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Department:
Local Government & Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



PRESENTATION OF THE 1ST QUARTER PERFORMANCE REPORT TO THE PORTFOLIO COMMITTEE

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HONOURABLE MEC**

**FOR
DLG&HS**

14 AUGUST 2018

- Purpose of the Presentation
- Background
- Delivery per month
- Delivery per municipality
- Challenges and Interventions
- HDA
- Blocked projects & remedial work
- Route to Recovery
- Key projects with potential to deliver



Purpose of the Presentation

- The intention of this presentation is to brief the Portfolio Committee on the following:
 - ✓ Progress made by the province in meeting its financial and non-financial targets for 2018/19 financial year.
 - ✓ Intervention for Section 100 (1)(a) with specific key performance areas

- As at the end of the July of 2018/19, the province had spent **R 348 097 836.72** which is only **18.1%** of its **R 1 926 644 000** annual budget allocation.
- There's under spending of **R206 428 310.61** of the **R554 526 147.33** transferred until end of July 2018.
- The province has delivered **1819** housing units of the expected target of **3091** and **826** sites of the expected **1141**, and **3746** Pre and Post Title deeds transferred from the expected **19245** annual target.



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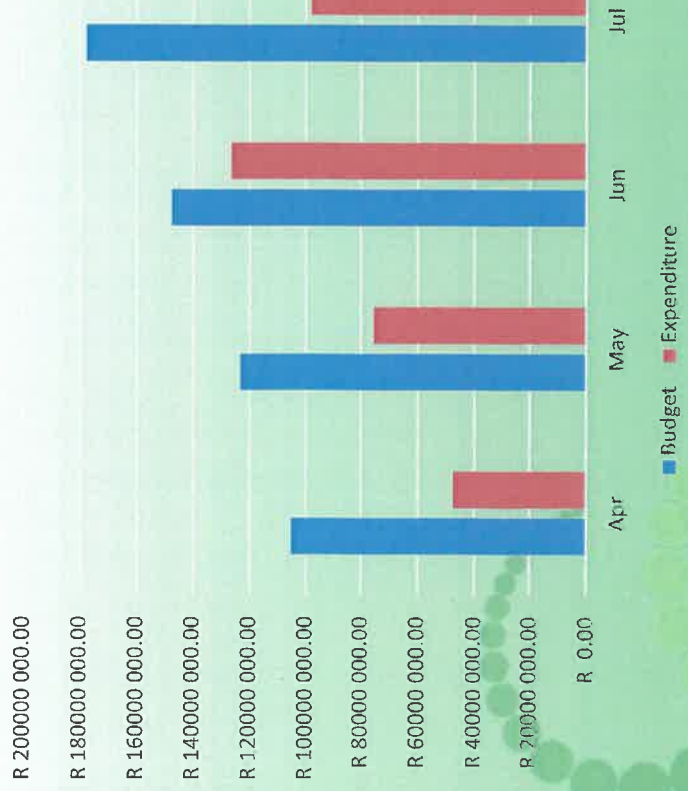
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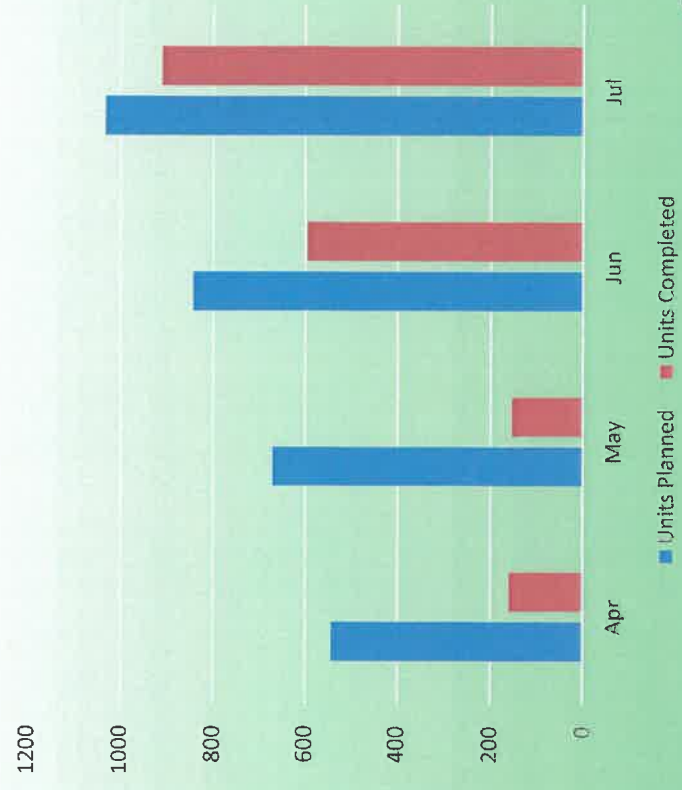
Delivery per month

Quarter	Budget	Expenditure	Sites Completed	Sites Planned	Units Completed	Units Planned
Q1	R 376 608 055.50	R 249 894 908.80	607	774	908	2057
Apr	R 105 297 597.83	R 47 649 907.06	0	219	159	543
May	R 123 401 882.83	R 75 594 251.44	0	257	153	671
Jun	R 147 908 574.83	R 126 650 750.30	607	298	596	843
Q2	R 177 918 091.83	R 98 202 927.92	219	367	911	1034
Jul	R 177 918 091.83	R 98 202 927.92	219	367	911	1034
Grand Total	R 554 526 147.33	R 348 097 836.72	826	1141	1819	3091

Budget vs Expenditure



Delivery vs Targets





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Claims in process for August

Status	Amount
Paid	R 33 748 360.22
Authorised	R 47 752 830.95
Received	R 15 798 133.14
	R 97 299 324.31

Target for august:

R 203 080 649.83

Delivery per Municipality

Quarter	Budget	Expenditure	Sites Completed	Sites Planned	Units Completed	Units Planned
Bojanala Platinum District	R 151 177 143.67	R 90 683 391.16	0	0	451	931
Kgetlengrivier	R 2 505 503.00	R 5 921 255.75			51	19
Madibeng	R 55 584 566.00	R 27 298 114.87			154	348
Moretele	R 21 470 560.33	R 21 855 020.12			33	143
Moses Kotane	R 21 040 725.33	R 13 811 180.83			154	154
Rustenburg	R 50 575 789.00	R 21 797 819.58	0		59	267
Dr Kenneth Kaunda District	R 123 516 496.00	R 71 945 083.03	600	454	783	677
JB Marks	R 16 338 979.67	R 22 024 592.34	0	55	90	90
Maquassi Hills	R 25 511 159.33	R 2 075 483.90		356	2	70
Matlosana	R 81 666 357.00	R 47 845 006.79	600	43	691	517
Dr Ruth Segomotsi Mompoti District	R 126 684 702.00	R 77 113 552.51	0	510	303	697
Greater Taung	R 26 485 282.00	R 17 523 071.33	0	0	130	158
Kagisano-Molopo	R 13 553 320.67	R 9 773 300.60		0	1	86
Lekwa-Teemane	R 43 684 405.67	R 36 229 321.27	0	110	110	291
Mamusa	R 29 565 431.67	R 8 180 678.13		260	8	120
Naledi	R 13 396 262.00	R 5 407 181.18	0	140	54	42
Ngaka Modiri Molema District	R 125 000 853.67	R 82 991 345.02	226	177	206	762
Ditsobotla	R 20 782 677.67	R 2 670 985.53	226	177	37	24
Mahikeng	R 34 063 140.67	R 15 652 244.87	0	0	84	246
Ramotshere Moiloa	R 16 916 239.67	R 34 794 339.44		0	68	111
Ratlou	R 16 705 703.00	R 3 175 333.00		0		131
Tswaing	R 36 533 092.67	R 26 698 442.18		0	17	250
North West Provincial	R 28 146 952.00	R 25 364 465.00	0	0	76	24
North West Provincial	R 28 146 952.00	R 25 364 465.00	0	0	76	24
Grand Total	R 554 526 147.33	R 348 097 836.72	826	1141	1819	3091

Title Deeds

- Title Deeds:
 - Out of 1064 title deeds planned to be transferred to new home owners **776** were transferred
 - Out of 3495 post title deeds planned, **3650** were transferred to homeowners.
 - Pre-1994, **96** title deeds were transferred in Madikwe, Mabopane and Mogwase (North West Housing Corporation).





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Challenges and Interventions



Challenges

1. Poor performance by contractors and developers.

Interventions

Intensify project / contract management with special emphasis on:

- Placing non- and under-performing contractors on terms;
- Rescheduling of expenditure and delivery from non performing projects;
- Facilitate ceding of contracts from under performing contractors to contractors with capacity;
- Appointment of high-capacity contractors (CIDB grading 7-9) to assist with recovery.

Challenges / Interventions

Challenges

2. Lack of serviced sites from municipalities on Military Veterans Programme.

Interventions

- The contractor is implementing in Ramotshere Moiloa LM and Mahikeng LM where 8 units have been completed in Ramotshere Moiloa LM and 12 units still have be completed.
- JB Marks LM has availed 49 serviced stands.
- A contractor has been appointed for 14 units in Naledi LM.



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Challenges / Interventions



Challenges	Interventions
<p>3. Receipt of beneficiary lists from municipalities on new projects is slow</p>	<ul style="list-style-type: none">▪Fast-tracking of the implementation of the Housing Needs Register.
<p>4. Delays in township establishment, which also affect Title Deeds Restoration programme</p>	<ul style="list-style-type: none">•The Department has taken a decision to assist municipalities to fund township establishment.
<p>5. Dolomitic conditions</p> <ul style="list-style-type: none">I. Dr Kenneth Kaunda DMII. Dr Ruth Segomotsi Mompoti DMIII. Ngaka Modiri Molema DM	



Housing Development Agency Projects

- The Department has in 2017/18 financial year transferred R689 872 740 to the Housing Development Agency.
- However, the progress has been very slow and HDA has been requested to compress the programme to improve the achievement of non-financials.
- The HDA has appointed a Development Manager and Project Manager to assist NW
- The Department has recently noted that the HDA has advertised a position of a Provincial Manager for the province.
- In Bojanala, the HDA has appointed a Social Facilitator to intervene in the impasse between Bokamoso project and the community. This has been successfully resolved and contractors are back on site.
- The progress on the projects is indicated in the following slide:

REPORT ON PROGRESS MADE REGARDING THE TRANSFER OF FUNDS TO HDA (HOUSING DEVELOPMENT AGENCY)

Project Name	Budget	Expenditure	Status
1. Matlosana Catalytic Project	R90 769 853	R55 049 183.20	Construction (Bulk & Services)
2. Matlosana Adamaysview	R52 495 474	R35 794 605.50	Construction (Bulk sewer)
3. Bokamoso Catalytic	R211 503 040	R0	Contractors established site
4. Sunway Project	R25 000 000	R1 234 000.00	Design stage
5. Coligny IRDP	R66 660 528	R1 283 583.00	Design stage
6. Stella IRDP	R30 538 200	R95 606.26	Design stage
7. Marikana Bulk Water & Sewer	R 52 890 887	R0	Planning
8. Marikana Internal Services	R107 014 578	R0	Planning
9. Kanana Estate Land Purchase	R53 000 000	R53 000 000.00	Complete

Status of key projects

- **Rustenburg accreditation** : Consultation is underway to determine assignment to Rustenburg.
- **CRU Mafikeng** : Block A,B & C are occupied and block D,E & F need repairs and is at procurement.
- **Matlosana CRU** : 75 units occupied, 25 are to be repaired due to vandalism.
- **Rustenburg Meriting Ext 4 & 5** : Eskom is not responsive to our request to carry cost of relocation and rebuild of 54 structures built under electricity pylons. Assistance of the committee was requested to engage the relevant committee

Blocked Projects

- The Department has recently been granted permission by the National Department to implement blocked projects to address this challenge.
- The Department has finalised the physical verification process.
- The Department is currently embarking on procurement processes in relation to the blocked projects.
- The priority areas are JB Marks LM, City of Matlosana LM, Maquassi-Hills LM, Kagisano-Molopo LM, and Tswaing LM.



Contractors appointed:

- **Ditsobotla – Blydeville:** 2 developers have completed designs and will be establishing site to install internal services on 1433 stands
 - **Quarter 2 Expected Expenditure – R15 838 760,00**
- **Mamusa – Ipelegeng Ext 8 & 9:** contractors (4) are appointed to install internal services on 2000 stands
 - **Quarter 2 Expected Expenditure - R6 946 253,66**
- **Matlosana - Alabama Ext 4 (948)** top structure contractor is on site implementing
 - **Quarter 2 Expected Expenditure – R6 745 000,00**
- **Maquassi Hills – Lebaleng Ext 6 (621 internal services):** appointed a contractor
 - **Quarter 2 Expected Expenditure – R7 919 380,00**
- **Maquassi Hills – Leeudoringstad (500 units):** appointed (02) contractors with 250 stands each
 - **Quarter 2 Expected Expenditure – R5 225 253,66**
- **Maquassi Hills – Wolmaranstad 122 units and 122 sites:** appointed
 - **Quarter 2 Expected Expenditure – R4 145 520,30**

Key Projects: with a potential to deliver

- Rustenburg LM, Bokamoso (1600 sites)
- Naledi LM (700 sites)
- Ditsobotla LM, Tlhabologang Ext. 8 (1528 sites)





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Key Projects: with a potential to deliver



Projects at procurement:

- **Matlosana - Alabama Ext 5 (1500)** top structures – forwarded for procurement
- **JB Marks 49 military veterans project** is at procurement
- **Huhudi military veterans 14:** extension of contract on a nearby project has been forwarded for procurement
- **Maquassi Hills – Wolmaranstad Ext 17 & 18 (3400):** the project has been forwarded for procurement to install internal services on stands
- **Rustenburg – Bokamoso (1400) and Lethabong (1000)** top structures – forwarded for procurement
- **Lekwa Teemane – Boitumelong Ext 11 & 12 (1500)** serviced sites – forwarded for procurement

Key Performance Areas For Intervention

Intervention Description	Key Actions (Activities)	Expected Output	Completion	Progress Report
PREPARE 2018/19 and 2019/20 DELIVERY BUSINESS PLANS	Finalisation of a Compliant 2018/19 business plan for the Human Settlements Development Grant Finalisation of a Compliant 2018/19 business plan for the Title Restoration Grant	Approved 2018/19 HSDG Business Plan Approved 2018/19 HSDG Business Plan	29-Jun-18 29-Jun-18	Completed Completed
MULTI-YEAR HUMAN SETTLEMENTS DEVELOPMENT PLAN	Land assembly plan Human Settlements projects pipeline (IRDP/UISP/PHP/Rental)	Approved 3 year land assembly plan Approved MTEF Human Settlements projects pipeline	30-Nov-18 30-Nov-18	In progress. Housing Development Agency is contracted to facilitate the preparation of this plan In progress. 1. IRDP 2. UISP Upgrading plans for Dr RSM NMM and are underway 3. PHP 4. Rental The Multiyear Housing Development Plan is being updated
	Spatial transformation and consolidation plan Revitalisation of distressed mining communities	1. Provincial HS master spatial plan Provincial programme of revitalisation of distressed mining communities	30-Nov-18 31-Oct-18	Draft Spatial plan pending consultation Finalised. Implementation Protocol with Municipalities drafted and under consultation
	Unlock projects that are blocked, incomplete or slow-moving Undertake remedial works on defective or poorly built subsidy homes	Programme for activation of blocked projects Programme to remedy defective home	30-Jul-18 31-Aug-18	Scoping underway Defective houses identified; **

KPA: Intervention Cont.....

Intervention Description	Key Actions (Activities)	Expected Output	Completion	Progress Report
APPOINT SUITABLY QUALIFIED AND CAPABLE CONTRACTORS (CIDB GRADED & NHBRG REGISTERED)	<p>Prepare and advertise BID with appropriate specifications for the appointment of suitably qualified contractors to a panel for 3 years</p> <p>Evaluation, adjudication and appointment of suitably of qualified contractors to a panel for 3 year</p> <p>Prepare a framework for the sustainable participation of small and emerging contractors in HS delivery projects</p>	<p>Advertised BID for appointment of contractors</p> <p>Appointment of suitably qualified contractors to a DLG & HS panel</p>	<p>30-Jul-18</p> <p>30-Sep-18</p>	<p>Advert complete</p> <p>Pending</p>
PERFORMANCE OF CONTRACTORS APPOINTED TO DELIVER HOUSING AND HUMAN SETTLEMENTS PRODUCTS & SERVICES	<p>Enhance contract and performance management</p> <p>Develop a management system (dashboard) and procedures for programmes and projects management to optimize annual delivery for housing opportunities</p>	<p>Approved framework for contract management</p> <p>Approved system and procedures for programme and project management</p>	<p>30-Oct-18</p> <p>30-Oct-18</p>	<p>Work in progress.</p> <p>Not Started</p>
BENEFICIARY MANAGEMENT AND COMMUNITY OUTREACH	<p>Implement the national housing needs register</p> <p>Administrative reconciliation of beneficiaries and delivered product</p> <p>Prepare and implement a community outreach programme</p>	<p>Compliant provincial chapter of the national housing needs register</p> <p>Approved framework for administrative reconciliation of beneficiaries to delivered products</p> <p>Approved and implemented community outreach programme</p>	<p>15-Feb-19</p> <p>30-Sep-18</p> <p>30-Jul-18</p>	<p>In progress</p> <p>In progress on a case by case basis. A comprehensive plan has been prepared</p> <p>Matlosana community outreach event on 11 August 2018</p>

KPA: Intervention Cont.....

Intervention Description	Key Actions (Activities)	Expected Output	Completion	Progress Report
REPOSITION THE DEPARTMENT TO BECOME FIT FOR PURPOSE	Finalise the organisational structure	Approved macro organisational structure	30-Jul-18	Final draft Macro structure prepared for consultation with OTP and DPSA
	Migrate personnel into the approved organisational structure	Complete migration	31-Oct-19	Pending approval of Organisational Structure
	Fill vacant positions	Reduce vacancy to prescribed range	31-Mar-19	Advertised positions pending approval of Organisational Structure
	Review and align the SLA of the appointed service provider (PMU)	Aligned PMU SLA to objectives of the Intervention	30-Jul-18	Underway. The scope of work for the PMU is managed jointly between the NDHS and the PDLG&HS.

THANK YOU!

