projects
approved

22 Mining Towns
identified

356 Informal
Settlements
Assessed

The HDA's Performance Highlights

MACRO INDICATOR	BASLINE (2015/16)	TARGET (2016/17)	PERFORMANCE 2016/17
Number of hectares of well located land released for human settlements development (target poor & middle income households)	3 000 (Three Thousand) Hectares	3 000 (Three Thousand) Hectares	6288,065 Hectares of well located land released for human settlement development
National Programmes provided with programme management and technical support	Provide 274 informal settlements with technical support	Provide 274 informal settlements with technical support	356 informal settlements provided with technical support.
National Programmes provided with programme management and technical project support	Technical support to projects in 22 mining towns	2 Reports	Technical support to projects in 22 mining towns provided
Number of Provinces provided with capacity support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans



Overview of the National Priority Programmes

The Minister of Human Settlements has given the HDA the mandate to manage the implementation of three National Priority Programmes i.e. Catalytic Programmes, Informal Settlements Upgrading Programme and the Revitalization of distressed mining towns. Collaborative solutions are a core principle of National Priority Programmes.

CATALYTIC PROJECTS

Catalytic projects are spatially targeted interventions that aim to change the way we provide infrastructure by restructuring settlements patterns. These projects are mega in size. The benefits of **catalytic projects** are; Increased economic opportunities from jobs created when the **projects** start and post construction SMME job creation.

INFORMAL SETTLEMENTS UPGRADES

ISU programme is designed to provide technical and capacity support to provinces and municipalities for the implementation of informal settlement upgrading across the country through the use of the Upgrading of Informal Settlement Programme (UISP) together with other housing programmes.

MINING TOWNS

The objectives of the human settlements component of the intervention require the transformation of the mining towns through the creation of sustainable integrated human settlements

Summary of Catalytic Projects

Eastern Cape

Municipalities
Buffalo City Metro (1)
NMB Metro (5)

Housing Opportunities
Buffalo City Metro 21 235
NMB Metro 62 133

Job Opportunities
Buffalo City Metro 9 105
NMB Metro 200 385

FREE STATE

Municipalities
Dhlabeng (1)
Mangaung (1)
Metsimaholo (1)

Housing Opportunities
Dhlabeng 5 110
Mangaung 33 300
Metsimaholo 10 000

Job Opportunities
Dhlabeng 9 417
Mangaung 12 750
Metsimaholo 9 368

GAUTENG

Municipalities
CoJ Metro (4)
Tshwane Metro (4)
Ekurhuleni Metro (5)
Westonaria (1)
Emfuleni (1)

Housing Opportunities
CoJ Metro 83 983
Tshwane Metro 17 892
Ekurhuleni Metro 48 900
Westonaria 60 128
Emfuleni 4 280

Job Opportunities
CoJ Metro 47 205
Tshwane Metro 17 242
Ekurhuleni Metro 46 755
Westonaria 23 602
Emfuleni 3 684

KWA-ZULU NATAL

Municipalities
Empangeni (1)
eThekwin Metro (5)
KwaDukuza (1)
New Castle (1)

Housing Opportunities
Empangeni 10 000
eThekwin Metro 151 350
KwaDukuza 4 600
New Castle 14 011

Job Opportunities
Empangeni 11 625
eThekwin Metro 118 408
KwaDukuza 8 942
New Castle 8 576

LIMPOPO

Municipalities
Lephalale (1)
Polokwane (1)

Housing Opportunities
Lephalale 5 214
Polokwane 661

Job Opportunities
Lephalale 2 794
Polokwane 963

MPUMALANGA

Municipalities
Emalahleni (1)

Municipalities
Emalahleni 4 474

Municipalities
Emalahleni 5 426

Summary of Catalytic Projects

(99 assessed and 48 Government approved)

NORTH WEST	Municipalities Matlosane (1) Rustenburg (1)	Housing Opportunities Matlosane 9 676 Rustenburg 3 880	Job Opportunities Matlosane 20 982 Rustenburg 2 695
NORTHERN CAPE	Municipalities Ga-Segonyane (1) Sol Plaatje (1) Tsantsabane (1)	Housing Opportunities Ga-Segonyane 5 000 Sol Plaatje 4 651 Tsantsabane 4 460	Job Opportunities Ga-Segonyane 5 224 Sol Plaatje 3 178 Tsantsabane 4 119
WESTERN CAPE	Municipalities Cape Town Metro (4) George (1) West Coast (1) Brede Valley (1) Drakenstein (1)	Housing Opportunities Cape Town Metro 76 747 George 12 465 West Coast 1 410 Brede Valley 8 873 Drakenstein 11 959	Housing Opportunities Cape Town Metro 30 789 George 7 750 West Coast 6 993 Brede Valley 4 432 Drakenstein 1 108

SUMMARY OF CATALYTIC PROJECTS

Provinces	Housing Opportunities	Job Opportunities
Nine	676 382	623 571

Marapong Catalytic Project

SITE DEVELOPMENT PLAN

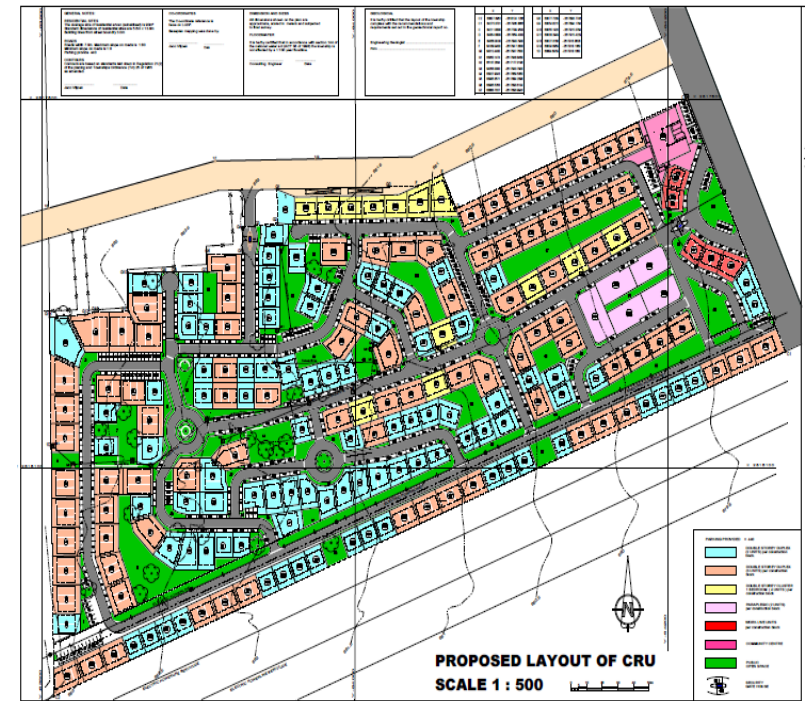


Figure 1-Site Development Plan and Proposed Layout Plan

PROJECT PROGRESS PHOTOS

Project Photographs

Foundation Casting



Ground floor wall-plates



Foundation brickwork



Ground floor wall plates with window frames



Completed CRU in 2 years

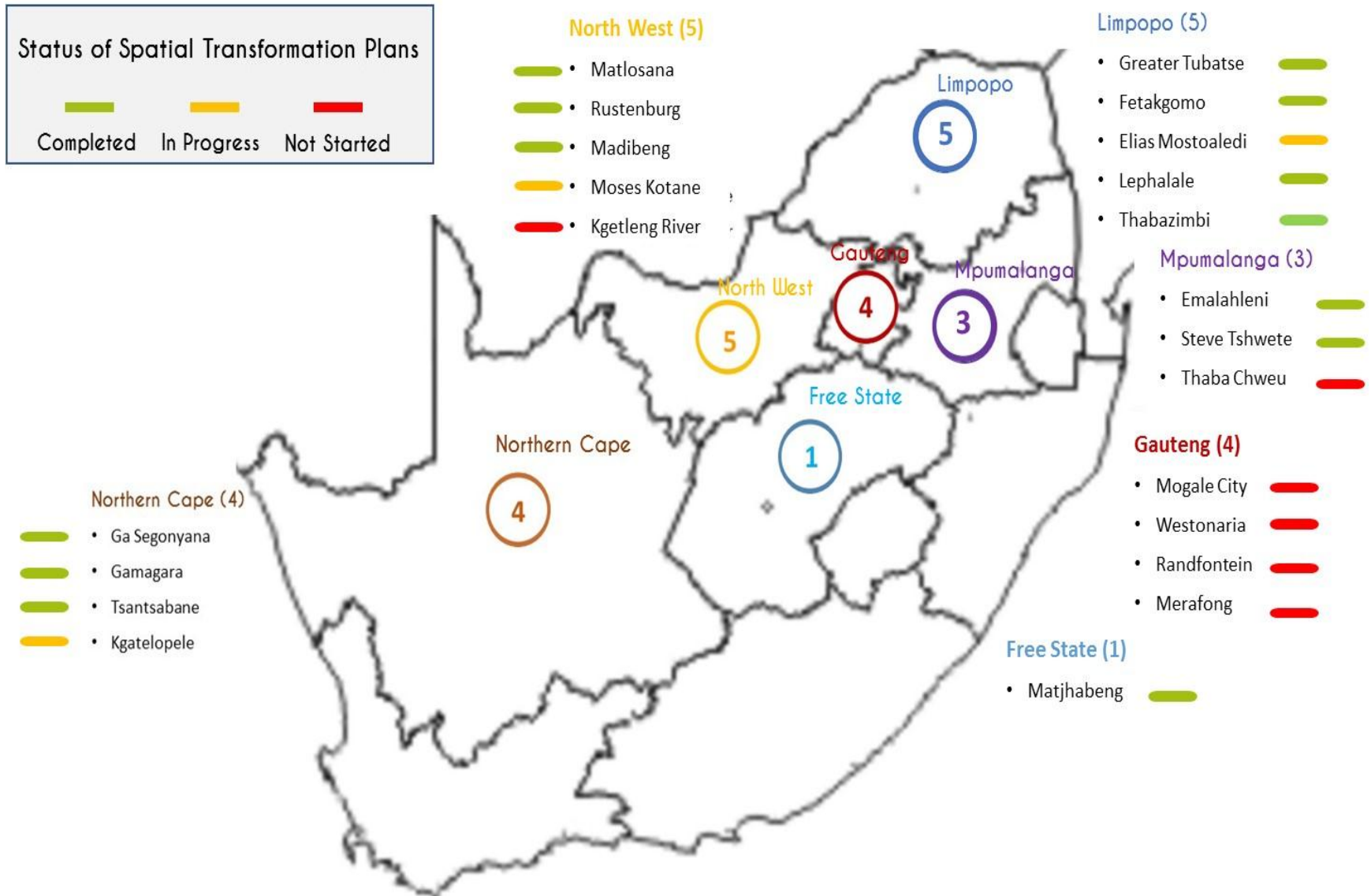


A completed human settlements project by the HDA
The HDA goes beyond merely building houses. We build communities with all the basic social services where families can live, work and play

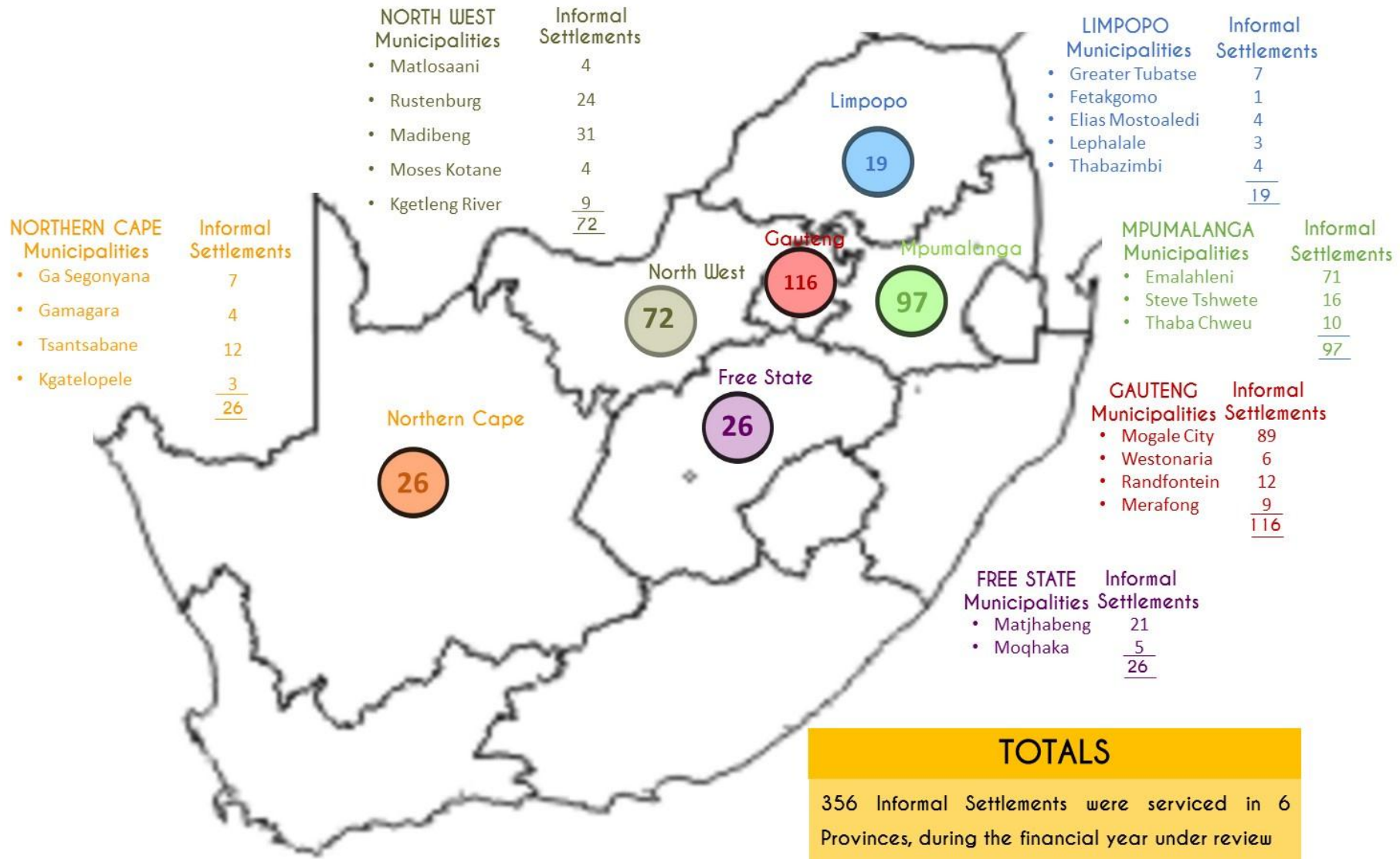
Catalytic Project: The N2 Gateway



Provincial Distribution of the 22 Mining Towns



Informal Settlements Upgrade Project



The HDA Budget Programmes

PROGRAMME ONE

Administration

Programme 1A
Office of the CFO

Programme 1B
Corporate Support

PROGRAMME TWO

Policy Research,
Monitoring &
Information

PROGRAMME THREE

National Programme
Support

Programme 3A
National Programme
Support





Programme 3B
Built Environment
Implementation

PROGRAMME FOUR






Land and Housing
Services

PERFORMANCE AGAINST MACRO INDICATORS

Performance Against Macro Indicators

MACRO INDICATOR	BASLINE (2015/16)	TARGET (2016/17)	PERFORMANCE 2016/17	
Number of monitoring and evaluation reports against the FSIHS based on the Master Spatial Plan	Complete the (FSIHS) and produce 2 monitoring reports on the implementation of spatial targeting against the framework	2 Reports	Two monitoring reports on the implementation of spatial targeting against the framework were finalised	
Number of hectares of well located land released for human settlements development (target poor & middle income households)	3 000 (Three Thousand) Hectares	3 000 (Three Thousand) Hectares	6288,065 Hectares of well located land released for human settlement development	
National Priority Programmes provided with programme and technical support	Provide 274 informal settlements with technical support	Provide 274 informal settlements with technical support	356 informal settlements provided with technical support.	
National Priority Programmes provided with programme and technical project support	Technical support to projects in 22 mining towns	2 Reports	Technical support to projects in 22 mining towns provided	

Performance Against Macro Indicators

MACRO INDICATOR	BASELINE (2015/16)	TARGET (2016/17)	PERFORMANCE 2016/17	
National Priority Programmes provided with programme management and technical project support	Identification of 50 catalytic projects	50 catalytic projects supported	Support provided to 99 catalytic projects	
Number of Provinces provided with capacity support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans	9 Provinces provided with support as per MTOPS and business plans	
Implementation support provided to programmes and projects	2 866 housing units	6912 housing units. Aligned Target: 7034	W Cape: 1325 Housing Units E Cape: 2616 Housing Units Limpopo: 379 Housing Units Total: 4320 Housing Units	
Implementation support provided to programmes and projects	664 serviced sites	9539 Serviced sites. Aligned Target :8401	W Cape: 1250 Serviced sites N Cape: 0000 Serviced sites (various stages of implementation) Total: 1250 Serviced sites	
Built environment implementation	1x HDA developer role business case and plan developed and approved by the HDA Board	5 projects prepared for implementation	5 projects implemented	

Programme One: Administration

Programme 1A Office of the CFO

2016 / 2017 Performance Summary

The HDA obtained a clean audit outcome for the financial year 2016/17. The financial statements present fairly, in all material respects, the financial position of the Housing Development Agency as at 31 March 2017, and

Programme One: Administration

Programme 1B: Corporate Support Services

2016 / 2017 Performance Summary

All positions filled were in line with the staff establishment plan as approved by the HDA Board.

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Positions filled in line with approved establishment plan	100% of positions filled in accordance with organisation structure Requirements	All position filled in line with the approved staff establishment plan	

Programme Two: Policy Research, Monitoring & Information

2016 / 2017 Performance Summary






The Policy Research, Monitoring and Information Programme amongst other things produced 2 monitoring and evaluation reports against the Framework for Spatial Investment in Human Settlements.

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Number of monitoring and evaluation reports against the FSIHS	2 Reports	Broad consultations successfully undertaken with key role players in the Human Settlements sector to facilitate input into the FSIHS and obtain buy in	

Programme Three: National Programme Support

Programme 3A: National Programme Support

2016 / 2017 Performance Summary

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Number of hectares of well-located land released for human settlements development (targeting poor and middle income households)	3000 hectares of well-located land released	6288.0651 hectares of well-located land released for human settlement development.	
National priority programmes provided with programme management and technical project support	Provide 274 ISU with technical support	Support was provided to 356, exceeding the target by 82	
	Develop 3x ISU guidelines	4x ISU guidelines developed	
	Technical support to projects in 22 mining towns	Technical support to projects in 22 mining towns provided. Additionally, Spatial Transformation plans developed for 6/22 towns	
	50 catalytic projects supported	99 catalytic projects supported. 48 Government led catalytic projects approved by MINMEC for implementation.	

Programme Three: National Programme Support







Programme 3B: Built Environment Implementation

2016 / 2017 Performance Summary

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Number of projects implemented in line with approved project plans	5 projects implemented (not cumulative)	<p>The five projects implemented are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Lephalale (Altoostryd) <input type="checkbox"/> Palm Ridge Extension 9 <input type="checkbox"/> Payneville <input type="checkbox"/> Hamawasha <input type="checkbox"/> McKenzieville 	 <p>Target Achieved</p>






Programme 4: Land and Housing Services

2016 / 2017 Performance Summary

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Number of provinces provided with capacity support as per MTOPs and business plans	9 provinces provided with capacity support as per MTOPs and business plans	9 Provinces have been provided with technical and capacity support in line with MTOPs	
Implementation support provided to programmes and Projects	Zanemvula (Eastern Cape) 2 652 Housing Units	2 616 Housing Units were delivered, a shortfall of 36 Housing Units. Funding not received from the Eastern Cape Department of Human Settlements	
	N2 Gateway 1 464 Housing Units 591 Serviced Sites	1 325 Housing Units delivered, a shortfall of 139 Housing Units. 1 250 Serviced Sites delivered. An over-achievement of 659 Serviced Sites.	 
	Nelson Mandela Bay 2 603 Housing Units 4 000 Serviced Sites	No Housing Units or serviced sites were delivered due to non-receipt of funds from Eastern Cape Dept. of Human Settlements. However, there were 179 Housing Units at various stages of construction.	
	Bela Bela (Limpopo) 150 Serviced Sites	No serviced sites were delivered, as the project could not be completed during the financial year.	

Programme 4: Land and Housing Services *cont....*

2016 / 2017 Performance Summary

Performance Indicator	2016/2017 Target	Comment	2016 / 2017 Performance
Implementation support provided to programmes and Projects <i>cont....</i>	Lephalale Limpopo 2 000 Serviced Sites	0 Serviced sites delivered in Lephalale	
	Limpopo 315 housing units	379 housing units delivered in Limpopo. Target exceeded by 64 housing units.	
	Work delivered, but not planned for in the APP due to Projects and funding allocated mid-year.	Gauteng 1 646 Serviced Sites 1 997 Housing Units	
	Sol Plaatje (Northern Cape) 1 660 Serviced Sites	No Serviced Sites delivered. Procurement delayed. Service provider subsequently appointed in Feb 2017	
	Ga-Segonyana (Northern Cape) 1 888 Serviced Sites	Dolomite investigation underway by Council for Geoscience to determine suitability of area for human settlement.	



human settlements
Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



Financial Statements

Audit Outcome

Audit Opinion

Unqualified



The financial statements present fairly, in all material respects, the financial position of the Housing Development Agency as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa (Act No.1 of 1999)(PFMA)..

Statement of Financial Position

Figures in R'000	2017	2016
Assets		
Non-Current Assets		
Property, Plant & Equipment	5 500	4 037
Long term land inventory	27 905	27 905
Total Non-Current Assets	33 405	31 942
Current Assets		
Land Inventory	98 036	96 336
Receivables from exchange transactions	1 710	739
Projects received	258 242	96 462
Cash and cash equivalents	708 897	552 324
Total Current Assets	1 066 885	745 861
Total Assets	1 100 290	777 803

Statement of Financial Position *cont....*

Figures in R'000	2017	2016
Net assets and liabilities		
Revaluation reserve	111	57
Accumulated surplus	7 524	21 236
	7 635	21 293
Non-Current Liabilities		
Finance lease obligations	730	
CURRENT LIABILITIES		
Payables from exchange transactions	27 375	24 325
Provisions	15 572	12 471
Current portion of finance leases	468	42
Projects payables	60 817	115 105
Projects obligations	889 657	508 231
Land inventory funding	98 036	96 336
Total Current Liabilities	1 091 925	756 510
Total Net Assets and Liabilities	1 100 290	777 803

Statement of Financial Performance

Figures in R'000	2017	2016
Operating Revenue		
Revenue from non-exchange transactions – operational grants	202 315	162 868
Revenue from exchange transactions – project management fees	23 280	7 519
Interest Income	4 679	312
Total Operating Revenue	230 274	170 699
EXPENDITURE		
Land and related costs	10 176	10 514
Operating expenses	61 519	50 824
Project services	59 604	45 790
Finance costs	290	444
Employee costs	117 834	91 327
Deficit on disposal of property, plant and equipment	44	20
Total Expenditure	249 467	198 919
Other income		
Surplus on disposal of property, plant and equipment	-	13 698
Sundry income	5 481	5 433
Total Other Income	5 481	19 131
Deficit for the Year	(13 712)	(9 089)

Statement of Financial Performance

Notes to the Annual Financial Statements

Figures in '000	2017	2016
Receivables from exchange transactions		
Receivables	491	53
Sundry Receivables	867	334
Deposits	352	352
	<u>1 710</u>	<u>739</u>

Projects Receivables

Figures' 000	2017	2016
Limpopo Provincial Government	6 040	28 859
Lonmin-Platinum	860	-
Eastern Cape Provincial Government	102 716	-
Ekurhuleni Metro Municipality	25 961	-
Sanral 41	328	
Northern Cape Provincial Government	12 000	
Gauteng Provincial Government	11 329	47 603
North West Provincial Government	99 008	20 000
	<u>252 242</u>	<u>96 462</u>

Thank You