



ITEM: WESTERN CAPE ADJUSTMENTS APPROPRIATION BILL (2021/22 FINANCIAL YEAR) – VOTE 8

VENUE: WESTERN CAPE PROVINCIAL PARLIAMENT (WCPP) – VIRTUAL on MS TEAMS

DATE: 7 DECEMBER 2021

OVERVIEW OF ADJUSTMENTS TO THE 2021/22 MAIN APPROPRIATION

ADDITIONAL FUNDS

We have an upward adjustment of **R57,088 million**. This means our overall budget increases from R 2, 353 billion to R 2, 410 billion.

This adjustment will assist us to continue serving our people in a manner that will address our context.

These funds are being allocated as follows: **R8 million will be used as security cost** to protect a particular property against further invasions. This is rather unfortunate, as these funds could've been used to unlock the creation of more housing opportunities. The funds were shifted from CapeNature and the Department of Environmental Affairs and Development Planning – R4m each.

The Department is **shifting R500 000 to DEADP** to assist municipalities in conducting housing market studies which are needed for preparation of municipal inclusionary housing policies.

The lion share of the additional allocation, ie **R49,588m** will go towards one of our priorities namely Affordable Housing. In my 2021/22 budget speech I have announced that we will re-invest in the affordable housing market by utilising funds generated through the selling of houses and sites constructed from the Human settlement development grant. This is making us less dependant from the grant in future.

- R900 000 is allocated to the Garden Route District Municipality for an affordable housing project within the George Central Business District.
- R48,688m is allocated to Affordable housing projects done by the Department in the Metro. This means that approximately 1000 additional FLISP subsidies can be allocated to qualifying beneficiaries. R40m has already been generated through the selling of units in these projects in this financial year. This will again be invested in more affordable housing projects in 2022/23.

INTERNAL SHIFTS

We are shifting R15,5m to transfers to municipalities:

- R12,4 million iro Title deeds restoration programme in the CoCT,
- R1,5 million as a final contribution to the City of Cape Town iro of the Redhill informal settlement rental agreement with the owner of the land,
- R800 000 to Saldanha Bay Municipality iro the development of their integrated housing plan,
- R600 000 to George Municipality iro the development of their integrated housing plan, and
- R200 000 to Stellenbosch Municipality to do an assessment of the housing stock that is being devolved to the municipality.

The funds became available from OPSCAP as the Department has capitalised the professional fees budgeted to plan and implement projects.

- Other smaller shifts include the provision for leave gratuities iro officials leaving the employ of the department: R267 000,
- The extension of a software license: R32 000, and
- Provision for additional television licenses: R5 000

The funds became available from savings on Compensation of Employees (COE) due to the non-filling of vacancies due to the uncertainty of future COE budgets (R267 000) and savings on traveling due to Covid protocols (R37 000).

The Adjustment budget will also introduce the R457, 429 million reallocation of funds from the Human Settlement Development Grant (HSDG) and the re-allocation of it to the new Informal Settlement Upgrading Partnership Grant (ISUPG)

