

PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, WATER AND SANITATION DEPARTMENTAL ANNUAL REPORT 2018/19

Director – General: M S Tshangana



human settlements
Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

CHANGING PEOPLE'S LIVES



PRESENTATION OUTLINE

1. Purpose
2. Departmental Annual Performance as per approved Annual Performance Plan 2018/2019
3. MTSF Implementation: Summary Of Progress as at 31 March 2019
4. Departmental Expenditure And Human Settlements Grants
5. Areas that Require Attention for Improved Performance and Actions Implemented to Improve Performance
6. Recommendation



1. PURPOSE

To brief the Portfolio Committee on the Annual
Performance of the Department of Human Settlements



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2. DEPARTMENTAL ANNUAL PERFORMANCE AS PER THE APPROVED ANNUAL PERFORMANCE PLAN 2018/2019



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2.1 GOVERNANCE AND ADMINISTRATION

The Department has complied with 75% of the statutory requirements.

The following are some of the requirements that were complied with:

- Submission and tabling of the Strategic Plan and the Annual Performance Plans, organizational performance reports and reports on the management of performance assessment tool (MPAT);
- Submission of the financial statements to the National Treasury;

Below are some of the statutory requirements that the Department did not comply with:

- Non-compliance on 30 days payment of invoices was 0.7%, that is, out of the total of 4 711 invoices, only 34 invoices were paid outside the turnaround time of 30 days;
- Submission of compliance documents to the DPSA – by HR.

GOVERNANCE AND ADMINISTRATION CONT.,

Progress on the development of legislation:

- **Property Practitioners Bill, 2018:** The Bill was unanimously supported by both houses of parliament;
- **Home Loan and Mortgage Disclosure Amendment Bill, 2016:** A Cabinet Memorandum requesting Cabinet to approve the submission of the Bill to Parliament for introduction has been signed by the Minister. The Department is waiting for the Cabinet approval;
- **Housing Consumer Protection Bill, 2016:** The Department has submitted a request for Cabinet's approval for the publication of the Bill in the Government Gazette for public comments;

GOVERNANCE AND ADMINISTRATION CONT.,

- **Human Settlements Bill:** The Human Settlements Bill has been developed, but still needs to undergo appropriate approval structures. The Human Settlements Bill will form part of the Legislative Programme for 2019;
- **Human Settlements Development Bank Bill:** The policy foundation to develop the Human Settlements Bank Bill was approved by the department. The Bill was drafted and will be reworked by POLERT in order to conform to particular legal standards.

GOVERNANCE AND ADMINISTRATION CONT.,

- **Pie Amendment Bill:** The PIE Amendment Bill is the work in progress; and it will be referred back to the Department of Rural Development and Land Reform (DRDLR). The department will have bilateral meetings with DRDLR with regard to the Bill and Policy;
- **Rental Housing Amendment Act 35 Of 2014 Regulations:** The drafting of norms and standards on the Rental Housing Act is work in progress;

2.2 INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS

The Department has serviced initiatives on international cooperation as follows:

- Preparations for the African Ministerial Meeting under the auspices of the African Union
 - The African Ministerial Meeting under the auspices of the African Union took place in December 2018;
 - African Ministerial Meeting under the auspices of the African Union;
 - The key strategic outcomes of the meeting were the development of a resource mobilisation strategy that will enable the effective and efficient functioning of the African Union Specialised Technical Committee No. 8, as well as renewed commitment from members for driving the development of urban and human settlements guidelines for the continent over the next two years;
- Management of international cooperatives: Close out report on the implementation of International Co-operation with Denmark.

INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS CONT.,

- Management of the implementation of International Co-operation with Cities Alliance. The Department is engaging with Cities Alliance in its implementation of the project and is looking to secure the support of the City of eThekweni;
- Continued engagements with the relevant stakeholders and international partners on implementation of the New Urban Agenda. A discussion document (Concept note) on contextualisation of the National Urban Forum was submitted. The process is still underway;
- Management of the implementation of international co-operation with India and Brazil (IBSA). DIRCO was approached for intervention as Brazil was changing its initial position. This has affected the efforts taken towards the resuscitation of the IBSA Working Group and the anticipated IBSA conference.

INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS CONT.,

The Department has coordinated the following Intergovernmental Fora in line with Human Settlements priorities:

- **Human Settlements Intergovernmental and Multi-Sector Planning and Budget Forum:** The purpose of the forum was to analyse both financial and non-financial performance of both the Metropolitan municipalities and Provincial departments of Human Settlements against targets set in the approved business plans. It also aimed to align the planning and budgeting process between government departments which are responsible for the provision of concurrent public services;
- **FOSAD Cluster Coordination:** The following Bills were processed through the formal cluster processes; Housing Consumer Protection Bill, and the Master Spatial Plan. Quality Assurance was also performed on all documentation tabled in various clusters.

INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS CONT.,

- **Back to Basics Forum:** The Back to basics forum was established to achieve four cardinal pillars of good governance, Public participation, financial management and Institutional capacity at a municipal level through constant interaction between various stakeholders at provincial and national level. Most of the issues identified in this forum are cross-cutting and thus were resolved through processes of joined planning and coordination. This ensures that there is alignment in terms of budgeting and planning between the three spheres of government;
- **Parliamentary Committees Management Services:** The Portfolio Committee on Human Settlements undertook a study tour to Singapore from the 11- 18 August 2018. The objectives was to engage with its Singaporean counterparts, and acquire an understanding of the following areas in respect of housing and Human Settlements Policy Planning and Coordination; share Best Practice with regards to Sustainable Human Settlements and identify Possible Policy approach that could be adopted to ensure development of sustainable human settlements in South Africa.



INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS CONT.,

- **Joint Coordinating Committee (JCC):** The JCC was established in terms of the Delivery Agreement by the Ministers of Human Settlements, Public Works, Rural Development and Land Reform as well as Public Enterprises. The committee has identified various land parcels as Greydell which must be acquired for human settlements development. To date, the committee has completed the drafting of mini Inter Governmental Task Team (IGTT) Blue Print plan for resettlement of Greydell-Bongweni, participated in the development of the framework for release of land under the custodian of Department of Public Works through its property trading entities to the Housing Development Agency, as well as the Compensation Framework.



INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS CONT.,

- **National Transport Forum (NTF):** The Forum gives the three spheres of government the opportunity to deliver a pro-National growth agenda for transport in the short, medium to long term. Furthermore, the Department coordinated the signing of the MOU between Department of Human Settlements and Department of Transport to ensure partnership through regular and consistent participation of the DHS in the NTF as well as to ensure that improvements of transport infrastructure and public transport in rural areas respond to human settlements;
- **Inter-Governmental Task Team on Pomfret (IGTT):** The Department of Human Settlements has started with the planning processes for Tosca and Vryburg, in which council resolutions have been obtained for the allocation of sites for the people of Pomfret. The Mahikeng Municipality has stated its reservations regarding the intake of more people from Pomfret due to the complaint that is currently before the Public Protector which was laid by the people of Mahikeng in extension 25 whose houses were allocated to the people of Pomfret.

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT

Summary of the analysis of the Projects in the Project Readiness Matrix, 2019/2020

PROVINCE	SITES	UNITS	BUDGET (R)
LIMPOPO	3259	332	347 094 210.00
MPUMALANGA	1090	2426	342 458 267.00
WESTERN CAPE	1558	1141	573 739 000.00
KWAZULU-NATAL	177	50	28 359 940
FREESTATE	0	1337	293 660 960
EASTERN CAPE	0	0	100 000
NORTHERN CAPE	14	162	27 774 739.00
NORTH-WEST	1284	150	85 774 744.00
GAUTENG	350	1670	426 155 477
TOTALS	7732	7268	2 125 117 337



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2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Catalytic Projects

- Analysis on the 50 planned catalytic projects, and implementation support was provided to ensure and verify their state of readiness for implementation.

Region	Province	Planning	Implementation
Region A	Northern Cape	1	2
	Eastern Cape	3	3
	Western Cape	2	6
Region B	North West		2
	Limpopo	1	1
	Gauteng	9	6
Region C	Mpumalanga	1	
	Free state	3	2
	KwaZulu- Natal	4	4
Total		24	26



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Mining Towns

During the period under review, Implementation Protocols (IPs) for signature by the three spheres of Government were drafted. The purpose of the IPs is two-fold:

- To ensure that the three spheres of government and the HDA collaborate jointly with mining operators within the relevant municipal jurisdictions; and
- To ensure alignment and mutual, beneficial and balanced development facilitation, funding and prioritization of human settlements interventions, taking into account the Social and Labour Plans of the mining operators.

A series of high-level consultative roundtable engagements with relevant Human Settlements Heads of Departments, Municipal Managers and the HDA were also convened. The IPs for the following Local Municipalities (LMs) have been signed by the Director-General of the Department of Human Settlements, relevant Heads of Human Settlements Departments, relevant Municipal Managers, and the CEO of HDA:

- LIM 476 LM, Elias Motsoaledi LM, Thabazimbi LM, Mogalakwena LM in Limpopo Province;
- Gauteng Province: Rand West City LM, Mogale City LM, Merafong LM; and
- Northern Cape Province: Gamagara LM, Tsantsabane LM, Kgatelopele LM, Ga-Segonyana, Joe Morolong LM, Khai-Ma LM.

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Mining Towns

Assessment and categorisation of Informal Settlements in Municipalities with Distressed Mining Communities;

During the period under review, a total of 369 informal settlements in municipalities with distressed mining communities were identified, assessed and categorised as follows:

- **Category A** – requiring full conventional upgrade consisting of full services, top-structures and formal tenure (i.e. formalization) where appropriate, affordable and viable – 62 informal settlements;
- **Category B1** – requiring incremental upgrade with essential services (leading to eventual formalization) where informal settlement sites are viable and appropriate but where such formalization/full upgrading is not imminent – 125 informal settlements;



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

- **Category B2** – requiring deferred relocation with emergency services for informal settlement sites where long-term formalization (full upgrading) is not viable or appropriate but relocation is not urgent or possible – 58 informal settlements; and
- **Category C** – requiring immediate relocation as a last resort for settlements where there are urgent health or safety threats which cannot be mitigated and an alternative relocations destination is readily available – 124 informal settlements.

Upgrading Plans were developed for most of the local municipalities where applicable except for Kgetlengrivier, Mogalakwena, Gamagara, Khai-Ma and Joe Morolong. Resettlement Plans were also developed for all local municipalities where applicable.



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Assessment and Upgrading of Informal Settlements

- During 2018/19 the department has assessed 500 informal settlements instead of 477 as per Annual target, that is, Johannesburg Region A (38), Johannesburg Region A1 and B (29), Johannesburg Midvaal (36), Ngaka Modiri Molema (17), Johannesburg E2 (20), North West Ruth Mompati (14), Tshwane Region 1 (48), Nelson Mandela (31), Buffalo City (20), Jhb Region D (26), Jhb Region F (12), Lesedi (12) City of Tshwane Region 2 (16), Region 3 (13), Region 4 (7), Region 5 (16), Region 6 (27) and Region 7 (15) City of Jhb Region C (18) Region G Joburg (24) Region E1 (14) City of Tshwane Region 3 (17) Region 2 (17) Tshwane Region 1 (13)



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

- During the period under review 319 informal settlements upgrading plans were developed, that is, Tlokwe (JB Marks) (8), Buffalo City (20), Nelson Mandela Bay (29) & City of Jhb Region F (11), Tshwane Region 7 (15), Midvaal (35) and Jhb Region D (26), City of Tshwane Region 1 (48), Region 2 (27), Region 3 (13), Region 5 (16), Region 6 (27) City of Jhb Region E2 (31) and Lesedi (12) municipalities;
- Support was provided on the implementation of subsidy housing programme, social housing programme, private affordable rental housing and the delivery of Community Residential Units. Task Team meetings held.



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Subsidy Housing

Provinces	2018/19: Serviced Sites	2018/19: Houses/ Units	2018/19 Total
EC	7 511	9 817	17 328
FS	2 915	3 694	6 610
GP	12 395	9 362	21 757
KZN	5 078	20 093	25 171
LP	1 768	10 520	12 288
MP	2 318	8 533	10 851
NC	2 179	541	2 720
NW	4 164	6 523	10 687
WC	8 402	8 262	16 664
SA total	46 730	77 346	124 076



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Community Residential Units

Provinces	Units Delivered
Gauteng	766
North West	150
Kwazulu Natal	48
Mpumalanga	24
Northern Cape	26
Total	1 014

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Military Veterans

Provinces	Units Delivered
Gauteng	92
North West	11
Mpumalanga	03
Eastern Cape	28
Limpopo	13
Western Cape	83
Total	230



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2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

- Seven (7) Provinces (NW, FS, WC, KZN, GP, LP and the MP) and six (6) Metros (City of Joburg, Ekurhuleni, Mangaung, Ethekewini, city of cape town, NMBMM) were supported in the implementation of People's Housing Programme Policy;
- Nine (9) provinces and eight (8) metros were supported on the implementation of the informal settlements upgrading programme;
- Nine Provinces were provided with support to implement the housing subsidy programme during the period under review. The Project Process Guide for Human Settlements Programmes was presented to provinces on how to implement various National Housing Programmes when executing its human settlements projects.



2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Consolidation of DFIs

- The consolidation of the three DFIs have been finalised. The assets, liabilities and staff of RHLF and NURCHA was incorporated into NHFC effective from 1 October 2018. The focus of the project now shifts to the establishment of the Human Settlements Development Bank (HSDB);
- The Minister of Finance provided concurrent approval in terms of Section 66(1) and 66(3) of the Public Finance Management Act for the consolidation of NURCHA and RHLF into NHFC. This was the final approval required for the implementation of the merger agreements;
- Support was provided in the implementation of the Title Deeds Restoration programme (Pre and Post 1994 and from April 2014). Follow-up letters were sent to provinces as well as letters on feedback to the provinces on the 2nd draft HSDG Business Plans 2019/20.

TITLE DEEDS OVERALL DELIVERY

		Backlog		2018/19							Total Delivery to Date	% of Backlog
		As at July '14	Latest Backlog	Planned	Delivered							
					Q1	Q2	Q3	Q4	Total	%		
EASTERN CAPE												
Sub-Total	Pre '94	22 866	20 284	855	0	0	0	502	502	58.71%	2 582	11.29%
	Post '94	87 451	62 278	11 855	740	477	0	166	1 383	11.67%	25 173	28.79%
TOTAL		110 317	82 562	12 710	740	477	0	668	1 885	14.83%	27 755	25.16%
FREE STATE												
Sub-Total	Pre '94	1 531	-2 201	800	0	0	0	227	227	28.38%	3 732	243.76%
	Post '94	77 067	55 672	15 035	456	2 533	1 495	603	5 087	33.83%	21 395	27.76%
TOTAL		78 598	53 471	15 835	456	2 533	1 495	830	5 314	33.56%	25 127	31.97%
Gauteng												
Sub-Total	Pre '94	12 808	-211	3 331	592	897	428	257	2 174	65.27%	13 019	101.65%
	Post '94	152 903	88 925	27 833	2 468	2 634	3 272	1 378	9 752	35.04%	63 978	41.84%
TOTAL		165 711	88 714	31 164	3 060	3 531	3 700	1 635	11 926	38.27%	76 377	46.09%
KZN												
Sub-Total	Pre '94	23 371	18 732	9 225	105	0	367	403	875	9.49%	4 639	19.85%
	Post '94	135 534	117 315	18 003	114	1 366	1 019	183	2 682	14.90%	18 219	13.44%
TOTAL		158 905	136 047	27 228	219	1 366	1 386	586	3 557	13.06%	22 858	14.38%
Limpopo PDHS												
	Pre '94	1 126	1 017	150	63	9	12	25	109	72.67%	109	9.68%
	Post '94	41 374	39 585	7 235	895	825	797	1 178	3 695	51.07%	9 618	23.25%
TOTAL		42 500	40 602	7 385	958	834	809	1 203	3 804	51.51%	9 727	22.89%
Mpu. PDHS												
	Pre '94	781	-431	8 350	91	0	76	303	470	5.63%	1 212	155.19%
	Post '94	80 921	57 588	17 995	391	0	472	779	1 642	9.12%	23 333	28.83%
TOTAL		81 702	57 157	26 345	482	0	548	1 082	2 112	8.02%	24 545	30.04%
N/Cape PDHS												
	Pre '94	3 075	-1 925	1 200	557	73	164	199	993	82.75%	5 000	162.60%
	Post '94	28 818	18 799	7 392	166	274	652	202	1 294	17.51%	10 019	34.77%
TOTAL		31 893	16 874	8 592	723	347	816	401	2 287	26.62%	15 019	47.09%
N/West PDHS												
	Pre '94	5 989	4 488	0	0	0	0	134	134	#DIV/0!	1 501	25.06%
	Post '94	63 885	49 583	19 249	1 626	1 548	271	383	3 828	19.89%	14 302	22.39%
TOTAL		69 874	54 071	19 249	1 626	1 548	271	517	3 962	20.58%	15 803	22.62%
WESTERN Cape												
Sub-Total	Pre '94	12 000	5 782	4 492	0	0	289		289	6.43%	6 218	51.82%
	Post '94	66 871	11 100	12 065	2 531	1 642	1 385	2 100	7 658	63.47%	55 771	83.40%
TOTAL		78 871	16 882	16 557	2 531	1 642	1 674	2 100	7 947	48.00%	61 989	78.60%
National												
	Pre '94	83 547	45 535	28 403	1 408	979	1 336	2 050	5 773	20.33%	38 012	45.50%
	Post '94	734 824	500 845	136 662	9 387	11 299	9 363	6 972	37 021	27.09%	241 808	32.91%
TOTAL		818 371	546 380	165 065	10 795	12 278	10 699	9 022	42 794	25.93%	279 820	34.19%

TDRG PERFORMANCE AS AT 31 MARCH 2019

Year to date (1 APRIL 2018-31 MARCH 2019)

Province	Voted funds	Transferred funds	Spent by Provinces	Unspent against transferred funds	Unspent against Voted funds	% spent against Total Available	% Spent against Transferred Funds	% Unspent against Transferred Funds	% Unspent against Total Available
	R'000	R'000	R'000	R'000	R'000				
Eastern Cape	65 583	65 583	4 513	61 070	61 070	7	0	0	93
Free State	50 187	50 187	10 170	40 017	40 017	20	20	80	80
Gauteng	105 811	105 811	66 543	39 268	39 268	63	63	37	37
KwaZulu-Natal	101 422	101 422	101 422	0	0	100	100	0	0
Limpopo	22 506	22 506	11 704	10 802	10 802	52	52	48	48
Mpumalanga	51 734	51 734	50 344	1 390	1 390	97	97	3	3
Northern Cape	20 364	20 364	10 197	10 167	10 167	50	50	50	50
North West	50 687	50 687	37 418	13 269	13 269	74	74	26	26
Western Cape	50 361	50 361	50 361	0	0	100	100	0	0
Total	518 655	518 655	342 672	175 983	175 983	66	66	34	34



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ACTIONS IMPLEMENTED TO IMPROVE PERFORMANCE - TRP

- The Department administers the Title Restoration Grant that facilitates not only the registration of title deeds, but also provides for all the preparatory processes required to obtain registrable title. Resolving the title deed backlog requires much more than a once-off conveyancing exercise. It involves the full spectrum of township formalisation, beneficiary verification and property ownership dispute resolution, before a title deed can be registered;
- Over the last three years we have streamlined our business processes, put reporting and compliance frameworks, as well as directives in place, and apart from performing oversight, we have increased our operational support to provinces;
- In order to negate the risks of not issuing title MinMec has directed in 2017 that;
- The instruction to the conveyancing attorney to register a property must be initiated by the time house construction has reached wall-plate stage;
- The final sign-off of a property by the National Home Builders Registration Council (NHBR) will only occur once demonstrated proof has been provided by the Developer that the lodgement of property registration have commenced;
- The Developer will withhold a minimum of R5 000.00 of the subsidy until such time as it is confirmed that the property registration process has been lodged with the Deeds Registry;
- Right now the focus is on township establishment, where the related issues cut across a number of legislative mandates of other departments (Rural Development & Land Reform, Cooperative Governance & Traditional Affairs, Public Works and Infrastructure and Justice & Correctional Services). We have resolved to place these matters before the Inter-Ministerial Committee on Land Reform for resolution.

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Capacity Building

- 104 Practitioners were trained on human settlements skills developments programmes, in land and property spatial information system (LaPsis);
- 195 Practitioners were trained in human settlements programmes training through the “Train the Trainer” programme in Batho Pele Change Management in human settlements delivery;
- 179 Practitioners were trained in human settlements programmes training through the “Train the Trainer” programme in Batho Pele Change Management in human settlements delivery;
- 161 Practitioners were trained in human settlements programmes training through the “Train the Trainer” programme on Batho Pele Change Management in human settlements delivery. Annually 639 practitioners were trained in human settlements Programmes.

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

Capacity Building

Province	Number
Limpopo	82
Mpumalanga	32
Western Cape	22
Kwazulu-natal	79
Free State	132
Eastern Cape	153
Northern Cape	63
North-west	46
National	30
Total	639

2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

The Scholarship Programme

A total of 75 Youth received support from the scholarship programme through the payment of tuition, accommodation, books, stipend and Meals.

Below is the total number of students who were awarded scholarship per discipline:

- Civil Engineering =59
- Building=5
- Architecture=1
- Construction Management=8
- Surveying=2

TOTAL: 75



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2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

The Scholarship Programme

PROVINCE	GENDER		TOTAL NUMBER
	F	M	
EASTERN CAPE	1	1	2
FREE STATE	0	0	0
GAUTENG	2	10	12
KWA-ZULU NATAL	11	40	51
LIMPOPO	2	3	5
MPUMALANGA	0	1	1



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2.3 PROGRAMME MONITORING AND DELIVERY SUPPORT CONT.,

The Scholarship Programme

PROVINCE	GENDER		NUMBERS
	F	M	
NORTHERN CAPE	0	0	0
NORTH WEST	1	2	3
WESTERN CAPE	0	1	1
TOTAL	16	59	75



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2.4 HOUSING DEVELOPMENT FINANCE


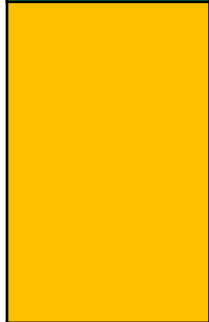
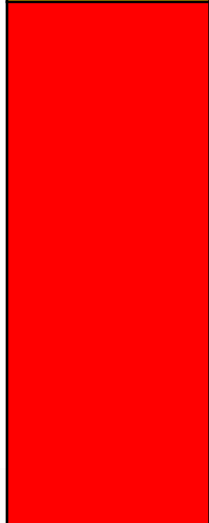
FLISP Subsidies	
Province	Beneficiary Approvals Per Province
Eastern Cape	181
Free State	92
Gauteng	563
Kwazulu Natal	245
Limpopo	6
Mpumalanga	25
Northern Cape	12
Northwest	84
Western Cape	465
National	1 673

HOUSING DEVELOPMENT FINANCE CONT.,

- The Department has conducted assessments on the lending and discriminatory patterns of financial Institutions during the financial year under review;
- The Department did not achieve the planned 30% allocation of the HSDG and the USDG construction budget to designated groups as per the Regulation. Only 19% allocation was achieved on the HSDG and 15% on the USDG construction budget.

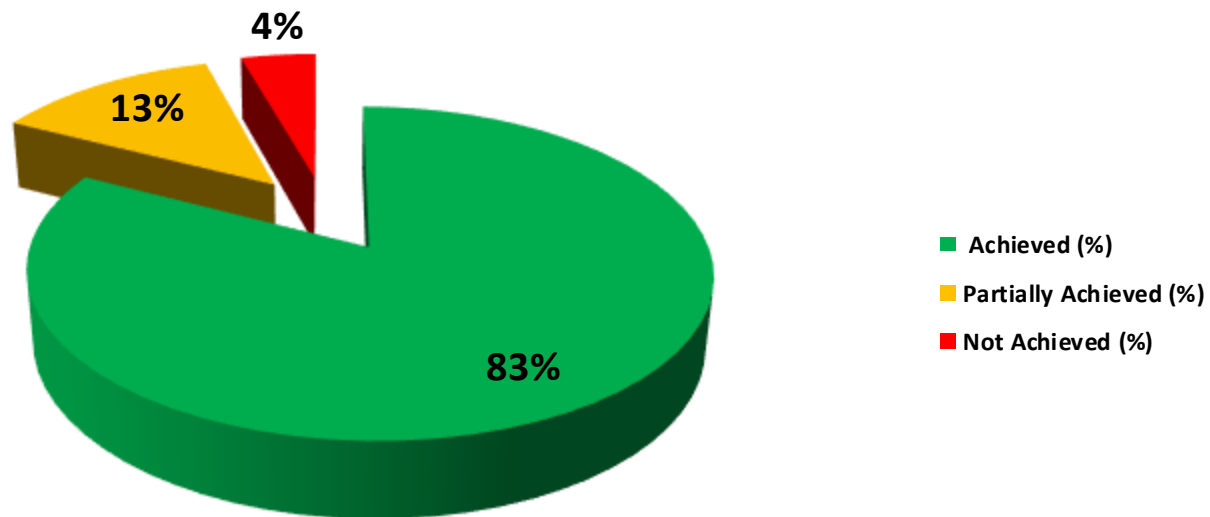


LEGEND

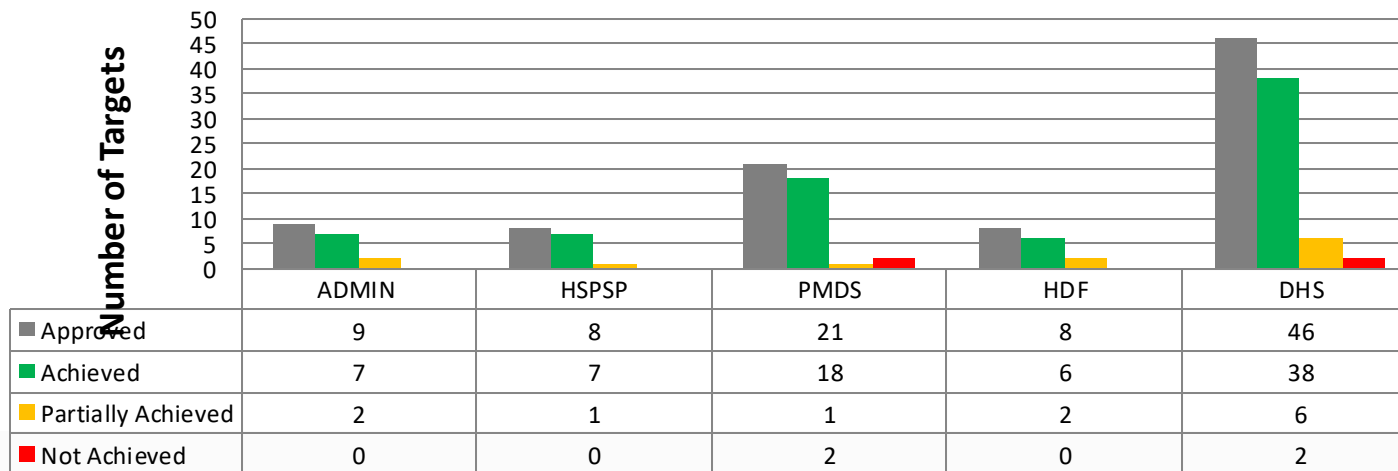
	<p>Target Achieved (100%)</p>
	<p>Partially Achieved (50% - 99%) Remedial action is needed to avoid this / there is progress, but the target is not yet achieved.</p>
	<p>Not Achieved (0% - 49%) Certainty that the target will not be achieved or was not achieved in the planned timeframes – major remedial action and urgent intervention is required / the target is far from being reached or not going to be achieved at all</p>



Overall Departmental Annual Performance



Departmental Annual Performance



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3. MTSF IMPLEMENTATION: SUMMARY OF PROGRESS AS AT 31 MARCH 2019



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MTSF IMPLEMENTATION: SUMMARY OF PROGRESS AS AT 31 MARCH 2019

MTSF OBJECTIVE	DELIVERY AS ON 31 MARCH 2019	REMAINING BALANCE
635 000 additional households living in adequate housing through the subsidy and affordable housing segments	497 433 (78.3%)	137 567
750 000 households in informal settlements provided with improved living conditions (individual and shared access to services and security of tenure) by 2019	670 150 (89.4%)	79 850
NUSP to assist Municipalities with the upgrading of informal settlements by assessment of current status and development of settlement upgrading plans: Target: 2 200 informal settlements	2 044 informal settlements assessed 1 208 settlement upgrading plans developed	156 settlements 992 upgrading plans
452 650 individual units for the subsidy housing submarket provided by 2019 2014/15 – 2016/17 target: 563 000 and delivery 283 656 2017/18 - 2018/19 target 452 650 and delivery 163 813	447 469 (98.9%)	5 181
27 000 Social Housing units completed or under construction	13 850 (51.2%)	13 150
10 000 CRU units delivered	7 088 (70.9%)	2 912
25 000 affordable private rental units delivered	22 436 (89.7)	2 564
70 000 housing opportunities delivered through FLISP	9 762 (13.9%)	60 238



MTSF IMPLEMENTATION: SUMMARY OF PROGRESS AS AT 31 MARCH 2019

MTSF OBJECTIVE	DELIVERY AS ON 31 MARCH 2019	REMAINING BALANCE
818 262 title deed backlog eradicated	306 510 (37.4%)	511 752
452 650 title deeds issued to new homeowners in the subsidy submarket and backlog eradicated	101 180 (22.3%)	351 470
10 000 of hectares of well-located land rezoned and released for new developments targeting poor and lower middle income households	19 962.2 ha (186.6%)	- 9 962.2 ha
Number of home loans granted by the Private Sector and the DFI's to households in the affordable market : Target 582 000 loans (includes incremental loans) Representing new units: 53 348 units	343 760 loans (59%)	238 240

MTSF PROGRESS: PROVINCES: 31 MARCH 2019: UPGRADING OF INFORMAL SETTLEMENTS

PROVINCE	MTSF		Annual 2018/19		4 TH Quarter		Balance remaining
	5 year Target	Delivery to date	Target	Delivery	Target	Delivery	
Eastern Cape	16 005	49 076	5 608	7 511	800	762	-33 071
Free State	36 900	22 190	12 834	2 915	1 845	446	14 710
Gauteng	41 275	44 496	13 12	11 968	2 063	4 604	-3 221
KwaZulu-Natal	23 870	29 152	5 540	5 572	1 194	2 445	-5 282
Limpopo	28 260	11 185	4 629	2 533	1 413	1 530	17 075
Mpumalanga	44 785	27 717	2 720	2 318	2 845	1 178	17 068
Northern Cape	15 185	9 403	2 817	2 179	759	860	5 782
North West	86 255	24 964	4 453	4 164	4 313	2 650	61 291
Western Cape	29 970	38 740	8 693	8 874	1 499	3 933	-8 770
Total	322 500	256 923	60 418	48 034	16 125	18 408	65 577



MTSF PROGRESS: METROS: 31 MARCH 2019: UPGRADING OF INFORMAL SETTLEMENTS

PROVINCE	MTSF			Annual 2018/19			Balance remaining
	5 year Target	Delivery to date		Target	Delivery		
		Individual	Shared		Individual	Shared	
Buffalo City	18 980	2 189	3 077	3 796	373	6	13 714
NMMM	14 810	10 303	14 051	2 962	2 280	1 560	-9 544
Mangaung	12 480	12 671	89 523	2 496	4 712	0	-89 714
City of JHB	95 225	17 252	9 640	19 045	0	2 568	68 333
City of Tshwane	62 515	13 883	5 296	12 503	2 428	0	43 336
Ekurhuleni	83 195	8 064	26 575	16 639	1 693	11 839	48 556
Ethekwini	56 905	100 496	22 425	11 381	10 435	525	-66 016
COCT	83 390	14 396	63 386	16 678	1 128	19 691	5 608
Total	427 500	179 254	233 973	85 500	23 049	36 189	14 273



MTSF PROGRESS AS AT 31 MARCH 2019: SUBSIDY MARKET

PROVINCE	MTSF		Annual 2018/19		4 th Quarter 2018/19		Balance remaining
	Target	Actual delivery	Target	Actual delivery	Target	Actual Delivery	
Eastern Cape	52 963	60 046	8 940	9 822	2 648	1 131	-7 083
Free State	25 803	21 350	4 605	3 695	1 290	761	4 453
Gauteng	122 223	73 173	28 868	9 612	6 111	2 582	49 050
KwaZulu-Natal	79 671	119 257	20 068	20 639	3 984	4 818	-39 586
Limpopo	44 362	40 526	7 450	10 562	2 218	4 003	3 836
Mpumalanga	33 498	38 314	7 883	8 533	1 675	257	-4 816
Northern Cape	9 506	6 269	1 943	541	475	96	3 237
North West	33 045	42 418	10 994	6 523	1 652	1 653	-9 373
Western Cape	51 152	46 116	9 467	7 880	2 550	3 059	5 036
Total	452 223	447 469	100 218	77 807	22 634	18 360	4 754



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MTSF PROGRESS AS AT 31 MARCH 2019: SOCIAL HOUSING

PROVINCE	MTSF		Annual 2018/19		4 TH Quarter		Balance remaining
	Target	Actual delivery	Target	Actual Delivery	Target	Actual Delivery	
Eastern Cape	1 960	1 260	392	420	98	65	700
Free State	1 933	1 309	387	440	97	253	624
Gauteng	9 903	6 232	1 981	1 095	495	0	3 671
KwaZulu-Natal	3 086	2 617	617	48	154	48	469
Limpopo	1 050	0	210	0	53	0	1 050
Mpumalanga	1 545	108	309	0	77	0	1 437
Northern Cape	565	0	113	0	28	0	565
North West	2 852	1 168	570	0	143	0	1 684
Western Cape	4 108	1 156	822	0	205	0	2 952
Total	27 000	13 850	5 400	2 003	1 350	366	13 152



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MTSF PROGRESS: 31 MARCH 2019: COMMUNITY RESIDENTIAL UNITS

PROVINCE	MTSF		Annual 2018/19		4 TH Quarter		Balance remaining
	Target	Actual delivery	Target	Actual delivery	Target	Actual Delivery	
Eastern Cape	1 200	0	240	0	60	0	1 200
Free State	600	977	120	0	30	0	-377
Gauteng	2 800	1 953	560	422	140	0	847
KwaZulu-Natal	1 800	665	360	48	90	48	1 135
Limpopo	1 000	24	200	24	50	0	976
Mpumalanga	800	463	160	24	40	0	337
Northern Cape	200	508	40	26	10	0	-308
North West	800	402	160	150	40	150	398
Western Cape	1 200	2 096	240	0	60	0	-896
Total	10 000	7 088	2 000	694	500	198	3 312



MTSF PROGRESS AS AT 31 MARCH 2019: FLISP

PROVINCE	MTSF		Annual 2018/19		4 TH Quarter 2018/19		Balance remaining
	Target	Actual delivery	Target	Actual delivery	Target	Actual Delivery	
Eastern Cape	3 621	1 192	724	181	181	64	2 429
Free State	4 097	186	819	88	205	48	3 911
Gauteng	27 849	3 504	5 570	563	1 392	0	24 345
KwaZulu-Natal	5 827	1 537	1 164	289	291	74	4 290
Limpopo	2 290	280	458	0	115	0	2 010
Mpumalanga	4 240	107	848	25	212	23	4 133
Northern Cape	1 482	26	296	12	74	10	1 456
North West	9 018	137	1 804	61	451	0	8 881
Western Cape	11 578	2 793	2 316	432	579	-29	8 785
Total	70 000	9 762	14 000	1 651	3 500	190	60 240



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MTSF PROGRESS AS AT 31 MARCH 2019: TITLE DEED RESTORATION PROGRAMME

PROVINCE	MTSF		Annual 2018/19		4 TH quarter 2018/19		Balance remaining
	Target	Actual Delivery	Target	Actual delivery	Target	Actual delivery	
Eastern Cape	110 317	32 520	22 063	4 910	5 516	2 048	77 797
Free State	78 598	25 286	15 720	5 477	3 930	561	53 312
Gauteng	165 711	83 153	33 142	19 369	8 286	5 894	82 558
KwaZulu-Natal	158 905	26 200	31 781	5 377	7 945	0	132 705
Limpopo	42 391	10 514	8 478	4 405	2 120	304	31 877
Mpumalanga	81 702	25 392	16 340	2 112	4 085	640	56 310
Northern Cape	31 893	15 736	6 379	2 881	1 595	272	16 157
North West	69 874	20 386	13 975	5 592	3 494	521	49 488
Western Cape	78 871	67 323	15 774	11 434	3 944	2 501	11 548
Total	818 262	306 510	163 652	61 557	40 913	12 741	511 752



MTSF PROGRESS AS AT 31 MARCH 2019: NEW TITLE DEEDS

PROVINCE	MTSF		Annual 2018/19		4 TH quarter 2018/19		Balance remaining
	Target	Actual Delivery	Target	Actual delivery	Target	Actual Delivery	
Eastern Cape	52 963	3 283	10 593	1 097	2 648	0	49 680
Free State	25 803	3 632	5 161	1 193	1 290	121	22 171
Gauteng	122 223	884	24 445	0	6 111	0	121 339
KwaZulu-Natal	79 671	64 680	15 934	919	3 984	74	14 991
Limpopo	44 362	1 788	8 872	25	2 218	0	42 574
Mpumalanga	33 498	3 059	6 700	1 988	1 675	210	30 439
Northern Cape	9 506	1 244	1 901	170	475	30	8 262
North West	33 045	4 255	6 609	776	1 652	0	28 790
Western Cape	51 152	18 355	10 230	1 052	2 558	1	32 797
Total	452 676	101 180	90 535	7 220	22 634	436	351 043



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MTSF PROGRESS AS AT 31 MARCH 2019: OTHER PRIORITIES

PRIORITY	MTSF		Annual 2018/19	
	Target	Actual Delivery	Target	Actual delivery
Additional number of households living in adequate housing provided through the subsidy and affordable housing segments	635 000	497 433	100 218	83 507
Home loans issued to the GAP market	582 000	343 760	116 400	3 144
New units represented by home loans to GAP market	110 000	59 726	25 500	2 225
Assessment of Informal settlements by NUSP and upgrading plans developed	2 200	2 044 1 208	440	103 174
Database of Informal Settlements	Contains data of 2 700 informal settlements representing 1,3 million households. Additional information is still being received and is being incorporated			

MTSF PROGRESS AS AT 31MARCH 2019: OTHER PRIORITIES

PRIORITY	Performance: 31 March 2019
Programmes identified for further revision	<ul style="list-style-type: none"> • Early Child hood Development Programme: The ECD Policy was crafted and it requires consultation at the Policy Task Team; • Emergency Housing : The Emergency Housing Policy has been crafted and the Policy requires consultation at the Policy Task Team ; • Integrated Residential Development Programme: A revised IRDP Policy Programme was crafted and requires referral to Executive Management for support; • Upgrading of Informal Settlements: A revised UISP Policy Programme was crafted and requires referral to Executive Management for support; • FLISP: Cabinet Memorandum not approved. Implementation arrangements meetings were hosted with stakeholders such as the Banks and NHFC; . • Student Accommodation:; A working session was held with the Department of Higher Education and SHRA regarding the proposed Student Housing Programme; • Rural Voucher Programme: The draft programme needs to be submitted to EMT for support
Revitalization of Distressed Mining Towns	A total of 21 182 sites were serviced and 31 333 housing units were completed. Ring fenced funding also utilized to address bulk infrastructure challenges. DMR published the draft on the 2019 Housing and Living Conditions Standards for the Mining and Minerals Industry for public comment. Implementation Protocols for signature by three spheres of Government have been developed
Catalytic projects	Of the 50 approved projects, 26 are in implementation status with a reported delivery of 26 236 sites serviced and 23 348 housing units delivered

MTSF PROGRESS AS AT 31MARCH 2019: OTHER PRIORITIES

PRIORITY	Performance: 31 March 2019
Accreditation	The revised Accreditation Framework is part of the Government's ongoing public sector reform process to achieve the NDP 2050 vision. The approach to assignment has been revised to link it with performance of each accredited Municipality and the collaborative approach towards the delivery of human settlements amongst the three spheres of Government. The revised draft framework is awaiting MINMEC approval
Human Settlements Development Bank	Arrangements are in the process for the presentation of the business case to EMT as well as the Minister
Rationalisation of DFIs	Process for the audit of activities of RHLF & NURCHA for the six months period is finalised. Letters of appointment of staff were finalised. A revised APP for 2018/19 and a consolidated APP for 2019/20 were prepared
Integrated Policy framework for human settlements and build environment encompassing coherent policy, programme, project investment and implementation framework	Consultation session held with Provinces to sketched out thematic chapter sections to the Housing Act amendments that are proposed. Rationale is to provide advisory support and technical guidance to specialists, authors and experts

4. DEPARTMENTAL EXPENDITURE AND HUMAN SETTLEMENTS GRANTS



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DEPARTMENTAL EXPENDITURE BY PROGRAMME: 31 MARCH 2019

Programmes	Total Allocation	Commitments	Expenditure	Variance	% Spent
1. Administration	R 448 188	R 5 465	R 410 879	R 37 309	91.7%
2. Human Settlements Policy, Strategy and Planning	R 97 141	R 110	R 90 106	R 7 035	92.8%
3. Human Settlements Delivery Support	R 231 507	R 11 875	R 174 532	R 56 975	75.4%
4. Housing Development Finance	R 31 679 007	R 52	R 31 519 867	R 159 140	99.5%
Total	R 32 455 843	R 17 502	R 32 195 384	R 260 459	99.2%



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EXPENDITURE BY ECONOMIC CLASSIFICATION

31 MARCH 2019

Economic Classification	Total Allocation	Commitments	Expenditure	Variance	% Spent
Compensation of employees	R 376 945	R 0	R 345 026	R 31 919	91.5%
Goods and services	R 394 037	R 17 470	R 334 143	R 59 894	84.8%
Interest Paid	R 0	R 0	R 0	R 0	0.0%
Payments For Financial Assets	R 80 659	R 0	R 80 646	R 13	100.0%
Transfers and subsidies	R 31 587 152	R 1	R 31 425 811	R 161 341	99.5%
Payments for capital assets	R 17 050	R 31	R 9 758	R 7 292	57.2%
Total	R 32 455 843	R 17 502	R 32 195 384	R 260 459	99.2%



OPERATIONAL EXPENDITURE BY BRANCH

31 MARCH 2019

Branch	Total Allocation	Commitments	Expenditure	Variance	% Spent
Ministry	R 80 669	R 15	R 70 036	R 10 633	87%
Management (DG Office and Internal Audit)	R 47 703	R 0	R 43 986	R 3 717	92%
1: Corporate Services	R 259 273	R 8 380	R 234 806	R 24 467	91%
2: Human Settlements Delivery Frameworks	R 47 173	R 110	R 42 598	R 4 575	90%
3: Human Settlements Strategy And Planning	R 56 071	R 0	R 51 925	R 4 146	93%
4: Programme Management Unit	R 156 522	R 9 096	R 118 021	R 38 501	75%
5: Office Of The Chief Financial Officer	R 85 146	R 112	R 83 103	R 2 043	98%
6: Office Of The Chief Operations Officer	R 58 175	R 3	R 46 917	R 11 258	81%
Total	R 790 732	R 17 715	R 691 392	R 99 340	87%



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TRANSFER PAYMENTS 31 MARCH 2019

Transfer Payments	Total Allocation	Transferred	Variance	% Transferred
Grants	R 30 491 439	R 30 333 953	R 157 486	99.5%
Human Settlements Development Grant	R 18 266 647	R 18 266 647	R 0	100.0%
Urban Settlements Development Grant	R 11 306 137	R 11 306 137	R 0	100.0%
Provincial Emergency Housing Grant	R 260 000	R 204 729	R 55 271	78.7%
Municipal Emergency Housing Grant	R 140 000	R 37 785	R 102 215	27.0%
Title Deeds Restoration Grant	R 518 655	R 518 655	R 0	100.0%
Entities	R 1 079 034	R 1 079 034	R 0	100.0%
Social Housing Regulatory Authority: Operational	R 51 980	R 51 980	R 0	100.0%
Social Housing Regulatory Authority: Institutional Investment	R 20 132	R 20 132	R 0	100.0%
Social Housing Regulatory Authority: Restructuring Capital Grant	R 743 640	R 743 640	R 0	100.0%
Social Housing Regulatory Authority: Regulations	R 10 000	R 10 000	R 0	100.0%
Community Schemes Ombuds Services	R 31 105	R 31 105	R 0	100.0%
Housing Development Agency	R 222 177	R 222 177	R 0	100.0%
Departmental Transfers	R 16 679	R 12 823	R 3 856	76.9%
Mangosuthu University of Technology	R 3 500	R 0	R 3 500	0.0%
Scholarship Programme	R 6 892	R 6 760	R 132	98.1%
UN Habitat	R 3 479	R 3 477	R 2	99.9%
City Alliance	R 767	R 767	R 0	100.0%
Households	R 2 041	R 1 819	R 222	89.1%
Payments for financial assets	R 80 000	R 80 000	R 0	100.0%
National Housing Finance Corporation	R 80 000	R 80 000	R 0	100.0%
Total	R 31 667 152	R 31 505 810	R 161 342	99.5%



DEPARTMENTAL EXPENDITURE AND HUMAN SETTLEMENTS GRANTS

4.1 HUMAN SETTLEMENTS DEVELOPMENT GRANT (HSDG) PERFORMANCE AS AT 31 MARCH 2019



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HUMAN SETTLEMENTS DEVELOPMENT GRANT EXPENDITURE (HSDG) PERFORMANCE AS AT 31 MARCH 2019

Provinces	Voted Funds	Adjustment- Disaster Relief Funding	Roll Over from 2017/18	Total Available	Year to Date (1 April 2018 – 31 March 2019)			
					Spent by Provinces	Unspent against Total available Funds	% Spent against Total Available	% Unspent against Total Available
	R'000	R'000	R'000	R'000	R'000	R'000		
Eastern Cape	1 908 439	-	-	1 908 439	1 908 402	37	100	-
Free State	1 072 422	-	-	1 072 422	1 063 802	8 620	99	1
Gauteng	5 046 583	-	117 217	5 163 800	4 996 650	167 150	97	3
KwaZulu-Natal	3 152 757	100 000	-	3 252 757	3 202 307	50 450	98	2
Limpopo	1 287 681	-	-	1 287 681	1 224 411	63 270	95	5
Mpumalanga	1 278 427	-	-	1 278 427	1 278 427	-	100	-
Northern Cape	474 791	-	32 402	507 193	500 065	7 128	99	1
North West	1 926 644	-	26 841	1 953 485	1 953 445	40	100	-
Western Cape	2 018 776	127	-	2 018 903	2 018 903	-	100	-
Total	18 166 520	100 127	176 460	18 443 107	18 146 412	296 695	98	2



DEPARTMENTAL EXPENDITURE AND HUMAN SETTLEMENTS GRANTS

4.2 Urban Settlements Development Grant (USDG) Performance As At 31 March 2019



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URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG) PERFORMANCE AS AT 31 MARCH 2019

Metros	Voted Funds	Roll Over from 2017/18	Stopped/ Reallocated Funds	Total Available	Year to date (1 July 2018 - 31 March 2019)			
					Spent by Municipality	Unspent Funds against Total Available Funds	% Spent vs. Total Available	% Unspent vs. Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Buffalo City	762 992	-	200 000	962 992	446 067	516 925	46,3	53,7
Nelson Mandela Bay	905 664	-	200 000	1 105 664	461 175	644 489	41,7	58,3
Mangaung	756 216	-	- 49 814	706 402	433 282	273 120	61,3	38,7
Ekurhuleni	1 971 737	38 090	- 136 262	1 873 565	601 609	1 271 956	32,1	67,9
City of Johannesburg	1 852 262	-	-	1 852 262	822 151	1 030 111	44,4	55,6
City of Tshwane	1 605 607	41 700	- 106 055	1 541 252	666 393	874 859	43,2	56,8
eThekweni	1 966 869	-	- 107 869	1 859 000	1 004 118	854 882	54,0	46,0
City of Cape Town	1 484 790	-	-	1 484 790	516 807	967 983	34,8	65,2
Total	11 306 137	79 790	-	11 385 927	4 951 602	6 434 325	43,5	56,5



NON-FINANCIAL DATA

Actual outputs achieved	31-Mar-19
Indicator	
Spatial development and the built environment:	
Number of hectares of land procured for Greenfields development	262
Number of hectares of land proclaimed (township establishment completed)	17
Number of informal settlements targeted for upgrading	2
The number of households living in informal settlements targeted for upgrading	77 236
The number of informal settlements targeted for upgrading with upgrading plans	71
The number of informal settlements upgraded (services provided): In Situ	120
Number of sites serviced	8 122
The number of title deeds transferred to eligible beneficiaries	8 061
Roads and storm water:	
KMs of new paved roads to be built	1 417
KMs of new gravelled roads to be built	684
KMs of new storm water drainage installed in addition to current ones	1 526
KMs of roads surfaced/rehabilitated/resealed	330



NON-FINANCIAL DATA

Transport	
KMs of new pedestrian walkways to be constructed	63.522
Number of new bus/taxi stops to be constructed	5
Access to Services : Water	
The number of water service points installed for informal settlement dwellers within a 200 m radius	3 781
The number of additional households provided with water connections	25 576
Access to Services : Sewerage	
The number of sanitation service points (toilets) installed for informal settlement dwellers	7 129
The number of additional households provided with sewer connections	10 022
Access to Services : Solid waste management	
The number of additional households provided with access to weekly refuse removal	893 199
The number of waste minimisation projects initiated/upgraded	268
The number of households living in informal areas with solid waste removal services	27 9 814



NON-FINANCIAL DATA

Access to Services : Electricity

The number of additional households living in formal areas provided with electricity connections	7 357
The number of additional high mast lights installed	53
The number of additional street lights installed	2 556
Number of Households provided with free basic electricity	11 902

Socio Economic Amenities

Number of community halls to be developed / upgraded	1
Number of sports fields and stadia to be developed/upgraded	10
Number of parks/leisure facilities to be developed/upgraded	5
Number of clinics to be developed/upgraded	9
Number of pre-schools / early childhood development centers to be developed / upgraded developed	3
Number of community swimming pools to be developed/upgraded	3
Number of libraries to be developed/upgraded	1
Number of cemeteries to be developed/upgraded	3
Number of fire safety and emergency facilities to be developed / upgraded	2

Local development and job creation:

Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	63 478
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DEPARTMENTAL EXPENDITURE AND HUMAN SETTLEMENTS GRANTS

4.3 EMERGENCY HOUSING GRANTS



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PEHG EXPENDITURE AS AT 31 MARCH 2019

Provincial Emergency Housing Grant (2018/2019)	Year to date				
	Voted funds	Transfers to Province	Spent by Provinces	Unspent against transferred funds	Unspent against voted funds
	R'000	R'000	R'000	R'000	R'000
Provincial Allocation	260 000	0	0	260 000	260 000
Mpumalanga Province		120 956	67 546	53 410	
Western Cape Province		83 773	0	83 773	
Total	260 000	204 729	67 546	137 183	192 454



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PEHG NON FINANCIAL PERFORMANCE AS AT 31 MARCH 2019

Provinces	Number of Approved Temporary Shelters	Actual	Variances
Mpumalanga	1 300	-	1 300
Western Cape	1 877	1 050	827
Total	3 177	1 050	2 127



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PEHG NON FINANCIAL

Mpumalanga Province

- Approval of R121 million was granted to the province for the provision of 1877 temporary shelters following severe thunderstorms which damaged houses in Kanyamazana, Entokzweni and Tekwane South.
- Funds were transferred on 11 February 2019;
- To date the Province has reported expenditure of R72,2 million.

Western Cape

- On the 26th October 2018, a fire disaster occurred in the Kosovo Informal Settlement in Philippi and also on the same date a fire disaster destroyed informal settlement structures of Silvertown in Khayelitsha.
- Approval was granted to the Province for the provision of 1300 temporary shelters costing R83,8 million in the following areas
- Funds were transferred on 11 February 2019.
- Negotiations between the Department and private land owner to purchase land took few months before it was finalised.
- The purchased land has environmental limitations which may prolong commencement of the project. There is an environmental specialist investigation/study which is underway, to investigate the extent of an identified wetland section.

MEHG EXPENDITURE AS AT 31 MARCH 2019

Municipal Emergency Housing Grant (2018/2019)	Year to date				
	Voted funds	Transfers to municipality	Spent by municipality	Unspent against transferred funds	Unspent against voted funds
	R'000	R'000	R'000	R'000	R'000
Municipal Allocation	140 000				
Bitou Local Municipality: WC		3 988	3 960	28	28
Nelson Mandela Bay Metro: EC		7 125	0	7 125	7 125
Buffalo City Metro: EC		9 043	0	9 043	9 043
Jozini Municipality: KZN		10 827	0	10 827	10 827
OR Tambo District :EC		5 284	0	5 284	5 284
Joe Morolong Municipality :NC		1 518	0	1 518	1 518
Total	140 000	37 785	3 960	33 825	33 825



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MEHG NON FINANCIAL PERFORMANCE AS AT 31 MARCH 2019

Municipalities	Number of Approved Temporary Shelters	Actual	Variances
Bitou Local Municipality (WC)	69	69	-
Buffalo City Local Municipality (EC)	165	-	165
Nelson Mandela Bay Municipality (EC)	130	-	130
Jozini Local Municipality (KZN)	168	-	168
O.R Tambo Local Municipality	82	-	82
Joe Morolong Local Municipality (NC)	24	-	24
Total	638	69	569

MEHG NON FINANCIAL

- An amount of R3,9 million was transferred on 08 November 2018 to the **Bitou Municipality** to provide 69 temporary shelters following a fire disaster in the following areas KwaNokutula (2 households), Kurland (39 households), Qolweni(26 households);
- The Municipality has reported expenditure of R3 960 199.99 for the acquisition/purchase of temporary shelters;
- **Nelson Mandela Bay Metro** received funds for the 130 Transitional Residential Area units (TRA's) at a cost of R 54 807, 85 per unit amounting to R 7,1 million and this amount was transferred on the 11 March 2019. The Metro indicated that various areas within its jurisdiction were affected example KwaNobuhle, Mortherwell NU12, Khayamandi and Despatch;
- **Buffalo City Metro** received funds for 165 temporary shelters at a cost of R 54 807, 85 per unit amounting to R9 million;
- The Metro has reported that land with services has been secured and that the municipality has requested the contractor to order all the materials so the project can be completed.



MEHG NON FINANCIAL

- **The Jozini Municipality** was allocated an amount of R10, 8 million for 168 temporary shelters which was transferred on 20th March 2019;
- The households reside in various areas within the municipal boundaries were affected by fire and heavy rains for example:
- Affected areas are rural for example Shemula, Makwakwa, Emakhonyeni, Mbadleni;
- An amount of R5 284 162.00 was transferred to **O R Tambo District Municipality** for 82 temporary shelters on the 20 March 2019;
- The affected households reside in the Port St Johns area and were subjected to strong winds , heavy rains, fire disaster incidents;
- **Joe Morolong Local Municipality** received R1,5 million for 24 temporary shelters on the 20 March 2019. The following areas were affected by disaster incidents were there were strong winds and heavy rains ie. Kudamane, Batlhaping.

CHALLENGES

- Incomplete and incorrect submission of fund requests by provinces and Metros;
- Misinterpretation of the grant frameworks by Provinces and Metros;
- Resistance by community members for erection of temporary shelters and temporary relocation;
- Disputes regarding beneficiary verification;
- Delays with procurement processes;
- Newly erected temporary shelters occupied by unlawful and undeserving occupants;
- Disputes regarding beneficiary verification;
- Delays with procurement processes at the Metro level.

WAY FORWARD

- Conducting regular review sessions to discuss performance matters;
- DORA workshops and awareness sessions conducted in conjunction with NT to discuss regulatory and compliance matters;
- Regular one on one performance engagement sessions with Provinces;
- Enhance annual grant frameworks to enable a more flexible and efficient responsive approach to emergency requests.



AUDIT OUTCOME

- Quality of submitted financial statements
 - Department of Human Settlement received an unqualified audit opinion in the Annual Financial Statement with no matter of emphasis on the audit report;
- Supply Chain Management
 - The Department of Human Settlement received no material audit findings.
- Human Resources Management;
 - Department of Human Settlement received no material audit findings;
- Quality of submitted performance information-programme 2,3 and 4 were selected for audit;
- Programme 2 - Received unqualified audit opinion
- Programme 3 - Received qualification due to the below reasons
 - Due to limitation of scope of 5 indicators out of 19;
 - Due to invalid information submitted for audit purposes;
- Programme 4 - Received unqualified audit opinion.

2018/19 AUDIT OUTCOMES

Quality of
submitted
financial
statement

Supply chain
Management

Quality of
submitted
performance
information

Financial
health

Human
resource
management

Information
technology

Good

Concerning

Intervention
required



human settlements

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5. AREAS THAT REQUIRE ATTENTION FOR IMPROVED PERFORMANCE AND ACTIONS IMPLEMENTED TO IMPROVE PERFORMANCE

- Discussion with the auditors regarding the assessment and reporting on the approved 2019/20 APP is underway;
- The Department has started the process of ensuring that the provincial APP targets are in line with the new MTSF targets, Departmental APP as well Estimates of National Expenditure (ENE) indicators, therefore Provincial APP indicators will be customised to read exactly as the ENE indicators;
- The quarterly performance of the National Department will therefore be assessed on the customised indicators;
- The Department will only include audited figures from the provinces in the Departmental annual report to ensure alignment in the reported figures;
- An Audit Action Plan has been implemented for all Managers to indicate work on the findings and to ensure that there will not be any repetition of findings;
- The Audit Action Plan will be monitored on monthly basis.



6. RECOMMENDATION

It is recommended that the Portfolio Committee notes the 2018/19 Annual Report of the Department of Human Settlements.



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THANK YOU



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