



**ANNUAL PERFORMANCE  
PLAN  
  
FOR  
  
2023 – 2024  
  
FINAL**

**SOCIAL  
HOUSING  
REGULATORY  
AUTHORITY**

SHRA is an agency of the  
National Department of Human  
Settlements

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## EXECUTIVE AUTHORITY STATEMENT



The sector's has medium term strategic framework (MTSF) target of 18 000 social housing units and only 35%, 6223 units, had been achieved by end of September 2022. This means that a total of 11 777 units has to be completed in the next two financial years. Even if the target is met, which is doubtful, the rate of provision of social housing is nowhere near meeting the overall social housing demand. Crowding-in and expanding the role of the private sector in the provision of social housing to make a dent in the ever-increasing demand is an absolute necessity.

The rapidly rising rate of urbanisation will continue to put pressure on the housing delivery system in cities and lead to the increasing number of informal settlements. Urban drift is costly because it requires more investments in bulk infrastructure in greenfield projects, however, the inner-city areas are also dealing with issues of ageing bulk infrastructure. It is in this context that the SHRA must work closely with the Housing Development Agency (HDA) to explore which pieces of land under the custodianship of the HDA are suitable for social housing.

The Social Housing Programme forms part of the pipeline of projects earmarked for investment. Further, a submission for funding amounting to R305 million from the Budget Facility for Infrastructure (BFI) through the Infrastructure Fund (IF) was made for six (6) social housing projects as part of the first phase approach. Further supporting the ERRP, the SHRA maintains employment targets, disaggregated to the designated groups, for the spend of the construction budget component of the CCG.

The National Department of Human Settlements, SHRA and the National Housing Finance Corporation (NHFC) have further initiated a collaborative relationship with the Infrastructure Fund (IF) to create a framework for large scale financing proposals for catalysing the implementation of the social housing projects. This has the potential to increase investment into the sector from R1 billion and 3 000 units per year currently to about R15 billion and more than 30 000 units post 2025. This would

be a positive step in reducing the estimated investment gap of R144 billion and a backlog of 320 000 units in the social housing sector.

SHRA must continue to strive to achieve a transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing. The accreditation and growth and development of Social Housing Institutions (SHIs) and Other Delivery Agents (ODAs) must reflect the transformation and empowerment agenda of the SHRA in the Social Housing Sector. Most of the newly accredited SHIs are found to be having challenges in internal capacity, weak governance structures, they predominately struggle to deliver on the first project due to several issues including lack of project opportunity and the above stated gaps.

The SHRA must take a proactive approach in onset support of emerging and aspirant social housing institutions from the point of accreditation and building up sound governance structures, internal systems and increased internal capacity. This support must also be extended not only to those institutions with stock under management, but a focus must be placed on new and emerging institutions.

The SHRA has an important role to play ensuring that we meet the housing needs of the Gap market. I am confident that the Board, the Executive leadership, and the rest of the staff have internalised the urgency of delivering on their mandate.



**MMAMOLOKO KUBAYI, MP**  
**MINISTER FOR HUMAN SETTLEMENTS**

## ACCOUNTING AUTHORITY STATEMENT

It is with great pleasure that I present the 2023/24 Annual Performance Plan (APP) for the Social Housing Regulatory Authority (SHRA). The SHRA takes its guidance from the National Department of Human Settlements in terms of its contribution to MTSF Priority 5: Spatial Integration, Human Settlements and Local Government. The SHRA must create and facilitate an enabling environment for the development of social housing as an integral component of urban areas to ensure that we meaningfully contribute to the “creation of liveable neighbourhoods”.

The constitutional mandate for the SHRA is to redress spatial inequities entrenched by apartheid, by providing low and middle-income households with good quality and affordable rental housing opportunities in well-located areas of cities. The mandate includes investment in and regulation of the sector as well as providing support and capacity to the sector.

From the start of April 2020 up to the end of September 2022, a total of 6223 units or 35% of 18 000-unit target achieved. This left 11 777 units to be completed before the end of March 2025.

The partnership between the Infrastructure Fund SA and National Department of Human Settlements and gazetting of the national Social Housing programme as part of list of the Strategic Integrated Projects in December 2022 will aid in providing a platform towards improving the long-term financing and assist with the expediting measures required to unblock projects.

After extensive consultation with key stakeholders including Members of the Executive Council for Human Settlements, the South African Local Government Association (SALGA) and the SHRA, the norms and standards for Social Housing has been supported and gazetted by the Minister for implementation. This would assist in providing a more demand-responsive product offering by the programme within inner-cities and a range of product responses to better suit various tenant households.

To ensure harmonisation of all human settlements and interventions, including linkages to other programmes such as Integrated Residential Programme (IRDP) and maximise the impact of spatial transformation, it is essential that the PHSDAs be gazetted under the Social Housing Act to avoid non-compliance.

It is with great enthusiasm that I take the opportunity to welcome the newly appointed CEO, Mr Sandile Luthuli, who will lead the implementation of the structural changes such that the entity is geared to action partnerships and disruptive delivery mechanisms needed to improve the performance trajectory of the organisation to deliver on its mandate.



**Ms. B. Nzo**  
**SHRA Chairperson**

## CHIEF EXECUTIVE OFFICER STATEMENT

This 2023/24 Annual Performance Plan is in year four of the SHRA's 2020-2025 Strategic Plan, which has been crafted to align with the priorities of the Sixth Administration. The SHRA must increase its delivery of adequate, quality, and affordable social housing in well located areas to contribute more significantly to liveable neighbourhoods. The alignment of the Priority Human Settlements and Housing Development Areas (PHSHDAs) with the Restructuring Zones and gazetting of these areas will create more project opportunities to assist the SHRA with delivery of more social housing units in strategic areas.

The three pillars of our mandate that remain are:

- **REGULATE:** We regulate SHIs who develop and manage social housing projects to ensure high quality rental housing is available and affordable to the low to middle-income group.
- **INVEST:** We invest in social housing projects and accredit Social Housing Institutions (SHIs) to foster the development of integrated communities through the delivery of quality, affordable social housing in strategically located areas.
- **ENABLE:** We offer several types of grants to accredited SHIs to allow them to manage social housing projects and to develop projects.

We remain committed to the cross-cutting priority of driving the transformation agenda throughout these three pillars of our mandate and ultimately also in delivery across the Social Housing Sector value chain through interventions that support enterprises owned and managed by black people, women, youth, and people with disabilities. The three pillars of our mandate will be reinforced through additional capacity to strengthen the regulatory and support functions to pro-actively assist such that compliance and enforcement can become more focused and the SHRA less reactive.

We introduced measures to support and assist struggling institutions where we acknowledge a slight increase in compliance with the set performance benchmarks that however remains too low, maintenance of ageing infrastructure, as well as the number of organised rental boycotts that have taken place in the past few years. This will also assist us to deal with the challenges related to the ongoing viability and sustainability of the Social Housing Programme

We will continue to strengthen our administrative support function through the implementation of our ICT strategy to bring about efficiencies through automation of



key business processes. Improved performance means that we need to move with speed in making decisions and acting. Our leadership team must drive a culture of performance through the organisation.

The project pipeline must continue to be extended since this is the basis of our efforts to encourage developers, financiers, contractors, delivery agents, provincial and local government, as well as the entities to come on board and work with us as we strive to achieve the revised MTSF 2019-2024 target of 18 000 new social housing units delivered. We must be resilient and agile to address project blockages, securing suitable land, and developing funding models that promote the sustainability of the Social Housing Sector.

It is the message to the team in implementing our plans for 2023/24, as we acknowledge the massive task that lies ahead, considering the limited budget that the SHRA has been allocated against the need and demand for well-located, good quality, and affordable social housing.

On behalf of the management team, we present this 2023/24 APP for approval and tabling by the Minister, as the Executive Authority



**Mr. S. Luthuli**  
**Chief Executive Officer**



## OFFICIAL SIGN-OFF

It is hereby confirmed that this Annual Performance Plan for the Social Housing Regulatory Authority:

- 1) Was developed by the management team under the guidance of the Council and the Executive Authority, the Minister of Human Settlements.
- 2) Considers all the relevant policies, legislation, and other mandates for which the Social Housing Regulatory Authority is responsible.
- 3) Accurately reflects the Outputs and Targets, which the Social Housing Regulatory Authority will endeavour to achieve over the 2023/24 financial year.



**Mr. D. Koekemoer**

Executive: Sector Development  
and Transformation



**Mr. L Letsoalo**

Executive: Project Development  
and Funding



**Ms. M Nkopane**

Executive: Compliance, Accreditation  
and Regulation



**Mr. V Fakudze**

Corporate Services Manager

**16 March 2023**

**Date**

(Acting Executive)

**APPROVED BY:**



**Ms. B Nzo**  
Chairperson of Council

**16 March 2023**

**Date**



**MT Kubayi, MP**  
Minister of Human Settlements

**Date:** 31/03/2023

## ABBREVIATIONS AND ACRONYMS

<b>ABT</b>	Alternative Building Technology
<b>AGSA</b>	Auditor-General of South Africa
<b>APP</b>	Annual Performance Plan
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BCA</b>	Building Condition Audit
<b>BFI</b>	Budget Facility for Infrastructure
<b>CAPEX</b>	Capital Expenditure
<b>CAR</b>	Compliance, Accreditation and Regulation
<b>CCG</b>	Consolidated Capital Grant
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>COVID-19</b>	Coronavirus Disease 2019
<b>CP</b>	Condition Precedent
<b>CSM</b>	Corporate Service Manager
<b>CSOS</b>	Community Schemes Ombud Service
<b>DDM</b>	District Development Model
<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>DSCR</b>	Debt Service Cover Ratio
<b>ERRP</b>	Economic Reconstruction and Recovery Plan
<b>Exco</b>	Executive Committee
<b>FC</b>	Financial Closure
<b>FLISP</b>	Finance Linked Individual Subsidy Programme
<b>FS</b>	Free State
<b>GBV</b>	Gender-based Violence
<b>GIS</b>	Geographic Information System
<b>GP</b>	Gauteng Province
<b>HDA</b>	Housing Development Agency
<b>ICT</b>	Information and Communication Technology
<b>IIG</b>	Institutional Investment Grant
<b>IIP</b>	Infrastructure Investment Plan

<b>IMF</b>	International Monetary Fund
<b>IP</b>	Implementation Protocol
<b>KIA</b>	Key Intervention Area
<b>KZN</b>	KwaZulu-Natal
<b>LP</b>	Limpopo
<b>MinMEC</b>	Ministers and Members of Executive Council
<b>MOI</b>	Memorandum of Incorporation
<b>MOE</b>	Municipal-owned Entity
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>MV</b>	Military Veteran
<b>NASHO</b>	National Association of Social Housing Organisations
<b>NCI</b>	National Construction Incubator
<b>NDHS</b>	National Department of Human Settlements
<b>NGO</b>	Non-governmental Organisation
<b>NHBRC</b>	National Home Builders Registration Council
<b>NHFC</b>	National Housing Finance Corporation
<b>NPC</b>	Non-profit Company
<b>OD</b>	Organisational Design
<b>ODA</b>	Other Delivery Agent
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PD&amp;F</b>	Project Development and Funding
<b>PFMA</b>	Public Finance Management Act
<b>PHSHDAs</b>	Priority Human Settlements and Housing Development Areas
<b>PPP</b>	Public-Private Partnership
<b>PSC</b>	Provincial Steering Committee
<b>PUPM</b>	Per Unit Per Month
<b>PWD(s)</b>	People with Disabilities
<b>RZ</b>	Restructuring Zone
<b>SAWIC&amp;BE</b>	South African Women in Construction and Built Environment
<b>SD&amp;T</b>	Sector Development and Transformation
<b>SHA</b>	Social Housing Act (No.16 of 2008)
<b>SHL</b>	Social Housing Landlord

<b>SIDSSA</b>	Sustainable Infrastructure Development Symposium South Africa
<b>SHI</b>	Social Housing Institution
<b>SHIP</b>	Social Housing Investment Plan
<b>SHoRP</b>	Social Housing Regulatory Plan
<b>SHRA</b>	Social Housing Regulatory Authority
<b>SONA</b>	State of the Nation Address
<b>TEC</b>	Technical Evaluation Committee
<b>TID</b>	Technical Indicator Description

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## PART A: OUR MANDATE

### 1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

The establishment mandate of the SHRA is informed by the Social Housing Act (No. 16 of 2008) (SHA). The purpose of the Act is to:

- i. Establish and promote a sustainable social housing environment.
- ii. Define the functions of national, provincial, and local governments in respect of social housing.
- iii. Provide for the establishment of the SHRA to regulate all Social Housing Institutions (SHI) obtaining or having obtained public funds.
- iv. Allow for the undertaking of approved projects by SHIs and other delivery agents with the benefit of public money; and
- v. Provides for statutory recognition to SHIs.

The Social Housing Act (No. 16 of 2008) prescribes that the SHRA must undertake the following functions:

- i. Promote the development and awareness of social housing and promote an enabling environment for the growth and development of the Social Housing Sector.
- ii. Provide advice and support to the National Department of Human Settlements (NDHS) in its development of policy for the Social Housing Sector and facilitate national social housing programmes.
- iii. Provide best practice information and research on the status of the Social Housing Sector.
- iv. Support provincial governments with the approval of project applications by SHIs and assist, where requested, in the process of the designation of restructuring zones.
- v. Enter into suitable agreements with Social Housing Institutions and Other Delivery Agents for the protection of the government's investment in social housing.



- vi. Enter into agreements with provincial governments and the National Housing Finance Corporation and debt financing institutions to ensure that implementation by these entities is coordinated.
- vii. Provide financial assistance to SHIs through grants to enable them to develop institutional capacity, gain accreditation as SHIs, and submit viable project applications.
- viii. Accredite institutions meeting accreditation criteria as SHIs and maintain a register of SHIs. In addition, conduct compliance monitoring through regular inspections and enforce compliance where necessary.
- ix. Approve, administer, and disburse institutional investment grants and capital grants and obtain applications for such grants through engagement with provincial governments and municipalities.
- x. Make rules and regulations in respect of the accreditation of SHIs and the disbursement of government funds to them; and
- xi. The SHRA is empowered to intervene if it is satisfied on reasonable grounds that there has been maladministration by a SHI.

The legislative and policy mandates are summarised as follows:



The SHRA is mandated to also provide advice and recommendations in relation to the sector. As an entity of the National Department of Human Settlements, the SHRA will continue to support such initiatives.

POLICY NAME	PURPOSE / PROGRESS
<b>Indexation of the grant quantum and income bands</b>	In July 2021 MinMEC had approved an increase of all Human Settlements subsidy and grant instruments by 20.9% to account for building cost inflation. The Consolidated Capital Grant amount will be a maximum of R328 687 per unit.

POLICY NAME	PURPOSE / PROGRESS
	<p>In relation to changes in the target market definition, based on gross household monthly income,</p> <ul style="list-style-type: none"> <li>▪ The entry level has been increased from R1 500 to R1 850 to accommodate lower income bands that require subsidisation.</li> <li>▪ The upper-bound of the primary target has increased from R5 500 to R6 700 to accommodate inflation adjustments of low-income earners; and</li> <li>▪ The upper limit of the target market has been extended to R22 000 to align with the broader definition of affordable housing found in other national housing programmes such as the Finance Linked Subsidy Programme (FLISP).</li> </ul> <p>Social Housing will continue to service the Community Residential Market (households earning less than R3 500) and the net result is that the target market definitions for those who qualify for Social Housing based on households' gross monthly income is as follows:</p> <ul style="list-style-type: none"> <li>▪ Primary Market: R1 850 – R 6 700</li> <li>▪ Secondary Market: R6 701 – R22 000</li> </ul> <p>These amendments have been implemented from 1 April 2022.</p>
<b>Draft Rental Housing Regulations and norms and standards</b>	<p>The draft Rental Housing Regulations had followed a public consultation process, which the SHRA has considered and provided inputs to.</p> <p>The issue of norms and standards is contained within these regulations and contain norms and standards that address inter alia, safety, health, and hygiene; basic living conditions, including access to basic services; size; overcrowding; and affordability.</p> <p>The sector-specific Social Housing norms identified have been considered by MinMEC in September 2022 and subsequent gazetting would allow for implementation.</p>
<b>Draft National Affordable Rental Framework</b>	<p>Continuation of work and support undertaken in the previous years will continue. The National Department has continued with processes to review and update the Housing Code.</p>

## 2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

### 2.1. MEDIUM-TERM PLANNING PRIORITIES OF THE SIXTH ADMINISTRATION

The SHRA takes its guidance from the National Department of Human Settlements in terms of its contribution to **MTSF Priority 5: Spatial Integration, Human Settlements and Local Government**. The 2024 impact and outcome that the SHRA needs to align with and contribute to, is as follows:

MTSF PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT	
<b>2024 Impact</b>	<b>Achieving spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities.</b>
<b>Outcome:</b> Interventions / Targets	<b>Adequate housing and improved quality living environments:</b> <ul style="list-style-type: none"> <li>▪ Deliver 18 000 social housing units in strategically located areas.</li> </ul>

The SHRA will contribute to the national human settlements' MTSF 2019-2024 outputs as follows:

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION
<b>94 area-based integrated multisectoral development plans for priority development areas completed by 2024</b>	<p>In collaboration with NDHS, complete a multiyear development plan for social housing in line with the Priority Development Areas, gazetted as Priority Human Settlements and Housing Development Areas (PHSHDAs):</p> <ul style="list-style-type: none"> <li>▪ SHRA has assessed the alignment of restructuring zones (RZs) and PHSHDAs and have identified areas of opportunity.</li> <li>▪ Recommendations to implement projects that are in the PHSHDAs, they would need to be gazetted as RZs in compliance with the SHA.</li> <li>▪ The gazettement of PHSHDAs as RZs will ensure alignment and harmonisation of other human settlements</li> </ul>

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION
	programmes such as the Integrated Residential Development Programme (IRDP).
<b>Long-term land development pipeline for human settlements completed</b>	<p><b>Use GIS and/or remote sensing to spatially reference the restructuring zones and social housing projects:</b></p> <ul style="list-style-type: none"> <li>▪ Spatial referencing for all projects included.</li> <li>▪ Applicants are required to provide the coordinates, which will be validated through GIS maps and/or SG diagrams for projects.</li> <li>▪ Housing Development Agency (HDA) in conjunction with NDHS will be requested to provide support for the spatial referencing of RZs.</li> </ul>
<p><b>Revised number of 18 000 social housing units delivered.</b></p> <p><i>(DPME, Revised MTSF 2019-2024, October 2021)</i></p>	<p>A focus is being placed on working on projects that are in planning and require collaboration with other spheres of government to fast-track delivery and unlock projects that require municipal statutory approvals.</p>
	<p><b>Propose restructuring zones for development of social housing to the Minister:</b></p> <ul style="list-style-type: none"> <li>▪ Continue to prioritise municipal and provincial support to proactively assist with the identification of strategically located areas that require RZ approval. This would expand social housing delivery footprint nationally.</li> </ul>
	<p><b>Manage the delivery of 18 000 social housing units:</b></p> <ul style="list-style-type: none"> <li>▪ Focus will be placed those projects that are under construction to meet delivery targets.</li> </ul>
	<p><b>Develop a comprehensive database of all social housing developments, as well as Social Housing Institutions:</b></p> <ul style="list-style-type: none"> <li>▪ Developed and maintained.</li> </ul> <p><b>Regulate Social Housing Institutions, and monitor and report on status of compliance to NDHS:</b></p> <ul style="list-style-type: none"> <li>▪ The SHRA Compliance Framework has been reviewed,</li> </ul>



INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION
	<p>with revised primary benchmarks and other indicators communicated to the sector – at a project and institution level (MOE, ODA, and SHI).</p> <p><b>Ensure that rental agreements have a clause indicating that the status of tenants shall be re-evaluated every five years:</b></p> <ul style="list-style-type: none"> <li>▪ Regulation 11(3)(j) – manage applications to amend their lease agreements. Clause could be included for means testing purposes, further supported by annual tenant audits.</li> <li>▪ SHRA has transmitted a circular to property owners / managers to implement the directive.</li> <li>▪ There is concern regarding the implications pertaining to those tenants that are earning beyond the income threshold, options available and cost of regular means testing and/or regularisation. Policy clarity is required on how to address tenants falling beyond the target market and those tenants with indefinite lease agreements.</li> </ul>
<p><b>Number of persons in the targeted market exposed to education programmes on various aspects of owning and/or renting a home</b></p>	<p><b>Implement a borrower, homeownership (Zenzeleni - PHP, Help Me-Buy-a-Home) and Tenant Education Programme:</b></p> <ul style="list-style-type: none"> <li>▪ SHRA focus will be on tenant education in collaboration with other human settlements entities. The initiatives will form part of the SHRA's communication strategy.</li> <li>▪ The intention is for SHRA compliance officers to provide tenant education during the tenanting phase of projects. Additional regulatory capacity is being sought to increase the SHRA's on-the-ground presence, including during tenanting.</li> <li>▪ Tenant surveys have been piloted in 2021/22. The findings have informed the content of the Tenant Education Programme.</li> </ul> <p><b>Monitor and report on the number of persons exposed to education programmes on owning or renting a home:</b></p> <ul style="list-style-type: none"> <li>▪ The SHRA will plan, monitor, and report on tenant education for tenants allocated into SHRA funded units through the SHoRP (operational plan).</li> </ul>

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION
<b>Transactional Support Programme implemented</b>	<p><b>NHBRC, NHFC, SHRA, and CSOS to establish a presence in transactional support sites:</b></p> <ul style="list-style-type: none"> <li>▪ The SHRA is in the process of building capacity and capability through the MySHRA online portal, allowing for increased reach by using technology for virtual / remote transacting.</li> <li>▪ The SHRA will collaborate with the Department and key sister entities, such as the HDA on initiatives aimed to establish transactional support sites.</li> </ul>
	<p><b>Monitor and report on transaction support programmes:</b></p> <ul style="list-style-type: none"> <li>▪ The SHRA reports on various transaction support programmes, including but not limited to the Incubation Programme, PSCs, Municipal Support Programme, and matters related to disputes and rental tribunals.</li> </ul>
<b>Consumer protection programmes implemented</b>	<p><b>Number of consumer disputes submitted and resolved within 90 days:</b></p> <ul style="list-style-type: none"> <li>▪ Rental tribunals are legislated as the dispute resolution function. Disputes brought to the attention of the SHRA are referred to the respective rental tribunals.</li> <li>▪ Where tenants claim non-compliance to the social housing legislation and requirements, the SHRA investigates and acts if required. This includes mediation between tenants and landlords.</li> <li>▪ Furthermore, the SHRA will report on the cases that the SHRA is dealing with in conjunction with the rental tribunals.</li> </ul>
<b>Transformation of the residential property market</b>	<p><b>In collaboration with NDHS, ensure the finalisation of the legislation for the residential sector transformation and develop an implementation strategy with targets for the transformation of the Residential Property Sector:</b></p> <ul style="list-style-type: none"> <li>▪ The SHRA is working with the Property Sector Charter Council on developing the Transformation Charter and scorecards for the Social Housing Sector through the Department of Trade Industry and Competition which is in process of being finalised.</li> <li>▪ An incubation approach at accelerating the incubation</li> </ul>



INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION
	and accreditation of institutions to ensure directed spend at such entities.

## 2.2. SOUTH AFRICAN ECONOMIC RECONSTRUCTION AND RECOVERY PLAN

The Economic Reconstruction and Recovery Plan (ERRP) recognises that to support a rapid economic rebound, South Africa needs to focus on a few high-impact interventions and ensure that these are executed swiftly and effectively. The overarching goal of the plan is to create sustainable, resilient, and inclusive economy.

The Economic Reconstruction and Recovery Plan tabled in the President's 2022 State of the Nation (SONA) address emphasised infrastructure's pivotal role towards achieving a higher economic growth trajectory for the country.

The Social Housing Programme forms part of the pipeline of projects earmarked for investment. Further, a submission for funding amounting to R305 million from the Budget Facility for Infrastructure (BFI) through the Infrastructure Fund (IF) was made for six (6) social housing projects as part of the first phase approach. Further supporting the ERRP, the SHRA maintains employment targets, disaggregated to the designated groups, for the spend of the construction budget component of the CCG.

The National Department of Human Settlements, SHRA and the National Housing Finance Corporation (NHFC) have further initiated a collaborative relationship with the Infrastructure Fund (IF) to create a framework for large scale financing proposals for catalysing the implementation of the social housing projects. This has the potential to increase investment into the sector from R1 billion and 3 000 units per year currently to about R15 billion and more than 30 000 units post 2025.

This would be a positive step in reducing the estimated investment gap of R144 billion and a backlog of 320 000 units in the social housing sector.

In the 2022/23 financial year, 6 646 jobs have been targeted of which 4 302 job opportunities through implemented projects have been created at the end of December 2022.

### 2.3. SOCIAL HOUSING GROWTH PLAN

The Social Housing Growth Plan Framework, approved at the start of the planning cycle in the 2020/21 financial year and has guided the planning for SHRA for the medium term to increase the production rate, through several interventions, reforms including and addressing funding shortfalls through a number of interventions including the leveraging of public risk capital for the provision of debt and equity funding by private sector participants and development finance institutions for the benefit of mitigating the development risks and onward selling of the loan book to financiers post development.

Achievements include approvals from National Treasury (R305m) for debt and equity to allow projects to meet financial close. Partnerships with the Infrastructure Fund, having concluded two (2) debt funding agreements and twelve projects with a total investment value of approximately R3bn have been promoted. The national Social Housing programme has been gazetted as a Strategic Integrated Project in December 2022.

Over the past three years, aside 2020/21 during COVID-19 where 81% of the capital grant was spent, the SHRA has consistently been able to meet expenditure targets of 95%. Discussions between the National Department of Human Settlements and Ministry with regards to the organisational capacity, development approach and funding requirements to carry the current commitments and to fully fund the mandate have been initiated.

### 3. UPDATES TO RELEVANT COURT RULINGS

No updates to the court rulings discussed in the 2020-2025 Strategic Plan.

## PART B: OUR STRATEGIC FOCUS

In delivering on its mandate reflected above, the SHRA sets for itself the following vision:

VISION
To create an integrated South Africa where citizens live a good quality life in well-located and affordable, quality rental homes

MISSION
To ensure there is quality housing for lower to middle-income households in integrated settlements by investing in, enabling, regulating, and transforming the affordable social housing for rental market

The SHRA team has committed themselves to the following values.

VALUE	DESCRIPTION
<b>Service/Stewardship</b>	We know that exceptional service is important, and we intend to go the extra mile to ensure that we meet the needs of our beneficiaries.
<b>Zealousness</b>	We approach every day with a positive attitude, a willingness to grow, a thirst for learning and challenging ourselves.
<b>Connectedness/Interconnectedness</b>	We recognise that everything we do comes about because of team effort, and that by cooperation with one another we achieve results collectively, which enhances our efficiency and effectiveness.
<b>Accountability</b>	We understand that we serve the best interests of the citizens of our country and, as such, we are serious about being held responsible and accountable for our words, actions, and results.
<b>Our employees are holistic human beings</b>	Our employees are the heartbeat of our organisation. Each one of them matters, they are valued, their opinion matters, their contributions are worthy.

## SHRA'S IMPACT STATEMENT

*A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing.*

## SHRA'S OUTCOMES

<b>Outcome 1:</b> Functional, efficient, and integrated government.	<b>Outcome 2:</b> Quality, affordable social housing delivered in strategically located areas.	<b>Outcome 3:</b> Enhanced performance of delivery agents and projects.
<b>Outcome 4:</b> Increased capacity of municipalities and provinces to deliver social housing.	<b>Outcome 5:</b> An effectively regulated and sustainable Social Housing Sector.	<b>Outcome 6:</b> A transformed Social Housing Sector value chain.

## 1. UPDATED SITUATIONAL ANALYSIS

### 1.1. EXTERNAL ENVIRONMENT ANALYSIS

Social housing has been identified as one of the key opportunities to address spatial inequalities and is based on low-to-middle income households seeking affordable rental accommodation. Affordable rental accommodation is a tenure typology that is largely underdeveloped in the context of government's subsidy housing programmes and the private market as well.

Over time, changes have been introduced in policies, grant frameworks and implementation methodologies so that the housing delivery system could be more responsive to changing demand patterns of the housing market. Most significantly, there has been a noticeable increase in the demand for affordable rental and social housing market.<sup>1</sup>

Data suggests that more than 46% or 8.97 million of the total 19.46 million household fall within the target market household income thresholds (R1 850 – R22 000) for

<sup>1</sup> HS Indaba 2022 – Minister of Human Settlements opening remarks

social housing. Of the total number of households nationally approximately 26% reside in rental housing.

Statistics South Africa estimated the 2022 mid-year population at 60.6 million people. Gauteng still comprises the largest share of the South African population, with approximately 16.10 million people (26.6%) living in this province. KwaZulu-Natal is the province with the second largest population, with an estimated 11.54 million people (19.0%) living there. With a population of approximately 1.31 million people (2.2%), Northern Cape remains the province with the smallest share of the South African population.

Approximately 28% of the population is aged younger than 15 years (17,01 million) and approximately 9,2% (5,59 million) is 60 years or older. The provinces reflecting the highest percentage of children younger than 15 within its structure are Limpopo (33,6%) and Eastern Cape (32,7%). The proportion of elderly persons aged 60 years and older in South Africa is also increasing over time and as such policies and programmes to care for the needs of this growing population should be prioritised.

Migration is an important demographic process, as it shapes the age structure and distribution of the provincial population (and so the country's population structure). For the period 2021–2026, Gauteng and Western Cape are estimated to experience the largest inflow of migrants of approximately, 1 443 978 and 460 489, respectively.<sup>2</sup>

The Social Housing Act (2008) identifies that the programme should be responsive to local needs and be located within restructuring zones. Most significantly, there has been a noticeable increase in the demand for affordable rental and social housing market, given that existing restructuring zones represent 1.5 million target market households (17.6% of total target market households), while restructuring zones are well located to address social housing needs of predominantly urban settings. There is a need to review the effectiveness of the restructuring zones and reconcile spatial frameworks of priority development areas which seek to achieve the same objectives.

The rapidly rising rate of urbanisation will continue to put pressure on the housing delivery system in cities and lead to the increasing number of informal settlements. Urban drift is costly because it requires more investments in bulk infrastructure in greenfield projects, however, the inner-city areas are also dealing with issues of ageing bulk infrastructure.

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<sup>2</sup> Stats SA – Mid-year population estimates 2022 (P0302)



### 1.1.1. MACRO-ECONOMIC CONTEXT

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While the global economic outlook has been revised down by the World Bank, South Africa's economic performance is looking better than in the April 2022 announcement. Economic growth for 2022 is now projected to be 2.3%, up from 1.9% previously, though the projections for 2023 remain low at 1.4%. The International Monetary Fund (IMF) said that, in response to incoming data, central banks of major advanced economies are withdrawing monetary support faster than expected, while many in emerging market and developing economies had already started raising interest rates last year.<sup>3</sup>

The risks to the global outlook are "overwhelmingly tilted to the downside," the IMF said. These include:

- Inflation could remain stubbornly high if labour markets remain overly tight or inflation expectations de-anchor, or disinflation proves more costly than expected.
- Tighter global financial conditions could induce a surge in debt distress in emerging markets and developing economies.
- Renewed COVID-19 outbreaks and lockdowns might further suppress China's growth.
- Rising food and energy prices could cause widespread food insecurity and social unrest.
- Geopolitical fragmentation might impede global trade and cooperation.

According to the business journals reviewed in August 2022, the construction industry in South Africa is expected to register a growth of 8% in real terms in 2022, following an annual decline of 1.9% in 2021 and a severe contraction of 19.8% in 2020. Growth this year will be largely supported by the restart of projects that were delayed owing to the Coronavirus (COVID-19) restrictions, coupled with a rise in the number of building plans passed in 2021. The total value of recorded building plans passed by larger municipalities rose by 28% year on year (YoY) in 2021. Although starting to recover this year, output will not return to 2019 levels until after 2026.<sup>4</sup>

One of South Africa's goals in the National Development Plan is to increase public sector infrastructure expenditure to 10% of GDP by 2030. However, over the past couple of years, public sector infrastructure expenditure has been declining and the

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<sup>3</sup> IMF World Economic Outlook, January 2022

<sup>4</sup> South Africa Construction Market Report 2022-2026:

construction sector now accounts for around 2.4% of gross domestic product, this is a decline from the 4% that it used to contribute, its contribution is relatively small and has been shrinking, it is now the second smallest industry in relation to its contribution to GDP. In 2021, the value added by the construction industry to South Africa's gross domestic product amounted to around R111 billion (2015 real prices).<sup>5</sup> At the end of the year 2021, Gross Fixed Capital Formation as a percentage of GDP was only 14%.<sup>6</sup>

### **1.1.2. IMPACT OF A STRAINED ECONOMY ON THE AFFORDABLE RENTAL SECTOR**

In response to curbing rising inflation, the South African Reserve Bank has increased the repo rate following successive meetings of the Monetary Policy Committee. The latest such increase was in September 2022 where the repo rate increased to 6.25% resulting in the prime lending rate increasing to 9.75. Higher interest rates have traditionally resulted in improved demand for rental property. However, the balance in a fragile economy is a fine line between demand shift and the ability of consumers to afford any type of formal rental accommodation. Social Housing Institutions who are facing increased pressure in servicing debt obligations, will inevitably have to pass on the increasing costs of utilities, rates and taxes to tenants thus having an effect on the long-term tenure for rental housing.

Rising costs of utilities, applicable rates and taxes also affect the long-term tenure of the programme.

TPN Credit Bureau's long-term data indicates that consumer strain is almost always shared with property owners, reflecting either in higher vacancies, lower returns, or late payments. Encouragingly, the data reveals that tenants are still prioritizing their rentals.

Tenants paying between R3 000 to R7 000 – a rental bracket which makes up more than half the market – increased their good standing by 2% to 82.8%. This rental segment has still not recovered to pre-pandemic levels but is heading in the right direction. If we split this segment further, those paying R3 000 to R4 500 (which constitutes 19.1% of the market) have a lower collection rate, with just over 80% in good standing. Those paying R4 500 to R7 000 representing 35% of the market on the other hand, have a better collection rate with a good standing of 84.12%.<sup>7</sup>

Employment figures typically correlate with the formal rental market, with improved

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<sup>5</sup> Stats SA - P0441 - Gross Domestic Product (GDP), 3rd Quarter 2022

<sup>6</sup> CIDB Construction Monitor Supply and Demand, National Treasury (2022) Budget Review 2022.  
[www.treasury.gov.za](http://www.treasury.gov.za)

<sup>7</sup> TPN Rental Monitor Q2 2022



employment figures combined with higher interest rates tending to drive demand for rental properties.

The results of the Quarterly Labour Force Survey for quarter three of 2022, revealed that 204 000 jobs were gained between the second quarter of 2022 and the third quarter of 2022. The Labour Force Survey also revealed that the total number of persons employed was 15,8 million in the third quarter of 2022.

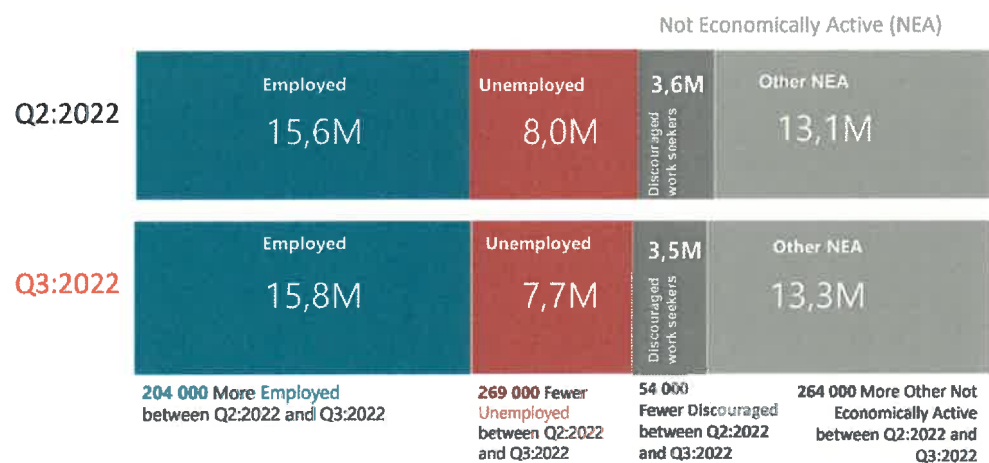
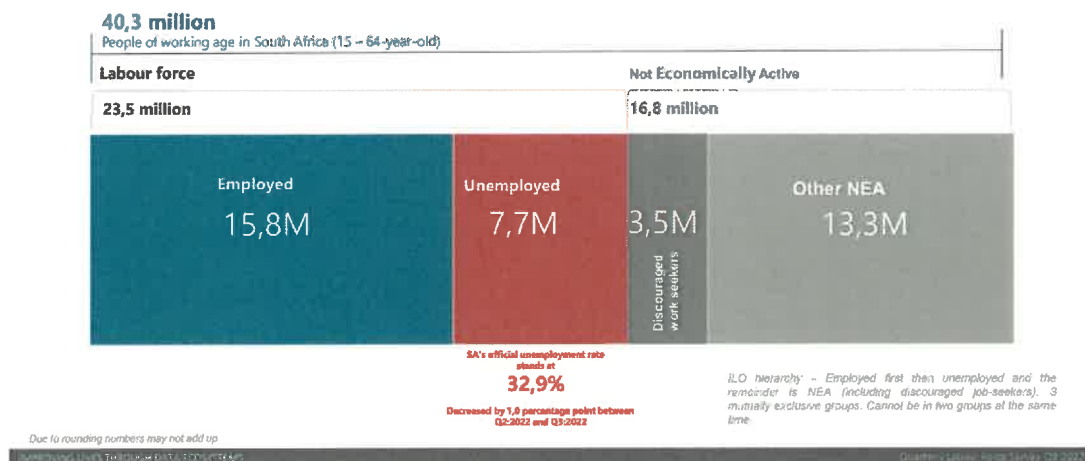
The number of unemployed persons decreased by 269 000 to 7,7 million and discouraged work-seekers also decreased by 54 000 to 3,5 million in the third quarter of 2022 compared to the previous quarter. The number of people who were not economically active for reasons other than discouragement increased by 264 000 between the two quarters resulting in a net increase of 210 000 in the not economically active population.

This means that the official unemployment rate decreased by 1,0 percentage point from 33,9% in the second quarter to 32,9% in the third quarter of 2022. The unemployment rate according to the expanded definition of unemployment also decreased by 1,0 percentage point to 43,1% in Q3:2022 compared to Q2:2022.

The largest jobs gain was recorded in manufacturing (123 000), followed by trade (82 000), construction (46 000), transport (33 000) and community and social services (27 000).<sup>8</sup>

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<sup>8</sup> Stats SA – Quarterly Labour Force Survey (QLFS) Q3 2022



### 1.1.3. MTSF 2019-2024 PERFORMANCE

For the current MTSF period, 9 764 units or 54% of the targets has been completed up to the end of the third quarter of 2022/23, representing a shortfall of 8 767 units as at the end of the second quarter.

PROVINCE	2019/20	2020/21	2021/22	2022/23 (Q3)	Cumulative Delivery	TARGET	Actual Shortfall / (Surplus)
EC	452	385		0	837	1 296	459
FS				13	13	1 296	1283
GP	2140	1049	1627	1 984	6 944	6 606	(338)
KZN				0	0	2 052	2 052
LP		164	330	0	494	720	226
MP	114			0	114	1 026	912
NC				0	0	360	360

PROVINCE	2019/20	2020/21	2021/22	2022/23 (Q3)	Cumulative Delivery	TARGET	Actual Shortfall / (Surplus)
NW			144	0	144	1 908	1 764
WC	304	258	670	130	1 362	2 736	1 374
<b>TOTAL</b>	<b>3010</b>	<b>1856</b>	<b>2771</b>	<b>2 127</b>	<b>9 764</b>	<b>18 000</b>	<b>8 236</b>
<b>%</b>	<b>16.72%</b>	<b>10.31%</b>	<b>15.39%</b>	<b>11.82%</b>	<b>54.24%</b>	<b>100.00%</b>	<b>45.76%</b>

To address poor performance in provinces the SHRA will be placing provincially oriented expressions of interests and will be working closely with Provincial Steering Committees and through municipal support initiatives.

By the end of December 2022 there were 53 active Consolidated Capital Grant contracts totalling 25 891 units. Of these 14 653 units are still to be completed. Eleven (11) of the projects amounting to 5 463 units are still in planning and have yet to break ground. The assistance of Municipalities and financing institutions is required for projects to move out of planning to meet conditions precedent or financial close. The SHRA is engaging with the NDHS on a sustainable intervention to unlock projects where, due to cost escalations, statutory approvals, or geotechnical variations, may have become financially compromised. This will contribute towards closing the projected MTSF target.

The recovery interventions to address the shortfall in delivery include an aggressive targeting of acquisition and refurbishment projects, which generally have a more efficient delivery timeframe in comparison to greenfield projects.

*Table: Q3 2022/23 Status of Contracted Projects*

PROJECT STATUS	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total	# Units
Planning			2	1		2		2	4	11	5 463
Construction			6	2			1		2	11	7 142
Construction and Tenanting	1		6		1					8	5 738
Tenanting	1	1	8						1	11	2 839
Completed			3						1	4	1 458
Completed with challenges			4	1						5	2 020
On hold		2	1							3	1 231
<b>Total</b>	<b>2</b>	<b>3</b>	<b>30</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>53</b>	<b>25 891</b>

#### 1.1.4. SOCIAL HOUSING SECTOR PERFORMANCE

There are 88 accredited institutions in the SHRA's accreditation register, with eight (8) of the institutions fully accredited, while 80 are conditionally accredited:

- i. The eight (8) fully accredited institutions all have projects under management and are reporting on a quarterly basis on the performance of their projects.
- ii. Twenty (20) conditionally accredited institutions also have projects under management. These institutions are reporting on the performance of their projects where compliance issues are raised, support is provided, or remedial action is required to increase their performance and potentially achieve full accreditation.
- iii. Sixty-three (63) institutions are conditionally accredited, but do not have stock under management. These will be managed in various ways including being taken off the register, where institutions have failed to comply with the conditions of accreditation for more than twelve months. Some of these institutions, however, have projects on the pipeline and will be supported through the incubation programme so that they can achieve full accreditation by the time their projects are approved.

The majority (44%) of accredited SHIs are in Gauteng, followed by Kwa-Zulu Natal at 27%. Together, these two localities hold 71% of accredited institutions as reflected in the table below:

#### Institutional Accreditation Q2 2022/23

Province	Conditionally Accredited	Fully Accredited	Grand Total
Eastern Cape	2	2	4
Free State	1	0	1
Gauteng	36	3	39
KwaZulu-Natal	23	1	24
Limpopo	2	0	2
Mpumalanga	4	1	5
North-West	3	0	3
Northern Cape	2	0	2
Western Cape	7	1	8
<b>Grand Total</b>	<b>80</b>	<b>8</b>	<b>88</b>

As from the first quarter of the 2021/22 financial year, the SHRA has implemented its "Revised Compliance Monitoring and Reporting Framework". This has resulted in a

change to how performance is measured, with the following 5 benchmarks now used to measure performance:

### Revised Primary Performance Benchmarks for Reporting SHIs/ODAs/MOEs

- 1) Rent Collection Rate: Target (best practice) for SHIs/ODAs/MOEs is  $\geq 95\%$ . Minimum threshold before regulatory action for SHIs/ODAs/MOEs is 90%.
- 2) Vacancy Rate: Target (best practice) for SHIs/ODAs/MOEs is  $\leq 2\%$ . Maximum threshold for SHIs/ODAs/MOEs before regulatory action is 5%.
- 3) Debtors Balance as % of Monthly Revenue: Target (best practice) for SHIs/ODAs/MOEs is  $\leq 5\%$ . Maximum threshold for SHIs/ODAs/MOEs before regulatory action is 20%.
- 4) Total Operating Costs PUPM: The 'best practice' target for the total operating cost is <R1 600/month for SHIs, <R1 800/month for MOEs and <R1 300/month for ODAs. The "maximum threshold before regulatory action" is R2 100/month for SHIs, R2 300/month for MOEs, and R1 800/month for ODAs.
- 5) Debt Service Cover Ratio: Target (best practice) for SHIs/ODAs/MOEs is  $\geq 1.3$ . Minimum threshold before regulatory action is 1.1.

Reporting institutions have performed as follows in terms of the primary performance benchmarks:

Primary Performance Benchmark Achieved	Percentage of Total					
	Apr - Jun 22 (Q2 2022/23)	Jan - Mar 22 (Q1 2022/23)	Oct - Dec 21 (Q4 2021/22)	July - Sep 21 (Q3 2021/22)	Apr - June 21 (Q2 2021/22)	(Q4, 2019/20 – Baseline)
5	0,0%	20,0%	12,5%	12,9%	3,0%	4%
4	32,3%	10,0%	15,6%	16,1%	19,0%	23%
3	22,6%	23,3%	15,6%	12,9%	23,0%	19%
2	25,8%	23,3%	31,3%	41,9%	35,0%	50%
1	12,9%	20,0%	15,6%	12,9%	16,0%	4%
0	6,5%	3,3%	9,4%	3,2%	3,0%	0%
Total	54,8%	53,3%	43,7%	41,9%	45,0%	46%

In summary, as per Q1 2022/23 performance report of institutions with stock under management showed that:

- 1) The average vacancy rate was 6.02% against a benchmark of less than 2%. This, however, compares favourably with the private sector overall vacancy rate of 8.26%. The impact of vacancies in social housing is much more severe due to the non-profit objective of social housing institutions.
- 2) 34.4% of reporting institutions achieved a debtor's balance as a percentage of monthly revenue within the <20% benchmark. Historical debt greater than 120 days impacted negatively on this benchmark.
- 3) Average rental collection rate was 79.4%, against a benchmark of >95%.
- 4) The total rental arrears greater than 120 days was at R551.6 million, increasing by approximately R20 million per quarter.
- 5) 70% of social housing landlords have a total operating cost (excluding utilities) below the maximum threshold.
- 6) 79.2% of social housing landlords have a Debt Service Cover Ratio (DSCR) below the minimum threshold.
- 7) 53.1% of social housing landlords achieve 3 out of the 5 primary performance benchmarks.

The above alludes to increasing sustainability challenges, because of the impact of the COVID-19 pandemic and a depressed economy on affordability levels of tenants and delivery agents not being able to operate more effectively and efficiently.

#### 1.1.5. SOCIAL HOUSING PROJECT PIPELINE

The pipeline is continuously updated and projects that show no progress or no longer meet the investment criteria are removed. In this regard several projects were removed. As of December 2022, there were 86 projects registered on the pipeline with a potential to yield an additional 48 853 units.

Province / District Municipality	No. of Projects	No. of Units
<b>Eastern Cape</b>	<b>5</b>	<b>2 400</b>
Buffalo City Metropolitan Municipality	2	597
Nelson Mandela Bay Metropolitan Municipality	2	937
OR Tambo District Municipality	1	866
<b>Gauteng</b>	<b>55</b>	<b>30 695</b>
City of Johannesburg Metropolitan Municipality	31	18 570
City of Tshwane Metropolitan Municipality	10	4 809
Ekurhuleni Metropolitan Municipality	11	4 354
West Rand District Municipality	3	2 962
<b>KwaZulu Natal</b>	<b>14</b>	<b>7 410</b>



Province / District Municipality	No. of Projects	No. of Units
Empangeni	1	1 020
eThekweni Metropolitan Municipality	9	2 431
iLembe District Municipality	1	1 050
Msunduzi Local Municipality	2	1 409
uMhlathuze Local Municipality	1	1 500
<b>Mpumalanga</b>	<b>2</b>	<b>1 074</b>
Ehlanzeni District Municipality	1	274
Govan Mbeki Local Municipality	1	800
<b>Northern Cape</b>	<b>2</b>	<b>923</b>
Frances Baard District Municipality	2	923
<b>North West</b>	<b>4</b>	<b>3 386</b>
Dr Kenneth Kaunda District Municipality	2	1 800
Ngaka Modiri Molema District Municipality	2	1 586
<b>Western Cape</b>	<b>4</b>	<b>2 965</b>
City of Cape Town	4	2 965
<b>Total</b>	<b>86</b>	<b>48 853</b>

#### 1.1.6. SOCIAL HOUSING SECTOR TRANSFORMATION

The SHRA has taken steps to assess in detail the effectiveness of its transformation programme, and thus the extent of control and participation of black people and the designated groups in accredited delivery agents. The status is as follows:

- 1) 78% of conditionally accredited institutions are level 1 B-BBEE compliant.
- 2) 5 of the 8 fully accredited institutions indicate a level 1 B-BBEE compliance. However, in some cases, it is not based on ownership or control but rather on other areas of the B-BBEE scorecard.
- 3) It is evident that black representation at non-executive level at the fully accredited institutions (66%) requires improvement and further improvement is needed at executive level (57%). Female representation at executive level is significantly higher (54%) than at non-executive level (42%).
- 4) With reference to the conditionally accredited institutions, black representation at non-executive level is more acceptable at 86% while female representation, at 37%, requires improvement. The executive level shows 65% black representation and a more representative female representation at 56%.

The institutions are regularly consulted to provide the SHRA with transformation improvement plans. It is envisaged that transformation levels will be standardised and enhanced once the Property Sector Charter Council / Social Housing Component is



implemented. Baselines are currently being developed through the assessment of the B-BBEE certificates and sworn affidavits of all registered SHIs and ODAs. A draft document on proposed social housing scorecard elements has been submitted to the DTIC for consideration and for the scorecard elements to be gazetted.

### ***Social housing tenant profiles***

Tenant audits were carried out by the SHRA between February to May 2021. A total of 12 projects across 7 metros were included. The objectives of the audit were to verify whether the correct target market is being housed by assessing and auditing the physical tenant files and to gain a deeper understanding of the demographics and socio-economic profiles of tenants per audited project. The following was evident from the analysis:

- 1) Most of the single-headed households with children/dependents are female.
- 2) Most of the single-headed households without children/dependents are male.
- 3) 2 143 or 57.8% of all the units in the 12 complexes have been allocated to female main lease holders.
- 4) 1 213 units or 32.9% have been allocated to young adults (24-35 years).
- 5) 2 167 units (or 58.7%) have been allocated to middle-aged adults (36-55 years).
- 6) That only 312 units (or 8.5%) have been allocated to older adults (56 years and above).

The race and gender mix of main leaseholders is as follows:

Category	Female	Female	Male	Male	Total	
	Frequency	%	Frequency	%	Freq.	%
Black African	1 580	73.7%	934	59.7%	2 514	67.8%
Coloured	335	15.6%	152	9.7%	487	13.1%
Indian	207	9.7%	456	29.2%	663	17.9%
White	22	1.0%	22	1.4%	44	1.2%
<b>TOTAL</b>	<b>2 144</b>	<b>100%</b>	<b>1 564</b>	<b>100%</b>	<b>3 708</b>	<b>100%</b>

### 1.1.7. UPDATE TO THE KEY ENVIRONMENTAL FACTORS TO BE CONSIDERED IN PLANNING

The macro-environment and sector factors discussed in the 2020-2025 Strategic Plan have been updated and summarised in the table below:

ENVIRONMENTAL FACTOR	KEY MESSAGES AND PLANNING CONSIDERATIONS
1) <b>Scale of demand vs. structure of the Human Settlements budget</b>	<ul style="list-style-type: none"> <li>▪ The demand for rented accommodation is very high – 26.5% of households live in rented accommodation in the country, with 34.7% in GP and 27.2% in WC<sup>9</sup>.</li> <li>▪ Demand backlog was estimated at 320 000 units nationally, comprising 235 000 units in metropolitan municipalities and 83 000 units in district municipalities<sup>10</sup>. This represents 14% of the total estimated housing backlog.</li> <li>▪ Roll-out and inclusion of Social Housing in collaboration with the NDHS, NHFC and the Infrastructure Fund.</li> <li>▪ The current social housing business model has not optimally delivered as expected. A review of the business model is critical wherein private developers (ODAs) build at pace and scale for handing over units to well capacitated SHIs as landlords.</li> </ul>
2) <b>Importance of state subsidies (Capital Grant Funding) and collaboration</b>	<ul style="list-style-type: none"> <li>▪ Despite policy and commitment in the sector to increase private participation in social housing, government grant funding remains fundamental to delivery.</li> <li>▪ Given the challenges experienced in mobilising private sector participation and the target market for social housing, it is anticipated that grant funding will remain critical to the continuation of a sustainable sector.</li> <li>▪ While the SHRA must continue to lobby for a bigger proportion of the human settlements budget, a critical enabler is improved collaboration among the agencies – HDA, NHFC, and NHBRC.</li> <li>▪ The possibility exists to bring about a much larger quantum of public risk capital to leverage in the market through a public sector collaboration approach.</li> </ul>
3) <b>Multiyear</b>	<ul style="list-style-type: none"> <li>▪ To achieve an average production rate of 6 000 units</li> </ul>

<sup>10</sup> SHRA State of the Sector Report, StatsSA Community Survey 2016

ENVIRONMENTAL FACTOR	KEY MESSAGES AND PLANNING CONSIDERATIONS
<b>budgeting</b>	<p>constructed per annum, changes are needed to the budgeting approach, from zero-based to multiyear.</p> <ul style="list-style-type: none"> <li>As it is not permissible in terms of the PFMA to commit future funds more than the budget indicative, the SHRA seeks to gain permission to contract for an 'optimisation factor' of around 70%.</li> <li>Multiyear budgeting will overcome the challenge of under-expenditure each year, due to not all projects being completed in that year.</li> </ul>
<b>4) Infrastructure investment office (SIDSSA)<sup>11</sup></b>	<ul style="list-style-type: none"> <li>Seeks to create a platform through which private investment can be channelled to deserving infrastructure investment projects.</li> <li>The proposal is one of blended financing, where the risks of the different investing partners can be spread, and where the Infrastructure Investment Programme (IIP) can facilitate an attractive rate of borrowing for these projects.</li> <li>Within the Human Settlements space, the basic tenure and shelter provision programmes would not be able to attract non-state investment because of their non-revenue generating nature.</li> <li>Government's Affordable Rental Housing Programme (Social Housing) is, however, viewed positively due to its revenue generating nature.</li> <li>The NDHS submitted the Social Housing Programme for funding consideration to the Budget Facility for Infrastructure (BFI) for the 2022 Medium Term Expenditure Framework (MTEF) cycle at the back of the gazetted projects.</li> <li>To date, a funding request submission of R305 million from the Budget Facility for Infrastructure (BFI) was made and conditionally approved for 5 SHIs and 1 ODA applications.</li> </ul>
<b>5) Rethinking the size of social housing units</b>	<ul style="list-style-type: none"> <li>In 2018 there were 16,67 million households in South Africa<sup>12</sup>, of which 4.42 million (26.5%) households were renting.</li> <li>45.5% of all households in South Africa are either 1 or 2 member households, with an average of 25.7% single</li> </ul>

<sup>11</sup> General Household Survey, 2018

<sup>12</sup> Development Symposium SA announced by the Minister of Finance in 2019 and released in the SOHA on 13 February 2020

ENVIRONMENTAL FACTOR	KEY MESSAGES AND PLANNING CONSIDERATIONS
	<p>member households and 19.8% 2-person households.</p> <ul style="list-style-type: none"> <li>▪ The opportunity exists to support the provision of smaller-sized social housing units in provinces where the majority of people live in 1 and 2 member households.</li> <li>▪ This will form part of the project to develop qualitative, performance-based, and more flexible norms and standards.</li> <li>▪ MinMec (September 2022) has endorsed the revised norms and standards and the Minister will gazette the revision within the 2022/23 FY.</li> </ul>
<b>6) Supply-side constraints</b>	<ul style="list-style-type: none"> <li>▪ Key supply-side constraints that prevent the country meeting social housing delivery targets and demand remain and need to be systematically addressed.</li> <li>▪ This includes land and inner-city building availability, sustainable social housing financing, institutional capacity and viability, local government support, public sector coordination, and SHI participation.</li> <li>▪ The SHRA has entered into an Implementation Protocol (IP) with the Housing Development Agency (HDA) to assist with land assembly and release of strategically owned government land.</li> <li>▪ SHRA will negotiate specific targets with the HDA to make available strategically located government-owned land for development.</li> </ul>
<b>7) South African Economic Reconstruction and Recovery Plan (ERRP)</b>	<ul style="list-style-type: none"> <li>▪ The ERRP has three phases: (1) Engage and Preserve, (2) Recovery and Reform, and (3) Reconstruct and Transform.</li> <li>▪ The priority interventions include, inter alia, an aggressive infrastructure investment, gender equality and economic inclusion of women and youth, green economy interventions and mass public employment interventions.</li> <li>▪ Through the Infrastructure Fund develop a long-term funding approach has been developed.</li> </ul>
<b>8) Transformation and</b>	<ul style="list-style-type: none"> <li>▪ Development of the Social Housing Sector component of the Property Sector Charter Council.</li> </ul>



ENVIRONMENTAL FACTOR	KEY MESSAGES AND PLANNING CONSIDERATIONS
<b>empowerment</b> (Addressing priorities relating to women, youth, people with disabilities, and other designated groups)	<ul style="list-style-type: none"> <li>Ensuring that transformation is transparent across the value-chain.</li> <li>Programmes are needed to ensure that potential developers (applicants) are nurtured and supported to enter the project pipeline and then to progress through the pipeline timeously.</li> <li>The SHRA's transformation programme has begun to take traction, and is embedded in all programmes of the SHRA, increasingly covering more components of the Social Housing Sector value chain.</li> <li>Beyond APP targets, the SHRA finalised its Inclusive Growth Policy and leveraging partnerships with the HDA through an Implementation Protocol.</li> <li>SHRA will finalise a proposal for youth employment initiatives to align with the national agenda.</li> <li>SHRA has aligned with the NDHS Empowerment Policy, with set construction spend employment targets.</li> </ul>
<b>9) Strengthening social housing institutions</b>	<ul style="list-style-type: none"> <li>Increasing the participation of SHIs in the sector will require a broad range of support instruments, including seed funding, low-interest capital, the transfer of land and buildings to SHIs, smart partnerships between Municipalities and SHIs, access to discounted land, technical expertise, and partnerships.</li> <li>There is a need to strengthen the role of established SHIs in the sector, so that they can scale up.</li> <li>There is need to partner with other institutions e.g., government entities, other funders, and accelerators to facilitate a cohesive well-structured and effective incubation of new SHI entrants.</li> <li>The SHRA needs to encourage successful partnerships between private sector and SHIs such that they can leverage on each other's strengths of property development and tenant management.</li> <li>Strengthened regulation of private sector delivery agents.</li> </ul>
<b>10) The Importance of local and</b>	<ul style="list-style-type: none"> <li>Social housing opportunities require informed and capacitated municipalities that drive social housing through effective planning, policy, and budgeting.</li> </ul>

ENVIRONMENTAL FACTOR	KEY MESSAGES AND PLANNING CONSIDERATIONS
<b>provincial government</b>	<ul style="list-style-type: none"> <li>Strengthening the role and responsibilities of local government in social housing through educating, supporting, and monitoring municipalities will have a major impact on the performance of the sector and unlock massive opportunities.</li> <li>The SHRA seeks to ensure that all provincial housing departments have functional project steering committees in place, that meet regularly and perform their duties of growing the sector within their regions.</li> </ul>

### 1.1.8. STAKEHOLDER ANALYSIS

The SHRA's stakeholder management plan segments stakeholders based on their influence and impact into (1) Policy Makers, (2) Policy Implementers, (3) Policy Beneficiaries, and (4) the Media.

An engagement strategy addressing the respective groupings has been developed and is overseen by the SHRA's Marketing and Communications division.

<b>Policy Makers</b> (Ministry, Portfolio Committee, National Treasury) <ul style="list-style-type: none"> <li>The SHRA is driving thought leadership in the social housing sector.</li> <li>SHRA performance, achievements and how the delivery of social housing is impacting lives.</li> </ul>	<b>Policy Implementers</b> (Council, Staff, Human Settlements entities, Provinces, Municipalities, funders, sector bodies, research institutions) <ul style="list-style-type: none"> <li>The SHRA is driving thought leadership in the social housing sector.</li> <li>How to partner (by being a developer or a funder) with the SHRA through communicating the SHRA's accreditation processes and what are the benefits.</li> <li>Consistent well-run project steering committees improve delivery of social housing in the provinces.</li> <li>SHRA achievements and how the delivery of social housing is impacting lives.</li> </ul>	<b>Policy Beneficiaries</b> (Tenants, potential tenants, communities, public) <ul style="list-style-type: none"> <li>What is social housing, how does it work and how it benefits beneficiaries.</li> <li>How can social housing be accessed.</li> <li>Responsibilities of tenants and landlords and how to resolve issues.</li> </ul>	<b>Media</b> <ul style="list-style-type: none"> <li>The SHRA is a thought leader in the social housing sector.</li> <li>The SHRA is a performing, well governed entity.</li> <li>How the Social Housing Programme impacts on people's lives and communities through its quality product.</li> <li>The SHRA is a transparent organisation.</li> </ul>
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### 1.1.9. PESTLE ANALYSIS

The work of the SHRA is directly impacted on by the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) context within which it operates. The following PESTLE analysis summarises these factors.



<b>Political</b>	<ul style="list-style-type: none"> <li>• Political priorities set for the 6<sup>th</sup> (sixth) administration as set out in the MTSF and NDHS strategic plan for the corresponding period.</li> <li>• Insufficient alignment in human settlements plans of the three spheres of government.</li> <li>• Poorly performing local authorities placed under administration unable to fulfil set roles.</li> <li>• The emergence of coalition governments in local government and the fluid state of governance it establishes from time to time.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• The economic impact of the COVID-19 pandemic on a poorly performing construction sector.</li> <li>• Low economic growth coupled with elevated levels of unemployment.</li> <li>• Inadequate alignment in terms of bulk infrastructure planning and budgeting.</li> <li>• High cost of construction materials.</li> <li>• Shrinking public sector budget.</li> <li>• Increasing utility costs placing strain on tenant affordability.</li> <li>• Continued load-shedding.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Increasing levels of poverty and inequality that can be attributed to the elevated levels of unemployment.</li> <li>• Work stoppages at social housing project sites.</li> <li>• Communities' expectations not being met, due to poor tenant education and communication.</li> <li>• Continued service delivery protests and rental boycotts.</li> <li>• Increasing urbanisation as predominantly marginalized and low-income households gravitate to metropolitan areas in search of job opportunities.</li> <li>• Continued social impact of the COVID-19 pandemic.</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Slow uptake and utilisation of alternate building technologies and energy efficiency, that assist in speeding up delivery and potential long-term</li> </ul>

	<p>sustainability.</p> <ul style="list-style-type: none"> <li>• Inadequate funding and provision of high-speed internet connectivity as part of social housing developments.</li> <li>• Opportunity to harness the internet of things (IoT) and 4<sup>th</sup> Industrial Revolution technologies to enhance service delivery capacity.</li> <li>• Increasing threat of cybercrime and ransomware.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Climate change and natural disasters can affect the construction and design of social housing,</li> <li>• Focus on energy efficiency and sustainability becoming increasingly important trend.</li> <li>• Developments located in areas prone to natural disasters, such as floods or wildfires, need to be designed and constructed with disaster resilience in mind.</li> <li>• Incorporating emergency response plans can help protect residents during emergencies.</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>• Alignment of the prevailing legislation to overcome barriers to entry and enhance delivery of the programme.</li> <li>• Illegal occupation of social housing units and difficulty to enforce lawful evictions jeopardising sustainability of the sector.</li> <li>• Impact of legislation e.g., Expropriation Bill and Rental Housing Regulations.</li> <li>• Increase in legal measures due to contractual breaches, due to loss of debt-funding and failure to meet conditions precedent and/or financial close.</li> </ul>

## 1.2. INTERNAL ENVIRONMENT ANALYSIS

### 1.1.

#### 1.2.1. ORGANISATIONAL CAPACITY

The operational frameworks of the Compliance, Accreditation and Regulations (CAR) and Project Development and Funding (PD&F) units were revised in 2021 to propose strengthening of compliance and regulatory enforcement and to implement a more pro-active approach to institutional accreditation and project consideration.

As a result of these changes to its operational frameworks, the SHRA identified the need to address the human resource requirements of the institution. Given the inter-related nature of the various changes and HR processes, an Organisational Design exercise was initiated.

A submission of the new proposed organisational structure was made to the National Department of Human Settlements in September 2022 for consideration of the proposed new structure and for recommendation to the Minister. The SHRA is awaiting feedback from the National Department of Human Settlements.

The headcount on the current structure is 56. The headcount on the proposed structure is 74, which calculates to an additional 18 positions. The proposed structure is attached as annexure B. No filled posts have been eliminated and where changes are made to job profiles the SHRA will provide re-skilling opportunities to the affected staff members.

As of 31 March 2022, SHRA had a staff complement of 56, the vacancy rate, excluding the temporary staff members, was at 19.6%, which translates into 11 vacant positions. This compares with the vacancy rate of 22.6% as at end of March 2021.

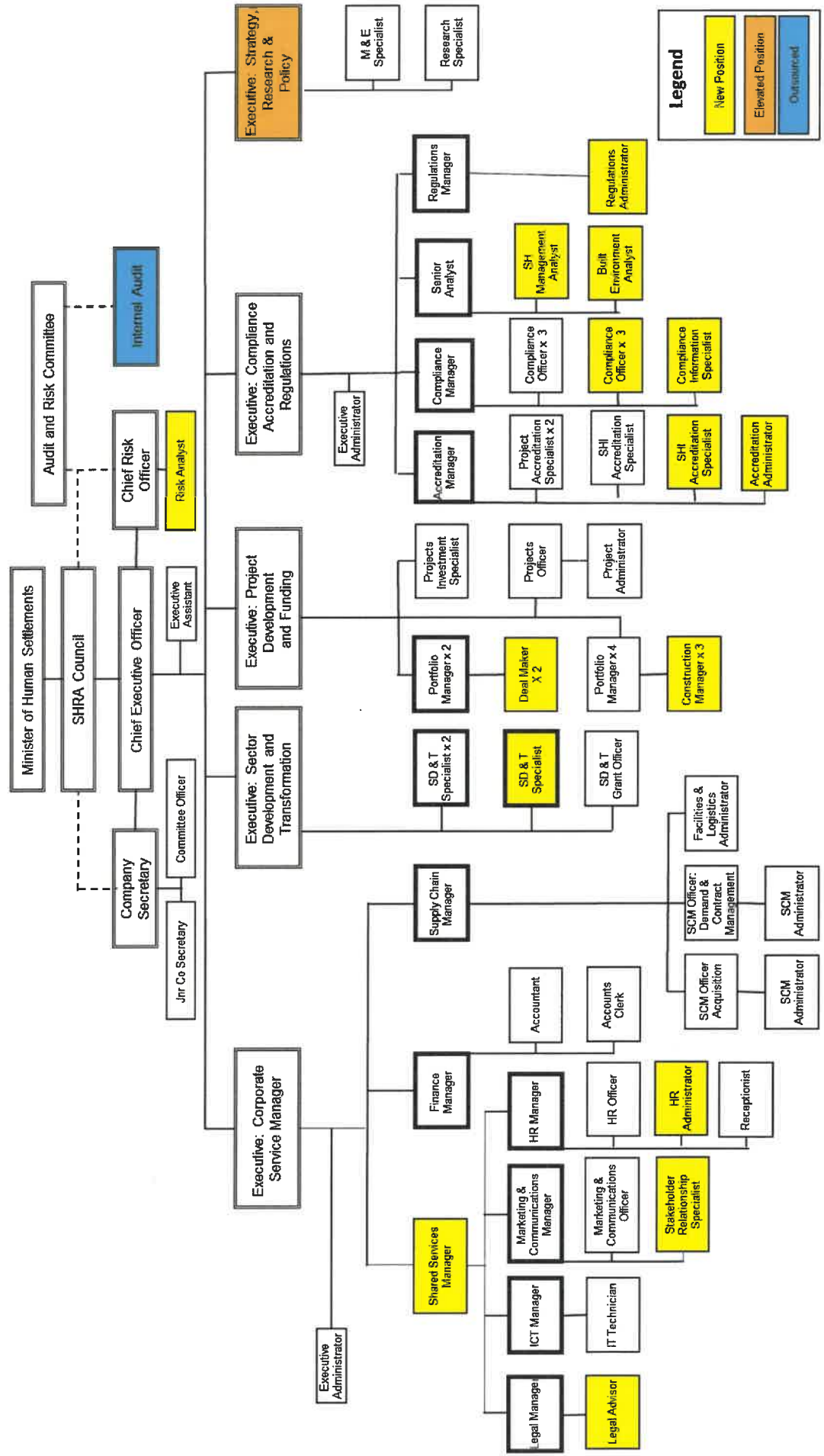
Crucial consideration needs to be given in the current capacitation of critical positions, including that of the CEO and increased resources requirements are quintessential towards execution of the SHRA's strategy.

HR plans/goals for the next financial year are aligned with the SHRA Strategic- and Annual Performance Plan. These include current and future projects:

- Implementation of the new proposed organisational structure as per the organisational design project.
- Concluding job profiles and job evaluations.
- Implementation of skills audit outcomes.

- Develop and implement a change management initiative in support of building a high-performing organisation.
- Develop and implement training initiatives for middle management.
- Implement staff wellness initiatives focusing on opportunities for physical and mental health and encouraging work/life balance.

Figure 1: SHRA Revised organisational structure



**Legend**

- New Position
- Elevated Position
- Outsourced

### 1.2.2. SWOT ANALYSIS

In planning for the 2023/24 financial year, the following analysis summarises the Strengths, Weaknesses, Opportunities and Threats of the entity.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Programme has the potential to positively contribute to addressing spatial inequalities and economic recovery plan.</li> <li>▪ Stable governance from an established Council.</li> <li>▪ Commitment towards transformation.</li> <li>▪ Consistent delivery and expenditure track record.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Structural deficiencies of the existing structure to deliver mandate. Poor communication, lack of transparency.</li> <li>▪ Misalignment in performance management.</li> <li>▪ Complex and lengthy application procedures.</li> <li>▪ Low level of ICT maturity – manual approaches and low utilisation of existing systems.</li> <li>▪ Contracting format.</li> <li>▪ Policy updates and regulatory review required.</li> <li>▪ Sub-optimal use of resources.</li> </ul>

Opportunities
<ul style="list-style-type: none"> <li>▪ Expanding Restructuring Zones within identified PSHDAs.</li> <li>▪ Showcase of the programme's potential through the partnership Infrastructure SA.</li> <li>▪ Leveraging of the capital grant to drive inclusive delivery.</li> <li>▪ Private sector interest and partnering in the social housing programme.</li> <li>▪ Preferential local policies and rate setting for Social Housing.</li> <li>▪ Energy solutions and green technologies deployed in projects.</li> <li>▪ Partnerships with key within Human Settlements and sister entities (NHFC/HSDB, HDA, CSOS, NHBRC etc.)</li> <li>▪ Partnerships with DFIs (DBSA, NHFC, Infrastructure Fund, NEF)</li> <li>▪ Rising demand for affordable rental options.</li> <li>▪ Use of public-owned land for social housing.</li> <li>▪ Expropriation of derelict or hijacked buildings.</li> </ul>



### Threats

- Low economic growth, high unemployment, rising inflation and interest rates.
- Constrained fiscus.
- Affordability challenges.
- Construction mafias & Rental boycotts.
- Social instability.
- Loadshedding.
- Failing municipalities.
- Delays in statutory approvals, misaligned planning, and delivery efforts
- Climate change.
- Political interference.
- Poor consumer and tenant awareness.

### 1.2.3. PRIORITIES FOR 2023/24 ARISING FROM THE ENVIRONMENTAL ANALYSIS

**To upscale delivery, improve sector sustainability and drive the transformation agenda, the SHRA will prioritise the following interventions in the 2023/24 planning period:**

- 1) Negotiate MOAs with municipalities and provincial structures regarding the delivery of projects irrespective of the political leadership.
- 2) Partner with Accelerator(s)
  - a. Incubation support to start up SHIs
  - b. Mentorship to SHI Management and Board
  - c. Leverage funding (other investors for the incubation programme).
- 3) Develop and implement a funding model that leverages public risk capital for the provision of debt and/or equity funding to grant beneficiaries by the private sector and other DFIs. Strengthen the SHRA's social facilitation processes to minimise the occurrence of community protests.
- 4) Work with the National Department of Human Settlements to motivate the inclusion of the Social Housing Programme in The Presidency's Infrastructure Investment Programme, which is being administered by National Treasury.
- 5) Work with the National Department of Human Settlements to motivate for an increase in the proportion of the budget vote to be allocated to the Social

Housing Programme Support interventions per delivery agent and project to be implemented, managed, monitored, and evaluated with a more focused approach going forward.

- 6) Incubation programme that provides business development support to new SHIs until they have completed their first social housing project and achieved business sustainability.
- 7) Continue to develop and implement a Municipal Support Programme to capacitate municipalities to run effective local social housing programmes, including to have approved land agreements in place and ultimately approved projects.
- 8) Implement the SHRA's Inclusive Growth Policy to support the transformation outcomes of the SHRA and the NDHS. At programme level, targets and thresholds will be set to support the Empowerment Policy of the Department.
- 9) Strengthen communication and to raise awareness, increase transparency, knowledge and understanding of the Social Housing Programme, with the aim to stimulate participation.

**In support of the above core delivery interventions, the internal environment will be strengthened through the following interventions:**

- 1) Achievement of an unqualified audit outcome with no material findings.
- 2) Conclusion of the organisational design process, aimed at optimising efficiencies, capacity, and capabilities, and to address human capital gaps within the SHRA to carry out its mandate.
- 3) Finalise the ICT Strategy and implementation of recommendations, prioritising the implementation of automation and digital processes to improve efficiencies, transparency, and decision-making.
- 4) Establish a change management and ethical leadership programme across the organisation.
- 5) Strengthen SHRA performance management system and business processes.
- 6) Strengthen the fraud and corruption awareness drive (internal and external).
- 7) Implement the Council approved Stakeholder Management and Communications Strategy. Ensure that strategic communication is at the centre of all business processes.

## PART C: MEASURING OUR PERFORMANCE

The SHRA Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2023/24, in the sections below.

### 1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The SHRA is constituted by the following programmes and aligned sub-programmes:

PROGRAMME No.	PROGRAMME NAME	CORE FUNCTIONS
<b>Programme 3</b>	Sector Development	<ul style="list-style-type: none"> <li>Promote the growth and development of the Social Housing Sector</li> <li>Promote the growth and development of SHIs and ODAs</li> <li>Coordination and management of institutional investment grants</li> <li>Sector transformation and empowerment</li> </ul>
<b>Programme 4</b>	Project Development and Funding	<ul style="list-style-type: none"> <li>Project packaging and facilitation</li> <li>Capital grant contract management and administration (project implementation management)</li> <li>Building and maintaining partnerships, with provinces and municipalities, government departments, funding agencies, and the private sector</li> </ul>

#### 1.1. PROGRAMME 1: ADMINISTRATION

##### 1.1.1. PROGRAMME 1: PURPOSE

The purpose of Programme 1: Administration is:

*“To provide enterprise-wide needed support services based on specialised knowledge, best practices, and technology to serve internal and external business interests.”*

The Programme comprises two sub-programmes.

- 1) Sub-programme 1A: Corporate Services, and
- 2) Sub-programme 1B: Office of the CEO.

#### **1.1.2. PROGRAMME 1: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS**

In supporting the SHRA’s impact statement, which is:

**A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing,**

the Administration Programme delivers against the following Outcomes reflected in the 2020-2025 Strategic Plan:

**Outcome 1: Functional, efficient, and integrated government.**

**Outcome 6: A transformed Social Housing Sector value chain.**

The 2023/24 Output-Level Performance Plan for Programme 1 is reflected in the log frame tables below:

### Programme 1: Administration – Outcomes, Outcome Indicators and Annual Targets\*

OUTCOME	OUTCOME INDICATOR	AUDITED ACTUAL PERFORMANCE				ESTIMATED	MEDIUM-TERM TARGETS		
		2019/20	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Outcome 1: Functional, efficient, and integrated government	Outcome indicator 1.1. External audit outcome	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings

\*Department of Human Settlements requirement to reflect the external audit outcome indicator in the Annual Performance Plan

### Programme 1: Administration – Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Outcome 1: Functional, efficient, and integrated government	1.1. Internal audit services	1.1.1. Percentage implementation of the Internal Audit Plan	–	New indicator	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan
	1.2. Anti-fraud and corruption	1.2.1. Percentage implementation of the Fraud Prevention Plan	-	New indicator	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan
	1.3. Risk management	1.3.1. Percentage implementation of the Risk Management Plan	–	New indicator	100% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan

## SHRA: 2023/24 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
	1.4. Mitigating the sectoral risk of rental boycott's	1.4.1. Percentage implementation of the Rental Boycott Strategy	-	-	New indicator	Final Rental Boycott Strategy approved	80% implementation of the Rental Boycott Strategy	85% implementation of the Rental Boycott Strategy	90% implementation of the Rental Boycott Strategy
Outcome 6: A transformed Social Housing Sector value chain	6.1. Preferential procurement	6.1.1. Percentage of SHRA procurement spend on businesses majority-owned by women	-	-	New indicator	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women
		6.1.2. Percentage of SHRA procurement spend on businesses majority-owned by youth	-	-	New indicator	20% of SHRA procurement spend on businesses majority-owned by youth	16% of SHRA procurement spend on businesses majority-owned by youth	16% of SHRA procurement spend on businesses majority-owned by youth	16% of SHRA procurement spend on businesses majority-owned by youth
		6.1.3. Percentage of SHRA procurement spend on businesses majority-owned by people with disabilities	-	-	New indicator	5% of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by persons with disabilities	5% of SHRA procurement spend on businesses majority-owned by persons with disabilities	5% of SHRA procurement spend on businesses majority-owned by persons with disabilities
		6.1.4. Percentage procurement spent on businesses owned by military veterans	-	-		5% procurement spent on businesses owned by military veterans	5% procurement spent on businesses owned by military veterans	5% procurement spent on businesses owned by military veterans	5% procurement spent on businesses owned by military veterans



**Programme 1: Administration – Outcome Indicators, Annual and Quarterly Targets\***

OUTCOME INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Outcome Indicator 1.1. External audit outcome	Unqualified audit with no findings	No target	Unqualified audit with no findings	No target	No target

\*Department of Human Settlements requirement to reflect the external audit outcome indicator in the Annual Performance Plan

### Programme 1: Administration – Output Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
1.1.1. Percentage implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	25% implementation of the Internal Audit Plan	50% implementation of the Internal Audit Plan	70% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan
1.2.1. Percentage implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan	100% implementation of the Fraud Prevention Plan
1.3.1. Percentage implementation of the Risk Management Plan	100% implementation of the Risk Management Plan	10% implementation of the Risk Management Plan	30% implementation of the Risk Management Plan	70% implementation of the Risk Management Plan	100% implementation of the Risk Management Plan
1.4.1. Implementation of the Rental Boycott Strategy	80% Implementation of the Rental Boycott Strategy	10% implementation of the Rental Boycott Strategy	30% implementation of the Rental Boycott Strategy	60% implementation of the Rental Boycott Strategy	80% implementation of the Rental Boycott Strategy
6.1.1. Percentage of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women	40% of SHRA procurement spend on businesses majority-owned by women
6.1.2. Percentage of SHRA procurement spend on businesses majority-owned by youth	20% of SHRA procurement spend on businesses majority-owned by youth	20% of SHRA procurement spend on businesses majority-owned by youth	20% of SHRA procurement spend on businesses majority-owned by youth	20% of SHRA procurement spend on businesses majority-owned by youth	20% of SHRA procurement spend on businesses majority-owned by youth
6.1.3. Percentage of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by people with disabilities	5% of SHRA procurement spend on businesses majority-owned by people with disabilities

### 1.1.3. PROGRAMME 1: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The outputs of the programme contribute to MTSF Priority 1 – A capable, ethical, and developmental state. The primary focus of the Administration Programme over the medium-term will be to lead and support the achievement of the Outcome of the Department of Human Settlements of being a functional, efficient, and integration government, as well as contributing to the outcome of transforming the Social Housing Sector.

#### Planned performance over the medium term includes:

- 1) Organisational Design: Pending approval, implement the organisational structure ensuring that critical positions are filled.
- 2) Develop the Information and Communication Technology Strategy and commence with the implementation thereof.
- 3) Introducing a change management plan that addresses cultural climate of the organisation.
- 4) Focus on strategic sourcing based on the revised Regulations to ensure transformational policies are aligned and national priorities met.
- 5) Fraud and corruption measures enhanced such that functionaries and stakeholders within the entity and sector are held to the highest standards of accountability are achieved.

### 1.1.4. PROGRAMME 1: RESOURCE CONSIDERATIONS

PROGRAMME 1: ADMINISTRATION (R'000)	AUDITED			Estimated Expenditure	MTEF EXPENDITURE ESTIMATES		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Economic classification:</b>							
Compensation of employees:	22 244	22 721	19 187	19 838	20 765	20 765	20 765
Goods and services:	36 866	13 547	31 148	26 412	26 180	35 962	32 288
Total expenses:	59 110	36 268	50 335	46 250	46 945	56 727	53 053

## 1.2. PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATION

### 1.2.1. PROGRAMME 2: PURPOSE

The purpose of Programme 2: Compliance, Accreditation and Regulation is to accredit SHIs and projects and ensure compliance of the sector for the purpose of attracting private investment and to ensure sustainability of the Social Housing Programme. It is responsible for the regulation of social housing, accreditation of SHIs, and ODA and SHI compliance monitoring.

The Programme comprises three sub-programmes:

- 1) Regulation of social housing.
- 2) Accreditation of SHIs.
- 3) ODA and SHI Compliance monitoring.

### 1.2.2. PROGRAMME 2: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In supporting the SHRA's impact statement, which is:

**A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing,**

the Compliance, Accreditation and Regulation (CAR) Programme delivers against the following Outcomes reflected in the 2020-2025 Strategic Plan:

**Outcome 5: An effectively regulated and sustainable Social Housing Sector**

**Outcome 6: A transformed Social Housing Sector value chain**

The 2023/24 Output-Level Performance Plan for Programme 2 is reflected in the log frame tables below:

## Programme 2: Compliance, Accreditation and Regulation – Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Outcome 5:</b> An effectively regulated and sustainable Social Housing Sector	5.1. Performance monitoring of delivery agents	5.1.1 Percentage of the Remedial Action plan implemented				New Indicator	70% of the Remedial Action plan implemented	75% of the Remedial Action plan implemented	80% of the Remedial Action plan implemented
	5.2. Tenancy compliance monitoring	5.2.1. Number of subsidised housing units' tenancy audits conducted	3 406 subsidised housing units' tenancy audits conducted	1 867 subsidised housing units' tenancy audits conducted	4 532 subsidised housing units' tenancy audits conducted	3 500 subsidised housing units' tenancy audits conducted	3 750 subsidised housing units' tenancy audits conducted	4 000 subsidised housing units' tenancy audits conducted	4 250 subsidised housing units' tenancy audits conducted
		5.2.2 Number of Compliance Monitoring Inspections conducted				New Indicator	8 Compliance Monitoring Inspections conducted	12 Compliance Monitoring Inspections conducted	16 Compliance Monitoring Inspections conducted
		5.2.3 Number of Building Condition Audits conducted				New Indicator	10 building condition audits conducted	12 building condition audits conducted	14 building condition audits conducted
<b>Outcome 6:</b> A transformed Social Housing Sector value chain	5.3 Improved accreditation process	5.3.1 Number of fully accredited institutions				New Indicator Baseline: 8 fully accredited institutions	10 fully accredited institutions	12 fully accredited institutions	15 fully accredited institutions
	6.2. Accreditation towards empowered entities and designated groups	6.2.1. Percentage of projects accredited from other delivery agents that are majority black-owned				New Indicator	75%	75%	75%

## Programme 2: Compliance, Accreditation and Regulation – Output Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
5.1.1. Percentage of the Remedial Action Plan Implemented	70% of the Remedial Action Plan implemented	70% of the Remedial Action Plan implemented	70% of the Remedial Action Plan implemented	70% of the Remedial Action Plan implemented	70% of the Remedial Action Plan implemented
5.2.1. Number of subsidised housing units' tenancy audits conducted	3 500 subsidised housing units' tenancy audits conducted	0 subsidised housing units' tenancy audits conducted	1 000 subsidised housing units' tenancy audits conducted	2 200 subsidised housing units' tenancy audits conducted	3 500 subsidised housing units' tenancy audits conducted
5.2.2 Number of Compliance Monitoring Inspections conducted.	8 Compliance Monitoring Inspections conducted	2 Compliance Monitoring Inspections conducted	2 Compliance Monitoring Inspections conducted	2 Compliance Monitoring Inspections conducted	2 Compliance Monitoring Inspections conducted
5.2.3 Number of Building Condition Audits conducted	10 building condition audits conducted	No target	2 building condition audits conducted	3 building condition audits conducted	5 building condition audits conducted
5.3.1 Number of fully accredited institutions	10 fully accredited institutions	8 fully accredited institutions	8 fully accredited institutions	9 fully accredited institutions	10 fully accredited institutions
6.2.1. Percentage of projects accredited from other delivery agents that are majority black owned	75%	75%	75%	75%	75%



### **1.2.3. PROGRAMME 2: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD**

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Programme 2 performance is directed at achieving the outcomes of the five-year strategic plan and delivering the outputs of the APP that relate to the REGULATE pillar of the SHRA mandate. It is a core pillar of the SHRA mandate – and face of the SHRA – that is growing in importance as the portfolio of units under regulation grows. The Programme also contributes to the TRANSFORM pillar of the SHRA mandate.

The primary focus of the programme over the medium term is to strengthen accreditation, compliance, and regulatory functions to achieve the intended impact of a transformed, compliant, and sustainable Social Housing Sector.

#### **Planned performance over the medium term includes:**

- 1) An overhaul of the accreditation system such that the SHRA is proactive rather than reactive in attracting accreditation applications.
- 2) Partnering with accelerator companies to build the capacity of institutions that will eventually be accredited to participate in the social housing programme.
- 3) Ensure there is proper alignment between the structure and functions of the CAR unit by implementing the revised CAR unit organisational structure reflected in the approved CAR Operational Framework. The structure caters for strengthening the regulation management, business analysis, compliance, and administrative functions within the unit.
- 4) Accredite service providers that will provide sustainable and effective support to the sector by allocating grants made available by the SD&T Unit.
- 5) Coordinate and oversee the processes related to Social Housing Landlords (SHLs) undertaking and submitting reports on annual tenant surveys using the online tool developed by the SHRA.
- 6) Undertake a capacitation programme to train SHIs to conduct their own building condition audits (BCAs), commencing in the 2022/23 financial year with 18 reporting institutions. SHRA will provide oversight and quality assurance.
- 7) Identify key performance areas that accredited SHIs are failing to achieve and develop a support programme to ensure that accredited institutions upscale their unit development.

- 8) Review the Social Housing Act and ensure that they are in line with realities on the ground and close the gap in terms of ODA regulation.
- 9) CAR Unit Transformation Plan:
  - a) Focus on ensuring that designated groups understand the process of accreditation and choose to participate where it is possible.

#### 1.2.4. PROGRAMME 2: RESOURCE CONSIDERATIONS

PROGRAMME 2: CAR (R'000)	AUDITED			ESTIMATED EXPENDITURE	MTEF EXPENDITURE ESTIMATES		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Economic classification:</b>							
Compensation of employees:	7 200	9 710	9 423	6 497	7 430	7 430	7 430
Goods and services:	6 278	11 141	4 237	9 032	6 500	6 792	7 096
Total expenses:	13 478	20 851	13 660	15 529	13 930	14 222	14 526

### 1.3. PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION

#### 1.3.1. PROGRAMME 3: PURPOSE

The purpose of Programme 3: Sector Development and Transformation is to support the growth and development of the Social Housing Sector and to administer the Institutional Investment Grant (IIG). It is responsible for the growth and development of Social Housing Institutions (SHIs) and Other Delivery Agents (ODAs), transformation and empowerment of the Social Housing Sector, assessment of applications for IIGs, and the coordination and management thereof.

#### 1.3.2. PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In supporting the SHRA's impact statement, which is:

**A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing,**

the Sector Development Programme delivers against the following Outcomes reflected in the 2020-2025 Strategic Plan:

**Outcome 3: Enhanced performance of delivery agents and projects.**

**Outcome 4: Increased capacity of municipalities and provinces to deliver social housing.**

**Outcome 6: A transformed Social Housing Sector value chain.**

The 2023/24 Output-Level Performance Plan for Programme 3 is reflected in the log frame tables below:

### Programme 3: Sector Development – Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
<b>Outcome 3: Enhanced performance of delivery agents and projects</b>	3.1. Institutional Investment Grant (IIG) Programme	3.1.1. Percentage achievement of the SHI Intervention Plan	100% (2/2) of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation	75% of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation	100% achievement of plan	75% achievement of the SHI Intervention Plan	80% achievement of the SHI Intervention Plan	85% achievement of the SHI Intervention Plan	85% achievement of the SHI Intervention Plan
		3.1.2. Percentage achievement of the Social Housing Projects' Intervention Plan	100% (4/4) of identified projects that received an IIG, of which the work is completed within the current financial year, recommended for capital grant award	75% of identified projects that received an IIG, of which the work is completed within the current financial year, recommended for capital grant award	0% of identified projects that received an IIG, of which the work is completed within the current financial year, recommended for capital grant award	75% achievement of the Social Housing Projects' Intervention Plan	75% achievement of the Social Housing Projects' Intervention Plan	80% achievement of the Social Housing Projects' Intervention Plan	85% achievement of the Social Housing Projects' Intervention Plan
<b>Outcome 4: Increased capacity of municipalities and provinces to deliver social</b>	4.1. Municipal support programme	4.1.1. Number of projects within municipalities receiving support that are approved	-	New indicator	2 projects within municipalities receiving support that	3 projects within municipalities receiving support that are approved	3 projects within municipalities receiving support that are approved	4 projects within municipalities receiving support that are approved	5 projects within municipalities receiving support that are approved

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
housing					are approved				
<b>Outcome 6:</b> A transformed Social Housing Sector value chain	6.3. Youth internship programme	6.3.1. Number of youth graduates placed		-	New indicator	10 youth graduates placed	15 youth graduates placed	20 youth graduates placed	25 youth graduates placed

### Programme 3: Sector Development – Output Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
3.1.1. Percentage achievement of the SHI Intervention Plan	80% achievement of the SHI Intervention Plan	No target	No target	No target	80% achievement of the SHI Intervention Plan
3.1.2. Percentage achievement of the Social Housing Projects' Intervention Plan	75% achievement of the Social Housing Projects' Intervention Plan	No target	No target	No target	75% achievement of the Social Housing Projects' Intervention Plan
4.1.1. Number of projects within municipalities receiving support that are approved	3 projects within municipalities receiving support that are approved	No target	No target	No target	3 municipalities having received support
6.3.1. Number of youth graduates placed	15 youth graduates placed	10 youth graduates placed	10 youth graduates placed	15 youth graduates placed	15 youth graduates placed

### **1.3.3. PROGRAMME 3: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD**

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Programme 3 performance is directed at achieving the outcomes of the five-year strategic plan and delivering the outputs of the Annual Performance Plan that relate to the ENABLE pillar of the SHRA mandate. It is a pivotal pillar as it supports the regulate and invest pillars through targeted interventions that enable sector participants, including SHIs, ODAs, municipalities, and provincial departments to fulfil their roles effectively and make a meaningful contribution to growing a sustainable sector.

The Programme also contributes to the TRANSFORM pillar at an outcome level in working with Property Sector Charter Council to finalise and gain acceptance by grant recipients of the Charter and codes that will drive Social Housing Sector transformation, and at an output level through the targeted deployment of the IIG.

#### **Planned performance over the medium term includes:**

The sector has experienced weakening sustainability due to poor economic conditions. Not only that but newly accredited SHIs are found to be having challenges in internal capacity, weak governance structures, they predominately struggle to deliver on the first project due to several issues including lack of project opportunity and the above stated gaps.

Implementation of an Intervention Plan aims not only focus on providing reactive remedial support to reporting institutions but take a proactive approach in onset support of emerging and aspirant social housing institutions from the point of accreditation and building up sound governance structures, internal systems and increased internal capacity. Support will be provided not only to those institutions with stock under management, but a focus will be placed on new and emerging institutions. Success will be gauged on whether the institution is able to gain, maintain or improve its accreditation status. The SHRA will coordinate efforts to guide the implementation to ensure deliver of social housing is done in a sustainable manner through an accelerator incubation approach.

As the delivery of Social Housing projects is driven at a local level, two years ago (2020) SHRA developed a Municipal Support Programme (MSP) to respond to the need of capacitating municipalities with implementing the Social Housing Programme in their localities. The programme covers amongst other thing growing the understanding of Social Housing in municipalities, supporting municipalities with establishing affordable rental housing strategies and policies, project (land and buildings) pipeline establishment and management, including entering and managing



Service Level Agreements with delivery partners. This year SHRA aims to continue the work of supporting 10 restructuring zone municipalities.

Focus for the programme in the 2023/24 year will be aimed at:

- 1) Youth unemployment has been identified as a national priority by government. In the 2021 FY SHRA commenced with its graduate intern programme and placed two (2) young people. In the 2022/23 the SHRA substantially increased this number by placing twelve (12) young interns within the sector. The intention is to continue and build up on this critically important initiative in 2023 by increasing this number to a total of 15 young graduates.
- 2) Establishing a panel of accredited, capable, and transformed service providers to support the timeous implementation of institutional / project support interventions. The panel is to comprise a combination of new and established service providers.
- 3) The SD&T Policy has been reviewed, the policy has been aligned with the updated operational (CAR and PD&F) frameworks. Some of the new provisions the policy now encapsulates, is the provision of Seed Grant funding needed to implement an Accelerator and Incubation Programmes geared at proactively providing a targeted support to emerging and new Delivery Agents (SHI and ODAs).
- 4) Deliver tailor-made training sessions in response to the specific needs for development and capacitation of the sector.
- 5) Work with marketing and communications to strengthen communication and to raise awareness, knowledge and understanding of the Social Housing Programme, with the aim to stimulate increased participation.
- 6) Social Housing Sector Transformation:
  - a) Coordinate the implementation of the Inclusive Growth Policy. The purpose of inclusive growth goes beyond opportunities related to skills, goods, and services but must also address land availability and access to funding and finance as enabling mechanisms to achieve the appropriate growth of the Social Housing Sector and throughout the value chain.
  - b) Finalise the social housing transformation scorecard, rollout, and establish the baseline for the barometer – monitor and assess.
  - c) Package, communicate, and publish the success stories from the Incubation Programme. Profile these as examples of the broader underlying management data on transformation.

- d) Focus on increasing the percentage of IIG recipients that are majority black-owned or controlled (at director-level) and from the designated groups, striving for a disaggregation of 40% women, 20% youth and 5% people with disabilities.
- 7) Taking awareness campaigns one step further through training for service providers:
- a) Two panels to be procured where experienced service providers and new service providers are appointed on panels with formalised mentoring and training attached to the panel appointments.
- 8) Accreditation of service providers to be developed and implemented with compulsory training on social housing as a prerequisite to accreditation as a social housing service provider.

#### 1.3.4. PROGRAMME 3: RESOURCE CONSIDERATIONS

PROGRAMME 3: SD&T (R'000)	AUDITED			ESTIMATED EXPENDITURE	MTEF EXPENDITURE ESTIMATES		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Economic classification:</b>							
Compensation of employees:	3 271	3 326	4 074	3 337	3 337	3 337	3 337
Goods and Services:	2 246	2 027	9 121	2 453	2 698	2 698	2 938
Institutional Investment Grant	13 705	20 401	13 604	23 534	23 623	24 684	25 790
<b>Total expenses:</b>	<b>19 222</b>	<b>25 754</b>	<b>26 799</b>	<b>29 324</b>	<b>29 658</b>	<b>30 719</b>	<b>32 065</b>

## 1.4. PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING

### 1.4.1. PROGRAMME 4: PURPOSE

The purpose of Programme 4: Project Development and Funding is to facilitate the delivery of social housing units through the optimal investment and management of the consolidated capital grant, effective deal-making, partnerships management (provinces, municipalities, other government institutions, funders, and financiers), and transformation of the Construction Sector.

### 1.4.2. PROGRAMME 4: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In supporting the SHRA's impact statement, which is:

**A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing,**

the Project Development and Funding Programme delivers against the following Outcomes reflected in the 2020-2025 Strategic Plan:

**Outcome 2: Quality affordable social housing for rental delivered in strategically located areas.**

**Outcome 6: A transformed Social Housing Sector value chain.**

The 2023/24 Output-Level Performance Plan for Programme 4 is reflected in the log frame tables below:

### Programme 4: Project Development and Funding – Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Outcome 2: Quality affordable social housing for rental delivered in strategically located areas	2.1. Delivery of Social housing units	2.1.1. Number of social housing units completed	3 010 social housing units completed	1 856 social housing units completed	2 771 social housing units completed	3 000 social housing units completed	3 200 social housing units completed	4 000 social housing units completed	4 000 social housing units completed
		2.1.2. Number of social housing units tenanted	4 012 social housing units delivered	985 social housing units delivered	2 057 social housing units tenanted	3 529 social housing units tenanted	3 200 social housing units tenanted	4 000 social housing units tenanted	4 000 social housing units tenanted
	2.2. Expenditure of the Consolidated Capital Grant (CCG)	2.2.1. Percentage expenditure of the approved annual Consolidated Capital Grant cashflow projection	Indicator reframed	81% expenditure of the approved annual Consolidated Capital Grant cashflow projection	97% expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection
Outcome 6: A transformed Social Housing Sector value chain	6.5. Preferential award and spend of the Consolidated Capital Grant (CCG)	6.5.1. Percentage of CCG awarded to black majority-controlled enterprises	.45% of CCG awarded to black majority owned / controlled enterprises	54% of CCG awarded to black majority owned / controlled enterprises	60% of CCG awarded to black majority owned or controlled enterprises	70% of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises	80% of CCG awarded to black majority-controlled enterprises	80% of CCG awarded to black majority-controlled enterprises

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		6.5.2. Percentage spent by grant recipients on main contractors and professional teams that are from the designated groups	-	-	New indicator	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	30% spent by grant recipients on main contractors and professional teams that are from the designated groups	35% spent by grant recipients on main contractors and professional teams that are from the designated groups
		6.5.3. Number of job opportunities created through projects implemented	-	-	New Indicator	6 646 job opportunities created through projects implemented	6 938 job opportunities created through projects implemented	7 250 job opportunities created through projects implemented	7 500 job opportunities created through projects implemented

### Programme 4: Project Development and Funding – Output Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
2.1.1. Number of social housing units completed	3 200 social housing units completed	500 social housing units completed	1 400 social housing units completed	2 300 social housing units completed	3 200 social housing units completed
2.1.2. Number of social housing units tenanted	3 000 Social housing units tenanted	500 social housing units tenanted	1 400 social housing units tenanted	2 300 social housing units tenanted	3 200 social housing units tenanted
2.2.1. Percentage expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection	25% expenditure of the approved annual Consolidated Capital Grant cashflow projection	45% expenditure of the approved annual Consolidated Capital Grant cashflow projection	60% expenditure of the approved annual Consolidated Capital Grant cashflow projection	95% expenditure of the approved annual Consolidated Capital Grant cashflow projection
6.5.1. Percentage of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises	75% of CCG awarded to black majority-controlled enterprises
6.5.2. Percentage spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups
6.5.3. Number of job opportunities created through projects implemented	6 938 job opportunities created through projects implemented	1 734 job opportunities created through projects implemented	1 734 job opportunities created through projects implemented	1 735 job opportunities created through projects implemented	1 735 job opportunities created through projects implemented



#### **1.4.3. PROGRAMME 4: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD**

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Programme 4 performance is directed at achieving the outcomes of the five-year strategic plan and delivering the outputs of the Annual Performance Plan that relate to the INVEST pillar of the SHRA mandate. It is the pillar against which the performance of the SHRA is measured in terms of the delivery of the 30 000 social housing units target set by MTSF 2019-2024. The target has been reduced to 18 000 by the Revised MTSF 2019-2024, effective 1 October 2021.

The SHRA is challenged to achieve the target, considering that the indicative budget for the 2019-2024 MTSF is R3.8 billion. Based on current prices and considering the increase in the grant quantum effective from 1 April 2022, this would allow for the funding of 12 885 social housing units by end March 2024. To achieve the 18 000 social housing units target, a capital grant injection of R1.5 billion is required.

Interventions are therefore needed to achieve the set target of social housing units completed over the MTSF period, thus the importance of implementing the SHRA's Growth Plan Framework.

The Programme also contributes to the TRANSFORM pillar by ensuring the CCG is progressively allocated to more black enterprises and enterprises owned by designated groups in the property development and construction value chain.

##### **Planned performance over the medium term includes:**

- 1) Implement key activities and objectives of the Growth Plan Framework and action plan, including:
  - a) To leverage public risk capital (CCG) for the provision of debt/equity financing to grant recipients by private sector and DFIs for the benefit of mitigating the development risks and onward selling of the loan book to financiers' post development. This includes the following:
    - Implementation of the R305 million worth of Budget Facility for Infrastructure (BFI) projects has been approved by the National Treasury. The two (2) projects are in the implementation phase and with the balance of the projects projected to conclude the debt funding agreements. The SHRA has concluded the Memorandum of Agreement with the Infrastructure South Africa (ISA) for implementation of gazetted projects.
    - Advancing additional 12 projects into the BFI funding facility for debt financing for gazetting in the current 2023/24 FY.

- Engagements with the DBSA and other investors to finalise contractual agreements for the implementation of SIDSSA projects gazetted under Department of Public Works and Infrastructure.
  - Continue to establish relationships with other DFIs and the private sector to secure the financing needed to unlock projects that require financial closure to break ground.
  - Develop a motivation / business case for addressing the shortfall on grant funding. This will include motivating for Geotech funding and securing the grant funding needed to implement the healthy pipeline of projects that the SHRA has established.
- b) To continue improving social housing development and investment in poor performing provinces through implementation of the SHRA/HDA Implementation Protocol and the SHRA's Inclusive Growth Policy. This will include high-level engagements with provincial and municipal political and administrative leaders and the rollout of an Expression of Interest to source suitable and qualified developers for the development of identified land parcels.
- c) Prioritise the allocation of resources to unlock the 17 projects that are struggling to reach financial closure or experiencing challenges, particularly due to delays in receiving municipal statutory approvals. This will include high-level engagements with political and administrative structures in affected municipalities. Furthermore, municipal challenges will continue to be addressed through the municipal capacitation programme being facilitated by SD&T to unlock the identified projects planning phase.
- d) By unlocking blocked projects, the SHRA will aim to disburse a significant portion of prior year budgets that have CCG allocations, in addition to ensuring at least 95% of the annual budget is expended.
- e) Participation in PSCs, for pipeline visibility and alignment to provincial plans and targets. Collaborate with the NDHS to provide support to provinces through high-level engagements with political and administrative structures to activate PSCs in poor performing provinces.
- f) Facilitate the involvement of large-scale developers and ODAs to provide a turnkey solution and on-sell to SHIs for management of completed stock.
- 2) Strengthen the SHRA's social facilitation processes to minimise the occurrence of community protests over and above providing a bespoke area and project specific solutions to ensure service delivery.

- 3) Pilot one green Alternative Building Technology (ABT) Project.
- 4) Strengthen PD&F capacity to improve project approvals, implementation, and compliance with CCG contractual obligations.
- 5) Develop a proposal for receiving a development fee for development management while ensuring that the programme is sufficiently funded operationally.
- 6) To spatially reference all social housing projects and to support SRP with the maintenance of the District Development Model.
- 7) PD&F Transformation Plan:
  - a) Continue to focus on increasing the percentage of direct and indirect beneficiaries of the CCG that are majority black-owned (ODAs) or controlled (SHIs) and from the designated groups – value chain approach as accredited by CAR as a dependency related activity.
  - b) CCG contract award to impose specific conditions in terms of the transformation objective, prioritising women, youth and people with disabilities.
  - c) Spend by grant recipients on developers, main contractors and professional teams will be measured at an operational level, while a database is established and capacity sought for monitoring and reporting on spend across the rest of the construction value chain, i.e., including subcontractors and material suppliers.
  - d) Establish processes to optimise the number of job opportunities provided for youth, women and people with disabilities through spend of the construction budget allocation of the CCG.

#### 1.4.4. PROGRAMME 4: RESOURCE CONSIDERATIONS

PROGRAMME 4: PD&F (R'000)	AUDITED			ESTIMATED EXPENDITURE	MTEF EXPENDITURE ESTIMATES		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Economic classification:</b>							
Compensation of employees:	6 781	6 906	6 489	7 621	8 860	8 860	8 860
Goods and Services:	4 707	-	-	-	-	-	-
Institutional Investment Grant	1 202 831	727 774	764 646	791 144	825 958	863 051	901 716
<b>Total expenses:</b>	<b>1 214 319</b>	<b>734 680</b>	<b>771 135</b>	<b>798 765</b>	<b>834 818</b>	<b>871 911</b>	<b>910 576</b>

## 2. UPDATED KEY RISKS AND MITIGATION FROM THE STRATEGIC PLAN

The table below reflects the key strategic risks identified by the Social Housing Regulatory Authority (SHRA) and aligned to the outcomes of the 2020-2025 Strategic Plan.

OUTCOME	KEY RISKS	RISK MITIGATIONS
1. Functional, efficient, and integrated government	Organisational and financial model sustainability.	<ul style="list-style-type: none"> <li>▪ Development of a long-term sustainability plan.</li> <li>▪ Shareholder engagements on the funding model.</li> <li>▪ Leveraging of private sector participation in projects through the establishment of partnerships for debt financing and equity investment.</li> <li>▪ Improved financial planning, monitoring, and reporting.</li> <li>▪ Implementation of a Business Continuity Planning Programme.</li> <li>▪ Implementation of the human resources management strategy and related policies.</li> </ul>
	<p>Ineffective institutional governance.</p> <p>Inadequate resource and business process integration to enable efficiency and optimal performance.</p>	<ul style="list-style-type: none"> <li>▪ Shareholder compact monitoring and reporting.</li> <li>▪ Monitoring and reporting on the implementation of Council and Committee resolutions and action items.</li> <li>▪ Implementation of the Risk and Compliance Management Programme.</li> <li>▪ Implementation of the Anti-fraud and corruption policy.</li> <li>▪ Implementation of automated performance management system</li> <li>▪ Formalisation of an integrated governance framework</li> <li>▪ Business process review to accommodate changes to methods of work and management arising from remote working</li> <li>▪ Innovation and agility strategy</li> </ul>

OUTCOME	KEY RISKS	RISK MITIGATIONS
		<ul style="list-style-type: none"> <li>Adoption of a technology-aligned delivery and operational model</li> </ul>
	<p>Ineffective management and safeguarding of key and sensitive information.</p> <p>Breach of information security and related cyber attacks</p>	<ul style="list-style-type: none"> <li>Revision and implementation of ICT policies.</li> <li>Digitisation of records.</li> <li>Implementation of the POPIA Compliance Management Programme.</li> <li>Ongoing re-emphasis through training on security protocols.</li> <li>Maintain a consistent high-level standard of cybersecurity awareness.</li> <li>Review of security protocols over information (physical and logical).</li> </ul>
	<p>Complex and lengthy application procedures</p> <p>Low level of ICT maturity</p>	<ul style="list-style-type: none"> <li>Review of processes and with the aim of providing transparency and reducing overall timeframes.</li> <li>Factor the automation of processes as part of IT strategy roll-out and implementation.</li> </ul>
2. Quality affordable social housing for rental delivered in strategically located areas	Inability to upscale the delivery of social housing.	<ul style="list-style-type: none"> <li>Sector consultations with stakeholders with a view to reform delivery mechanisms to significantly increase delivery capabilities within the sector.</li> <li>The SHRA will participate in the spatial targeting initiative of the National Department of Human Settlements</li> <li>Action implementation protocol between the SHRA and the HDA.</li> </ul>
	Delivery disruption due to construction mafia involvement	<ul style="list-style-type: none"> <li>Adopt swift response law enforcement processes against illegal activities that risk project delivery.</li> </ul>
3. Enhanced performance of delivery agents and projects	Ineffective project contracting and delivery.	<ul style="list-style-type: none"> <li>Regular reviews and improvements to the contract management process.</li> <li>Improve the processes of project monitoring, support, and reporting.</li> </ul>
4. Increased capacity of	Ineffective capacitation of	<ul style="list-style-type: none"> <li>Provide technical advisory to provinces and municipalities on social housing</li> </ul>



OUTCOME	KEY RISKS	RISK MITIGATIONS
municipalities and provinces to deliver social housing	provinces and municipalities to drive social housing programmes.	<p>projects.</p> <ul style="list-style-type: none"> <li>Participate at PSCs and provide advisory support, at least quarterly.</li> <li>Continued implementation of the municipal support and capacitation programme.</li> <li>Implementation of the annually approved stakeholder communication and management plan.</li> </ul>
5. An effectively regulated and sustainable Social Housing Sector	Inadequate sector regulation.	<ul style="list-style-type: none"> <li>Social housing policy review, update, and implementation.</li> <li>Implementation of the annually approved stakeholder communication and management plan.</li> <li>Implementation of the accreditation policy and standard operating procedures.</li> <li>Develop and implement the rental boycott strategy.</li> <li>Focus on the Residential Rent Relief Fund on addressing rental arrears (revised criteria).</li> <li>Collaborate with the Rental Housing Tribunal in complex cases.</li> </ul>
6. Environmental sustainability risk	Climate change	<ul style="list-style-type: none"> <li>Develop SHRA's suite of ESG and sustainability policies, frameworks and tools that outline the SHRA's approach to environmental and social sustainability considerations and combine to form the SHRA's Environmental and Social Management Framework (ESMF) including, but not limited to <ul style="list-style-type: none"> <li>SHRA Climate Change Policy Framework</li> <li>DBSA Environmental and Social Safeguard Standards (applicable to all Social Housing developments)</li> </ul> </li> </ul>
7. A transformed Social Housing Sector value	Ineffective organisational impact and	<ul style="list-style-type: none"> <li>Inclusion of transformation targets in quarterly programme visits and reports.</li> <li>Review CCG agreements to include</li> </ul>

OUTCOME	KEY RISKS	RISK MITIGATIONS
chain	contribution to transformation imperatives.	<p>transformation targets.</p> <ul style="list-style-type: none"> <li>▪ Campaign to attract designated groups which have not been reached through organisational transformation programmes.</li> <li>▪ Implement the initiatives and targets of the Inclusive Growth Policy.</li> <li>▪ Implement the incubation programme for delivery agents, with a focus on the designated groups.</li> <li>▪ Optimise the deployment of the IIG across the value chain.</li> <li>▪ Ensure preferential procurement is prescribed in procurement and grant funding agreements.</li> </ul>
Linked to multiple strategic outcomes	Adverse business disruptions and threats to continuity	<ul style="list-style-type: none"> <li>▪ Development of a comprehensive business continuity plan.</li> <li>▪ Review and update of SOPs to cater for remote working and performance delivery.</li> <li>▪ To implement business continuity awareness workshops and initiatives.</li> <li>▪ Review, update, and implementation of ICT disaster recovery plan (DRP).</li> <li>▪ Development of a long-term sustainability plan (business-model, economic, social, governance).</li> <li>▪ Develop and implement the rental boycott strategy.</li> </ul>
	Threat to organisational reputation	<ul style="list-style-type: none"> <li>▪ Social media management tool (to control access, content quality and usage).</li> <li>▪ Property sector charter (Social housing sector scorecard) implementation.</li> <li>▪ Conduct stakeholder survey (2022/23).</li> <li>▪ Develop and implement a formal third-party risk management policy, framework, and related processes.</li> <li>▪ Develop an automated case management system for organisation-wide case and incident management (IT Manager).</li> </ul>

OUTCOME	KEY RISKS	RISK MITIGATIONS
	Fraud, corruption, and maladministration	<ul style="list-style-type: none"><li>▪ Development of an ethics management plan.</li><li>▪ Fraud risk vulnerability and maturity assessment.</li></ul>

### 3. 2022/23 MTEF BUDGET AND ESTIMATES

#### 3.1. SUMMARY OF REVENUE FOR 2022/23 AND THE MTEF

ALL PROGRAMMES (R'000)	AUDITED OUTCOME			APPROVED BUDGET ESTIMATE	MTEF BUDGET ESTIMATES		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Revenue:							
Operational Grant	55 201	57 945	60 848	63 706	66 573	76 355	72 680
Consolidated Capital Grant	723 706	725 747	713 146	791 144	825 958	863 051	901 716
Institutional Investment Grant	21 259	22 428	22 725	23 534	23 623	24 684	25 790
Regulations	10 560	11 400	9 400	9 032	6 500	6 792	7 096
Total revenue:	825 752	810 726	817 520	857 619	887 416	922 654	1 007 282

The operational grant allocation has historically increased at an average of 4.99% between 2019/20 and 2021/22. The increasing trend has continued in the current financial year; however, the growth from 2022/23 to 2025/26 is lower at an average of 4.7%. The growth in the operational grant is welcomed but unfortunately not sufficient to mitigate the effect of inflation, and the 14.69% increase in the 2024/25 year will be more in line with expected expenditure, but the decrease in 2025/26 will not be in line with inflationary increases.

CCG allocations fluctuated between 2019/20 to 2021/22 on an average of 3.16%, the decrease in 2021/22 related to the SHRA not receiving the full budgeted allocation. A gradual increase of 4.46% is expected from 2022/23 to 2025/26.

Regulations grant allocation has had a downward trajectory from 2019/20 to 2022/23 at an average of 6.65%. From the 2023/24 year, the allocations are expected to decrease by R3m, due to the expectation that internal capacity will increase, and the use of external service providers will be reduced. This is however a significant reduction considering the actual regulatory functions required in terms of forensic investigations, administration, associated legal fees for enforcement and the addition of the total number of units that come under regulation as projects are built.

Institutional Investment allocations are expected to continue to increase at a steady pace over the period.

The quarterly revenue budget breakdown for the 2023/24 financial year is as follows:

REVENUE ALL PROGRAMMES (R'000)	APPROVED BUDGET ESTIMATE Annual 2023/24	QUARTERLY BUDGET BREAKDOWN (2023/24 FINANCIAL YEAR)			
		Quarter 1 (Apr-Jun 2023)	Quarter 2 (Jul-Sept 2023)	Quarter 3 (Oct-Dec 2023)	Quarter 4 (Jan-Mar 2024)
Operational Grant	66 573	13 315	15 312	22 635	15 312
Consolidated Capital Grant	825 958	165 192	148 672	297 345	214 749
Institutional Investment Grant	23 623	3 543	5 906	5 197	8 977
Regulations	6 500	1 800	1 600	3 000	1 200
<b>Total revenue:</b>	<b>922 573</b>	<b>183 850</b>	<b>171 490</b>	<b>327 077</b>	<b>240 238</b>

### 3.2. SUMMARY OF ACTUAL AND BUDGETED EXPENDITURE

RAND THOUSAND	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited	Audited	Audited	Audited	Budget	Budget	Budget
<b>Compensation of employees</b>	<b>41 839</b>	<b>44 036</b>	<b>42 228</b>	<b>37 392</b>	<b>40 392</b>	<b>40 392</b>	<b>40 392</b>
Salaries and wages	39 812	41 282	39 235	34 409	37 161	37 161	37 161
Social contributions	2 027	2 754	2 993	2 983	3 231	3 231	3 231
<b>Goods and services</b>	<b>41 643</b>	<b>35 016</b>	<b>38 639</b>	<b>35 346</b>	<b>32 681</b>	<b>42 755</b>	<b>39 384</b>
Of which:							
Communication	2 283	1 914	585	2 185	2 287	2 544	2 593
Computer services	576	1 120	2 355	1 542	1 210	1 452	1 678
Lease payments	4 202	4 440	4 536	4 315	4 467	4 824	5 321
Legal fees	7 738	3 606	5 911	5 342	3 587	4 304	4 303
Professional fees	12 414	6 452	14 344	6 338	6 572	6 986	6 788
Repairs and maintenance	102	157	71	196	201	241	246
Research and development	0	0	0	2 308	2 587	3 104	3 128
Training and staff development	3 778	1 648	1 141	2 369	2 698	2 938	3 101
Travel and subsistence	3 899	3 685	1 125	2 976	3 519	4 223	5 236
Other	6 651	11 994	8 571	7 775	5 553	12 138	6 990
<b>Transfers and subsidies</b>	<b>1 216 473</b>	<b>595 449</b>	<b>752 834</b>	<b>814 678</b>	<b>849 581</b>	<b>887 735</b>	<b>927 506</b>
Institutional Investment Grant	13 642	8 222	8 044	23 534	23 623	24 684	25 790
Consolidated Capital Grant	1 202 831	587 227	744 790	791 144	825 958	863 051	901 716
<b>Total Expenditure</b>	<b>1 299 955</b>	<b>674 501</b>	<b>833 701</b>	<b>887 416</b>	<b>922 654</b>	<b>970 882</b>	<b>1 007 282</b>

The main cost driver for operational costs is compensation for employees. The spike in 2019/20 and 2020/21 was largely because of recruitment of vacant positions. The decrease in the outer years is as a result of the directive issued by National Treasury freezing increases in the cost-of-living adjustments and performance remuneration limited to public entity-specific remuneration policies for the remaining MTEF period.

The increase in skills in house has resulted in a sharp decline in professional fees expended. The training and development will be increasing gradually from 2023/24 to 25/26 to up skill the staff and help decrease professional fees going forward.

The decline in Consolidated Capital Grants in the 2020/21 year was largely as a consequence of COVID-19. Expenditure in the outer years is expected to stabilise.



### 3.2.2. QUARTERLY BUDGETED EXPENDITURE FOR THE 2023/24 FINANCIAL YEAR

The quarterly expenditure budget breakdown for the 2023/24 financial year is as follows:

EXPENDITURE ITEM (R'000)	APPROVED BUDGET	QUARTERLY BUDGET BREAKDOWN (2022/23 FINANCIAL YEAR)			
	Annual 2032/24	Quarter 1 (Apr-Jun 2023)	Quarter 2 (Jul-Sept 2023)	Quarter 3 (Oct-Dec 2023)	Quarter 4 (Jan-Mar 2024)
<b>Current payments</b>					
<b>Compensation of employees:</b>	<b>40 392</b>	<b>10 098</b>	<b>10 098</b>	<b>10 098</b>	<b>10 098</b>
Salaries and wages	37 161	9 290	9 290	9 290	9 290
Social contributions (incl Pension, Medical and other)	3 231	808	808	808	808
<b>Goods and services:</b>	<b>32 681</b>	<b>6 536</b>	<b>6 536</b>	<b>8 170</b>	<b>11 438</b>
Communication	2 287	457	457	572	800
Computer services	1 210	242	242	303	424
Lease payments	4 467	893	893	1 117	1 563
Legal fees	3 587	717	717	897	1 255
Professional fees	6 572	1 314	1 314	1 643	2 300
Repairs and maintenance	201	40	40	50	70
Research and development	2 587	517	517	647	905
Training and staff development	2 698	540	540	675	944
Travel and subsistence	3 519	704	704	880	1 232
Other	5 553	1 111	1 111	1 388	1 944
<b>Transfers and Subsidies:</b>	<b>849 581</b>	<b>169 916</b>	<b>169 916</b>	<b>212 395</b>	<b>297 353</b>
Institutional Investment Grant	23 623	4 725	4 725	5 906	8 268
Consolidated Capital Grant	825 958	165 192	165 192	206 490	289 085
<b>Total Expenditure</b>	<b>922 654</b>	<b>186 550</b>	<b>186 550</b>	<b>230 664</b>	<b>318 890</b>

## 4. PUBLIC ENTITIES

The Social Housing Regulatory Authority (SHRA) does not have any Public Entities.

## **5. INFRASTRUCTURE PROJECTS**

Not directly applicable to the Social Housing Regulatory Authority. The SHRA funds grant recipients to develop and manage social housing stock.

## **6. PUBLIC / PRIVATE PARTNERSHIPS**

While the SHRA does not have Public Private Partnerships (PPPs) as per the National Treasury framework, the existing model allows for the participation of private sector participants by leveraging the grant funding for supporting debt and equity financing from the private and public sectors.

The SHRA is, however, exploring options to increase partnerships with various private sector organisations and funders to assist with bridging funding gaps and to enhance delivery mechanisms.

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### PROGRAMME 1: ADMINISTRATION – TID

1	SP Outcome Indicator Title	External audit outcome
	<b>Definition</b>	The audit opinion of the Auditor-General of South Africa (AGSA) or independent external audit company on the annual external audit of financial statements, performance objectives and compliance with legislation (for the previous financial year).
	<b>Source of Data</b>	Q2 of each financial year: Final signed External Auditor's Report, reflecting the audit outcome.
	<b>Method of Calculation / Assessment</b>	Audit outcome for the previous financial year stated in the signed External Audit Report.
	<b>Means of Verification / Evidence</b>	Document review Final Management letter and report
	<b>Assumptions</b>	None.
	<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
	<b>Spatial Transformation (where applicable)</b>	Not applicable.
	<b>Calculation Type</b>	Non-cumulative
	<b>Reporting Cycle</b>	Annual
	<b>Desired Performance</b>	Unqualified audit opinion with no material findings
	<b>Indicator Responsibility</b>	CEO and Executives, coordinated by the Corporate Services Manager (Executive)

2	Indicator Title 1.1.1.	Percentage implementation of the Internal Audit Plan
	<b>Definition</b>	To monitor and report on the implementation of the annually approved Internal Audit Plan.
	<b>Source of Data</b>	Information provided by the business units sourced to undertake the work.

<b>Method of Calculation / Assessment</b>	Number of audits completed as per the approved Internal Audit Plan for the year-to-date divided by the number of planned audits for the year, expressed as a percentage.
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Three-year rolling plan and one-year operational audit plan.</li> <li>Internal Audit Status / Progress Report on the implementation of the Internal Audit Plan presented to the Audit and Risk Committee.</li> <li>Internal audit reports issued to management.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Unrestricted access to records.</li> <li>Availability of personnel.</li> <li>Cooperation and support from business units.</li> <li>Accurate information and records.</li> <li>Reports are issued on conclusion on internal audit review.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date).
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	100% implementation of the Internal Audit Plan
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

<b>3</b>	<b>Indicator Title 1.2.1.</b>	<b>Percentage implementation of the Fraud Prevention Plan</b>
<b>Definition</b>		To monitor and report on the approved Fraud Prevention Plan.
<b>Source of Data</b>		<ul style="list-style-type: none"> <li>Approved Fraud and Corruption Report reflecting implementation of the provisions of the Fraud Prevention Plan.</li> <li>Recommendations contained in investigation reports or internal audit recommendations.</li> <li>Agenda the Fraud and Corruption Report presented to Council and/or relevant subcommittee meetings.</li> </ul>
<b>Method of Calculation / Assessment</b>		Actual number of provisions of the Fraud Prevention Plan implemented for the quarter divided by the total number of provisions of the Fraud Prevention Plan, expressed as a percentage.

<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Fraud prevention plan.</li> <li>Agenda(s) showing that the Fraud and Corruption Report presented to the Council and/or relevant subcommittee meetings (dependant on nature and findings of the recommendations).</li> <li>Fraud and Corruption Report presented to Council and/or relevant subcommittee meetings.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Unrestricted access to records.</li> <li>Availability of personnel.</li> <li>Sensitivity of reports and implications.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Non-cumulative.
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	100% implementation of the Fraud Prevention Plan
<b>Indicator Responsibility</b>	CEO

<b>4</b>	<b>Indicator Title 1.3.1.</b>	<b>Percentage implementation of the Risk Management Plan</b>
<b>Definition</b>	Risk management plan details the specific risk mitigation activities that will be implemented for the particular year, including responsible persons, resources required, and targets.	
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Risk Management Implementation Plan.</li> <li>Quarterly updated Risk Management Implementation Plan submitted to Exco.</li> <li>Supporting evidence for mitigation activities undertaken.</li> <li>Agenda or proof of tabling.</li> </ul>	
<b>Method of Calculation / Assessment</b>	Total number of planned risk mitigation activities implemented for the year-to-date divided by the total number of planned risk mitigation activities for the year, expressed as a percentage (i.e., x100%).	
<b>Means of Verification /</b>	Risk Management Implementation Plan and Risk Management	



<b>Evidence</b>	Report
<b>Assumptions</b>	Complete, accurate, timeous risk information, and cooperation from internal stakeholders (risk champions and risk owners).
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date).
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100% implementation of the Risk Management Plan
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

<b>5 Indicator Title 1.4.1.</b>	<b>Percentage implementation of the Rental Boycott Strategy</b>
<b>Definition</b>	Illegal occupation and withholding of rent resulting in rental boycott is identified as one of the key sectoral risks. The SHRA will take the lead in coordinated and crafting a multistakeholder strategy is required to support the long-term sustainability of the Sector.
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Rental Boycott Implementation Report</li> </ul>
<b>Method of Calculation / Assessment</b>	Number of planned activities and attained divided by the total number of planned activities within the specified timeframe.
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Agendas; or</li> <li>Records of meetings and consultations, including emails, attendance registers or minutes; or</li> <li>Resolution confirming the approval of the strategy.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Support from Shareholder department</li> <li>Effective intergovernmental collaboration, participation, and support.</li> <li>Availability of information, personnel, and stakeholder inputs.</li> <li>Approval of the strategy</li> </ul>
<b>Disaggregation of</b>	Not applicable.



<b>Beneficiaries (where applicable)</b>	
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	80% achievement of the plan
<b>Indicator Responsibility</b>	Strategy, Research and Policy Manager

<b>6</b>	<b>Indicator Title 6.1.1.</b>	<b>Percentage of SHRA procurement spend on businesses majority-owned by women</b>
	<b>Definition</b>	The total Rand value of procurement spend on enterprises that are <sup>3</sup> 51% owned by women, as a percentage of the total procurement spend on goods and services, regardless of B-BBEE status.
	<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Quarterly Report tabled at Exco.</li> </ul>
	<b>Method of Calculation / Assessment</b>	Sum of the Rand value of procurement spend on enterprises that are <sup>3</sup> 51% women-owned, divided by the total Rand value of procurement spend on all enterprises (regardless of B-BBEE status) over the specified period, expressed as a percentage (i.e., x 100).
	<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Exco minutes or agenda confirming the tabling of the Quarterly Report; and</li> <li>Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates or sworn affidavits; and</li> <li>Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information.</li> </ul>
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</li> <li>Availability of women-owned businesses registered on the National Treasury CSD database for the goods and services procured by the SHRA.</li> </ul>

<b>Disaggregation of Beneficiaries (where applicable)</b>	Annual Target for annual procurement spend on Women 40%
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Non-Cumulative.
<b>Reporting Cycle</b>	Quarterly, Annual
<b>Desired Performance</b>	<ul style="list-style-type: none"> <li>To achieve the target of 40% of SHRA procurement spend on businesses majority-owned by women</li> </ul>
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

<b>7 Indicator Title 6.1.2.</b>	<b>Percentage of SHRA procurement spend on businesses majority-owned by youth</b>
<b>Definition</b>	The total Rand value of procurement spend on enterprises that are <sup>3</sup> 51% owned by those that are defined as youth in South Africa, i.e., aged 15-34 years old, as a percentage of the total procurement spend on goods and services, regardless of B-BBEE status.
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Quarterly Report tabled at Exco.</li> </ul>
<b>Method of Calculation / Assessment</b>	Sum of the Rand value of procurement spend on enterprises that are <sup>3</sup> 51% youth-owned, divided by the total Rand value of procurement spend on all enterprises (regardless of B-BBEE status) over the specified period, expressed as a percentage (i.e., x 100).
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Exco minutes or agenda confirming the tabling of the Quarterly Report; and</li> <li>Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates or sworn affidavits; and</li> <li>CIPC company report, reflecting shareholder names and ID numbers.</li> <li>Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</li> </ul>

	<ul style="list-style-type: none"> <li>Availability of youth-owned businesses registered on the National Treasury CSD database for the goods and services procured by the SHRA.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Annual Target for annual procurement spend on Women 40%
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Non-Cumulative.
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	To achieve the target of 20% of SHRA procurement spend on businesses majority-owned by youth
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

<b>8</b>	<b>Indicator Title 6.1.3.</b>	<b>Percentage of SHRA procurement spend on businesses majority-owned by people with disabilities</b>
	<b>Definition</b>	The total Rand value of procurement spend on enterprises that are <sup>3</sup> 51% owned by people that are cited as living with a long-term disability, as a percentage of the total procurement spend on goods and services, regardless of B-BBEE status.
	<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Quarterly Report tabled at Exco.</li> </ul>
	<b>Method of Calculation / Assessment</b>	Sum of the Rand value of procurement spend on enterprises that are <sup>3</sup> 51% owned by people with disabilities, divided by the total Rand value of procurement spend on all enterprises (regardless of B-BBEE status) over the same cumulative (year-to-date) period, expressed as a percentage (i.e., x 100).
	<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Exco minutes or agenda confirming the tabling of the Quarterly Report; and</li> <li>Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates or sworn affidavits; and</li> <li>CIPC company report, reflecting shareholder names reflecting ID numbers; and</li> <li>Medical certificate or valid means of confirmation provided by the enterprise verifying the long-term disability status of the respective shareholder; and</li> </ul>

	<ul style="list-style-type: none"> <li>Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</li> <li>Availability of people with disability-owned businesses registered on the National Treasury CSD database for the goods and services procured by the SHRA.</li> <li>Disability documentation is legally valid.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date).
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	To achieve the target of 5% of SHRA procurement spend on businesses majority-owned by people with disabilities
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

<b>9</b>	<b>Indicator Title 6.1.3.</b>	<b>Percentage of SHRA procurement spend on businesses owned by military veterans</b>
	<b>Definition</b>	The total Rand value of procurement spend on enterprises that are owned by military veterans, as a percentage of the total procurement spend on goods and services, regardless of B-BBEE status.
	<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Quarterly Report tabled at Exco.</li> </ul>
	<b>Method of Calculation / Assessment</b>	Sum of the Rand value of procurement spend on enterprises that are owned by military veterans, divided by the total Rand value of procurement spend on all enterprises (regardless of B-BBEE status) over the same cumulative (year-to-date) period, expressed as a percentage (i.e., x 100).
	<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Exco minutes or agenda confirming the tabling of the Quarterly Report; and</li> <li>Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates</li> </ul>

	<p>or sworn affidavits; and</p> <ul style="list-style-type: none"> <li>▪ CIPC company report, reflecting shareholder names reflecting ID numbers; and</li> <li>▪ Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</li> <li>▪ Availability of verifiable database of businesses owned by military veterans registered on the National Treasury CSD database and/or the Department of Military Veterans for the goods and services procured by the SHRA.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date).
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	To achieve the target of 5% of SHRA procurement spend on businesses majority-owned by people with disabilities
<b>Indicator Responsibility</b>	Corporate Services Manager (Executive)

## PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATION – TID

<b>10</b>	<b>Indicator Title</b> <b>5.1.1.</b>	<b>Percent of the Remedial Action plan implemented</b>
<b>Definition</b>		Indicator seeks to measure progress of identified remedial support provided institutions that struggle to comply with reporting and compliance requirements against the quarterly approved remedial action plan which is reviewed on a quarterly basis.
<b>Source of Data</b>		Approved Remedial Action Plan



	Approved Remedial Action Plan progress report
<b>Method of Calculation / Assessment</b>	Number of planned actions achieved in the period divided by the total number of interventions identified for the period i.e., x 100.
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>▪ Approved Quarterly Remedial Action Plan; and</li> <li>▪ Meeting agendas confirming tabling of the Remedial Action Plan and progress report; and</li> <li>▪ Email correspondence or documents supporting the achievement.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Timeous cooperation of identified institutions who are not under administration or have legal disputes.</li> <li>▪ Remedial actions identified are based on findings based raised in the previous periods and represent a time-lag.</li> <li>▪ Systems to process data are available.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly, Annual
<b>Desired Performance</b>	70% implementation of the Remedial Action plan.
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>11</b>	<b>Indicator Title</b> 5.2.1.	<b>Number of subsidised housing units' tenancy audits conducted</b>
<b>Definition</b>		To undertake tenancy, income, and occupancy audits to build up a profile of rentals and compliance with programme prescripts.
<b>Source of Data</b>		Final tenancy audit reports submitted to the SHRA by appointed service providers – clearly marked final, with results consolidated and reported in the CAR Unit quarterly report tabled at EXCO.



<b>Method of Calculation / Assessment</b>	Straight count of the number of social housing units' tenancy audits completed for the year-to-date period, as reflected in the final tenancy audit reports.
<b>Means of Verification / Evidence</b>	Verification of numbers reported in compliance report against actual completed tenancy audit reports, which approved by the SHRA as FINAL. Project Initiation Document that details the agreed procedures.
<b>Assumptions</b>	Only count units in the final tenancy audit reports, not in the draft reports.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date).
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	<u>On target performance is desirable:</u> <ul style="list-style-type: none"> <li>3 500 subsidised social housing units' tenancy audits conducted.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>12</b>	<b>Indicator Title</b> 5.2.2.	<b>Number of Compliance Monitoring inspections conducted</b>
<b>Definition</b>		As part of monitoring compliance with the Social Housing Act and Regulations, the SHRA will conduct project site inspections. Non-compliant findings will be discussed with the respective landlord and a remedial plan agreed to with the Regulator.
<b>Source of Data</b>		Final inspection reports CAR quarterly report tabled at Exco
<b>Method of Calculation / Assessment</b>		Straight count of the number of inspections conducted
<b>Means of Verification / Evidence</b>		Inspection Reports

<b>Assumptions</b>	Unrestricted access to housing projects.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-end).
<b>Reporting Cycle</b>	Quarterly.
<b>Desired Performance</b>	<u>On target performance is desirable:</u> <ul style="list-style-type: none"> <li>▪ 8 inspections conducted.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>13</b>	<b>Indicator Title</b> <b>5.2.3.</b>	<b>Number of building condition audits undertaken</b>
<b>Definition</b>		Building condition audits on projects need to be conducted to ensure the quality of the rental stock is maintained, and government's investment is protected.
<b>Source of Data</b>		CAR Quarterly Report; Approved building condition audit reports.
<b>Method of Calculation / Assessment</b>		Straight count of the number of approved building condition audit reports.
<b>Means of Verification / Evidence</b>		<p>Verification of numbers reported in the approved quarterly compliance report against actual completed building condition audit reports.</p> <p>Exco Agenda or minutes confirming the tabling of the report within 30 days of the quarter end.</p>
<b>Assumptions</b>		<p>Only count number of final building condition audit reports.</p> <p>Appointment of suitable service provider to train institutions on how to conduct building condition audits.</p> <p>Willingness of housing institutions to participate in the training programme.</p>

<b>Disaggregation of Beneficiaries (where applicable)</b>	n/a
<b>Spatial Transformation (where applicable)</b>	n/a
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<u>On target performance is desirable:</u> <ul style="list-style-type: none"> <li>▪ 10 building condition audits conducted</li> </ul>
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>14</b>	<b>Indicator Title</b> <b>5.3.1.</b>	<b>Number of fully accredited institutions</b>
<b>Definition</b>	<p>The indicator seeks to measure the number of fully accredited social housing institutions through both proactive and reactive accreditation approaches by the end of the financial year.</p> <p>These will include those projects that have been upgraded from conditional accreditation to full accreditation by fulfilling their compliance conditions.</p>	
<b>Source of Data</b>	Number of institutions accredited within the financial year, as reported in the CAR Quarterly Report submitted to EXCO on a quarterly basis.	
<b>Method of Calculation / Assessment</b>	Straight count of the number of fully accredited SHIs as reported in the CAR quarterly reported approved by EXCO.	
<b>Means of Verification / Evidence</b>	<p>CAR Quarterly Report</p> <p>SHI register</p>	
<b>Assumptions</b>	<p>SHIs will submit applications for accreditation on a quarterly basis.</p> <p>New entrants will be taken through an accelerated incubation programme.</p> <p>The SHRA will partner with an Accelerator who will incubate new entrants that can be accredited.</p>	
<b>Disaggregation of Beneficiaries (where applicable)</b>	n/a	

<b>Spatial Transformation (where applicable)</b>	n/a
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<u>On target performance is desirable:</u> 10 fully accredited institutions
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>15</b>	<b>Indicator Title</b> 6.2.1.	<b>Percentage of projects accredited from other delivery agents that are majority black-owned</b>
	<b>Definition</b>	The indicator seeks to measure achievement towards inclusive growth of the sector through the accreditation of projects from transformed private sector participants.
	<b>Source of Data</b>	CAR Quarterly Report.
	<b>Method of Calculation / Assessment</b>	The total number of projects approved from ODAs that are greater than 50% black-owned divided by the total projects approved from ODAs over the corresponding time, expressed as a percentage.
	<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>• Exco agenda or minutes verifying the tabling of the CAR Quarterly Report.</li> <li>• B-BBEE certificates / sworn affidavits; or</li> <li>• Company founding documents - MOI / CIPC / share certificates, reflecting shareholder and director names; and</li> <li>• Identity documents of shareholders.</li> </ul>
	<b>Assumptions</b>	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid. There will be project approvals every quarter.
	<b>Disaggregation of Beneficiaries (where applicable)</b>	Target of 40% women, 20% youth
	<b>Spatial Transformation (where applicable)</b>	Within strategically located areas allowed for by legislation and policy.

<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly, Annual
<b>Desired Performance</b>	At least 75% of projects from ODAs approved are from majority black owned entities.
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

<b>16</b>	<b>Indicator Title</b> <b>6.2.2.</b>	<b>Number of accreditation engagements with designated groups</b>
<b>Definition</b>		<p>The SHRA is required that designated groups participate in and therefore benefit from its implementation of the Social Housing Programme.</p> <p>To meet its targets on transformation, the SHRA must target designated groups specifically so that they can participate in the social housing programme.</p> <p>Engagements targeting designated groups will be organised in the financial year and social housing including project and SHI accreditation explained to potential applicants.</p>
<b>Source of Data</b>		<p>An approved plan for annual engagements.</p> <p>Programmes, agendas, and attendance registers completed by delegates at the engagements. CAR quarterly report reporting on the number of engagements held with potential applicants who are from designated groups.</p>
<b>Method of Calculation / Assessment</b>		Straight count of engagements held with designated groups during the specified period
<b>Means of Verification / Evidence</b>		<ul style="list-style-type: none"> <li>• Attendance registers; or</li> <li>• Meeting schedules</li> </ul>
<b>Assumptions</b>		<ul style="list-style-type: none"> <li>• Availability and willingness of people from designated groups that wish to get involved in Low-cost rental housing.</li> <li>• Availability of budget for travel and venue hire etc.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>		Women: 40%, Youth: 20%
<b>Spatial Transformation (where applicable)</b>		Not applicable.



<b>Calculation Type</b>	Cumulative (year-end).
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Two engagements per quarter = eight per annum
<b>Indicator Responsibility</b>	Executive: Compliance, Accreditation and Regulation

### PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION – TID

<b>17</b>	<b>Indicator Title 3.1.1.</b>	<b>Percentage achievement of the SHI Intervention Plan</b>
<b>Definition</b>		<ul style="list-style-type: none"> <li>▪ The CAR Programmes will coordinate effort on quarterly basis.</li> </ul> <p>The Interventions Plan will be put in place and updated regularly during the FY entailing the list of such targeted SHIs to be supported including details on support requirements. The Intervention Plan will be the basis of providing IIG funding and authorising the appointment of professional service provider to assist the identified institutions.</p> <ul style="list-style-type: none"> <li>▪ The SD&amp;T Programme will liaise with the affected SHIs to gain support for the intervention and, if agreed upon, then a service provider will be procured, and the Institutional Investment Grant issued.</li> <li>▪ Once this work has been completed, the close out report will be handed back to the CAR Programme.</li> <li>▪ Following this, the SHI will be reassessed by this programme and an accreditation status recommended.</li> <li>▪ This indicator implies that should the intervention proceed (i.e., the SHI may not agree to the intervention, or for whatever reason the work should not be proceed) and be completed that the SHI will either maintain or improve their level of accreditation.</li> </ul>
<b>Source of Data</b>		<p>Annually approved Intervention Plan received from the CAR Programme at the beginning of the financial year, with quarterly Exco approved updates as and when required.</p> <p>Applicable Exco resolution, grant agreements, close out reports, and accreditation resolution taken by Council following the completion of approved interventions:</p>



	<p>Q1: No target.</p> <p>Q2: No target.</p> <p>Q3: No target.</p> <p><b>Q4: Final report and portfolio of evidence</b> tabled to Exco, comprising:</p> <ul style="list-style-type: none"> <li>▪ Minutes or resolutions of Exco meeting approving intervention action plans; and</li> <li>▪ Minutes or resolutions of Exco meeting approving grant award; and</li> <li>▪ Signed grant agreement; and</li> <li>▪ Approved terms of reference; and</li> <li>▪ Letter of appointment of service provider(s); and</li> <li>▪ Close out report from service provider, and</li> <li>▪ Council Resolution approving accreditation status of SHI.</li> </ul>
<b>Method of Calculation / Assessment</b>	<p>Number of SHIs on the annually approved SHI Intervention Plan that are assisted through the award of an IIG that upon completion of the intervention either maintains or improves their level of accreditation</p> <p>divided by</p> <p>the total number of SHIs on the annually approved SHI Intervention Plan that are assisted through the award of an IIG, for which the intervention is completed in the financial year, expressed as a percentage (i.e., x 100).</p>
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>▪ Verification of Q4 evidence above.</li> <li>▪ Review the accreditation recommendation status reports to identify the factors involved in consideration of the SHIs status.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ The intervention is not the sole contributing factor towards an SHIs accreditation status.</li> <li>▪ There is cooperation from the institution for which support is targeted.</li> <li>▪ The intervention plan adequately identifies and addresses all risk factors adequately.</li> <li>▪ Interventions may span across multiple years.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Preference given to the collective of enterprises owned by women, youth, PWDs, and MVs.</p>
<b>Spatial Transformation</b>	<p>Within strategically located areas allowed for by legislation and</p>

(where applicable)	policy.
<b>Calculation Type</b>	Cumulative (year-end).
<b>Reporting Cycle</b>	Annually.
<b>Desired Performance</b>	Higher than targeted performance is desirable: <ul style="list-style-type: none"> <li>75% achievement of the SHI Intervention Plan.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Sector Development and Transformation

18	Indicator Title 3.1.2.	Percentage achievement of the Social Housing Projects' Intervention Plan
<b>Definition</b>		<ul style="list-style-type: none"> <li>The PD&amp;F Programme will identify projects that would benefit from assistance through the IIG, these will then be recommended to the SD&amp;T Programme through provision of an annually approved <b>Social Housing Projects' Intervention Plan</b>.</li> <li>The Social Housing Projects' Intervention Plan should be submitted to the SD&amp;T Programme early in the first quarter of the financial year, reviewed regularly based on need.</li> <li>The SD&amp;T Programme will proceed with the process of grant approval and award. If the grant is awarded, a service provider will be procured.</li> <li>At completion of the service provider's work, the close out report will be submitted back to the PD&amp;F Programme.</li> <li>The indicator measures the percentage of these projects that are later recommended to the Technical Evaluation Committee of the SHRA for capital grant award.</li> </ul>
<b>Source of Data</b>		<p>Annually approved SH Projects' Intervention Plan received from the PD&amp;F Programme at the beginning of the financial year, with quarterly Exco approved updates as and when required.</p> <p>Applicable Exco resolution, grant agreements, close out reports and TEC pack and minutes or agenda:</p> <p>Q1: No target.</p> <p>Q2: No target.</p> <p>Q3: No target.</p> <p><b>Q4: Final report and portfolio of evidence tabled to Exco within 30 days of the following quarter, comprising:</b></p>

	<ul style="list-style-type: none"> <li>▪ Exco minutes or agenda or Provincial Steering Committee meeting approving feasibility request from Project Development or province.</li> <li>▪ Exco minutes or resolution reflecting approved grant award. signed grant agreement.</li> <li>▪ Letter of retraction from SHI / ODA if applicable.</li> <li>▪ Approved terms of reference.</li> <li>▪ Letter of appointment of service provider.</li> <li>▪ Close out report from service provider.</li> <li>▪ Recommendation to the TEC (pack and minutes).</li> </ul>
<b>Method of Calculation / Assessment</b>	<p>Number of Social Housing Projects on the annually approved Social Housing Projects' Intervention Plan that are assisted through the award of an IIG and upon completion of the intervention are subsequently recommended to the TEC for capital grant award</p> <p>divided by</p> <p>the total number of Social Housing Projects on the annually approved Social Housing Projects' Intervention Plan that are assisted through the award of an IIG, for which the intervention is completed in the financial year, expressed as a percentage (i.e., x 100).</p>
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>▪ Verification of Q4 evidence above.</li> <li>▪ Review the TEC recommendation to identify the factors involved in consideration of the project for grant award.</li> </ul>
<b>Assumptions</b>	<p>The grant is not the sole contributing factor towards the project qualifying for capital grant award.</p> <p>The intervention plan developed by the PD&amp;F Programme may not prove to address the risk factor appropriately.</p> <p>Interventions may span across multiple years.</p>
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Preference given to the collective of enterprises owned by women, youth, PWDs, and MVs.</p>
<b>Spatial Transformation (where applicable)</b>	<p>Within strategically located areas allowed for by legislation and policy.</p>
<b>Calculation Type</b>	<p>Cumulative (year-end).</p>
<b>Reporting Cycle</b>	<p>Annually.</p>
<b>Desired Performance</b>	<p><u>Higher than targeted performance is desirable:</u></p>

	<ul style="list-style-type: none"> <li>75% achievement of the Social Housing Projects' Intervention Plan.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Sector Development and Transformation

<b>19</b>	<b>Indicator Title 4.1.1.</b>	<b>Number municipalities supported</b>
	<b>Definition</b>	<p>Municipalities across the country are at varying stages of institutional readiness to successfully deliver social housing in a coherent manner. The SHRA's Municipal Support Programme seeks to capacitate restructuring zone municipalities to implement the Social Housing Programme at a local level.</p> <p>The indicator measures the number of projects that have been approved within municipalities that have received municipal support from the SHRA.</p>
	<b>Source of Data</b>	<p>Project approval.</p> <p>Quarterly progress reports on the implementation of the Municipal Support Programme and interventions undertaken.</p> <p>Annual report on the number of projects approved in municipalities where the implementation of the Municipal Support Programme has been affected.</p>
	<b>Method of Calculation / Assessment</b>	Straight count of the number of projects within municipalities in the Municipal Support Programme or having received formal support from the SHRA that are approved.
	<b>Means of verification</b>	<ul style="list-style-type: none"> <li>Verification of project accreditation and that the project is in a municipality participating in the Municipal Support Programme or has received other formal municipal interventions.</li> </ul>
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Budget availability to partner with sector specialists to implement the Municipal Support Programme.</li> <li>Municipality will build the institutional capacity to deliver social housing.</li> <li>Province and municipality aligned to deliver (work together).</li> </ul>
	<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
	<b>Spatial Transformation</b>	Within strategically located areas allowed for by legislation and

<b>(where applicable)</b>	policy.
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	3 projects within municipalities receiving support that are approved
<b>Indicator Responsibility</b>	Executive: Sector Development and Transformation

<b>Method of Calculation/Assessment</b>	Straight-count of the number of graduates that form part of the internship programme for the specified period.
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>▪ Signed Offer letter or employment contract; and</li> <li>▪ Qualification and CV of the Candidate; and</li> <li>▪ Internship Progress Report</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Availability of candidates that fit the programme entry requirements and commitment to stay on the programme for the entire duration of the year.</li> <li>▪ The internship duration is up to a two-year period, as a result the number of candidates would represent the cumulative number of graduates within the programme at a point in time.</li> <li>▪ Candidate intake will be done once per annum</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	60% Women, 100% Youth (below age of 35),
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	At least 15 graduates placed



<b>Indicator Responsibility</b>	Executive: Sector Development and Transformation
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#### PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING – TID

<b>21</b>	<b>Indicator Title 2.1.1.</b>	<b>Number of social housing units completed</b>
	<b>Definition</b>	A measure of the progress that the SHRA has made in delivering social housing units at scale and pace in line with the delivery target of the Medium-Term Strategic Framework. To be counted as completed, a social housing unit must have in place a practical completion certificate.
	<b>Source of Data</b>	Quarterly PD&F report reflecting the total number of units completed for the period.  Practical completion certificates for each project, clearly reflecting the number of social housing units completed.
	<b>Method of Calculation/Assessment</b>	Straight cumulative count of the number of social housing units that have reached practical completion as designated by the practical completion certificate the end of each quarterly reporting period of 2022/23 (i.e.Q1, Q2, Q3, and Q4).
	<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>▪ PD&amp;F Exco Quarterly Report.</li> <li>▪ Verification that each social housing unit reported as completed is supported by a practical completion certificate for greenfield projects; and</li> <li>▪ Practical completion certificate for brownfield / acquisition dated in the year a project was completed.</li> </ul>
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Full availability of required grant funding.</li> <li>▪ 100% spend of annual CCG budget allocations and approved retained surpluses (per, annual cashflow projections) received.</li> </ul>
	<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.
	<b>Spatial Transformation (where applicable)</b>	Within strategically located areas allowed for by legislation and policy



<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> <li>3 200 social housing units completed.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Project Development and Funding

<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Tenant list submitted by the grant recipient against the final milestone.</li> <li>PD&amp;F Exco quarterly reports detailing the number of social housing units delivered (tenanted) for the quarter.</li> </ul>
<b>Method of Calculation / Assessment</b>	Sum of the number of units on each tenant list, for the year-to-date period. The annual total is calculated by adding together the year-to-date achievement.
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>CAR verification that each social housing unit reported as delivered is supported by the approved tenant list.</li> <li>Sample lease agreement for one primary and one secondary beneficiary as per the provisions of the CCG contract.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Full availability of required grant funding.</li> <li>100% spend of annual CCG budget allocations and approved retained surpluses (per, annual cashflow projections).</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Social Housing Act: Special priority given to the needs of women, children, child-headed households, persons with disabilities, and the elderly.
<b>Spatial Transformation (where applicable)</b>	Within strategically located areas allowed for by legislation and policy.
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> <li>3 200 social housing units tenanted</li> </ul>
<b>Indicator Responsibility</b>	Executive: Project Development and Funding

<b>23</b>	<b>Indicator Title</b> <b>2.2.1.</b>	<b>Percentage expenditure of the approved annual Consolidated Capital Grant cashflow projection</b>
<b>Definition</b>	<p>Percentage expenditure of the annual cashflow projection, consisting of the sum of the annual CCG budget allocation and a portion of the retained surplus.</p> <p>The cashflow projection is developed quarterly based on approved and contracted projects and submitted to the Department of Human Settlements for approval accompanied with budget drawdown requests.</p>	
<b>Source of Data</b>	<ul style="list-style-type: none"> <li>Disbursement Schedule aligned to the cashflow projection.</li> <li>PD&amp;F Exco quarterly reports detailing expenditure for the quarter.</li> </ul>	
<b>Method of Calculation/Assessment</b>	Cumulative actual CCG expenditure to date divided by the total annual approved CCG cashflow expenditure projection, expressed as a percentage.	
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Exco approved quarterly cashflow.</li> <li>Disbursement Schedule.</li> </ul>	
<b>Assumptions</b>	<p>Cashflow and drawdown submission to the Department quarterly by the CSM.</p> <p>The cashflow projection and retained surplus application is approved annually by the Department of Human Settlements and National Treasury.</p> <p>Expenditure comprises actual expenditure, accruals, and retained surplus.</p>	
<b>Disaggregation of Beneficiaries (where applicable)</b>	Progress over the period towards 40% of capital grant allocation to enterprises owned by women, youth, and people with disabilities.	
<b>Spatial Transformation (where applicable)</b>	Within strategically located areas allowed for by legislation and policy.	
<b>Calculation Type</b>	Cumulative (year-to-date)	
<b>Reporting Cycle</b>	Quarterly	
<b>Desired Performance</b>	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> <li>95% expenditure of the approved annual Consolidated Capital Grant cashflow projection by the end of the financial year.</li> </ul>	
<b>Indicator Responsibility</b>	Executive: Project Development and Funding	

<b>24</b>	<b>Indicator Title</b> <b>6.5.1.</b>	<b>Percentage of Consolidated Capital Grant (CCG) awarded to black majority-controlled enterprises</b>
<b>Definition</b>	<p>Measures the Rand value of the Consolidated Capital Grant (CCG) awarded to the combined total of grant recipients that are &gt;50% black controlled in the case of SHIs and &gt;50% black-owned in the case of ODAs, as a percentage of the total CCG awarded over the period.</p> <p>Controlled refers to non-profit companies (NPCs) or accredited SHIs that do not have share capital but are controlled by the board of directors.</p> <p>The indicator measures director-level (board) composition for NPCs (accredited SHIs) and black ownership for other delivery agents that are for-profit.</p>	
<b>Source of Data</b>	PD&F Quarterly Report.	
<b>Method of Calculation/Assessment</b>	Cumulative year to-date CCG awarded to the combined total of black majority-owned or controlled grant recipients, divided by the total CCG awarded for the financial year to-date, expressed as percentage.	
<b>Means of Verification / Evidence</b>	<p>Exco minutes or agenda verifying the tabling of PD&amp;F Quarterly Report that reflects the allocation of the CCG to black majority owned and controlled grant recipients, for the financial year to-date.</p> <ul style="list-style-type: none"> <li>▪ Council resolution indicating the value of an approved CCG contract to black majority owned or controlled grant recipients.</li> <li>▪ B-BBEE certificates / sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and shareholding in the case of ODAs.</li> <li>▪ Joint venture registration documents.</li> <li>▪ Company founding documents - MOI / CIPC / share certificates, reflecting shareholder and director names.</li> <li>▪ Identity documents of owners / directors.</li> </ul>	
<b>Assumptions</b>	<p>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</p> <p>Valid CIPC registration confirming ownership and/or control.</p>	
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable.	

<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<p>Higher than targeted performance is desirable:</p> <ul style="list-style-type: none"> <li>70% of CCG allocation awarded to black majority-controlled enterprises.</li> </ul>
<b>Indicator Responsibility</b>	Executive: Project Development and Funding

<b>25</b>	<b>Indicator Title</b> <b>6.5.2.</b>	<b>Percentage spent by grant recipients on main contractors and professional teams that are from the designated groups</b>
<b>Definition</b>	Measures the percentage of the consolidated capital grant (CCG) spend on construction activities and services that is undertaken by enterprises that are from designated groups being women, youth, or people with disabilities	
<b>Source of Data</b>	Approved PD&F Quarterly Report.	
<b>Method of Calculation/Assessment</b>	Rand value of the CCG paid towards grant recipients which is spent on designated groups, divided by the total Rand value of CCG expenditure, expressed as a percentage.	
<b>Means of Verification / Evidence</b>	<ul style="list-style-type: none"> <li>Payment schedule and/or accompanying records such as invoices and bills of quantity.</li> <li>B-BBEE certificates or sworn affidavits reflecting gender breakdown.</li> <li>Construction service level agreement</li> </ul>	
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Expenditure includes non-construction related items, such as the land, professional fees but excludes contingencies, and maintenance reserve provisions.</li> <li>Availability of supporting documents provided by the Developer, such as, B-BBEE certificates / sworn affidavits of the CCG recipients of construction spend, and CIPC documents.</li> <li>Designated groups need not be mutually exclusive (i.e., one can be both women and youth)</li> <li>Flow through of value to designated groups will be applicable.</li> </ul>	

<b>Disaggregation of Beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>19% women, 5% youth and 1% People Living with Disabilities.</li> </ul>
<b>Spatial Transformation (where applicable)</b>	Within strategically located areas allowed for by legislation and policy
<b>Calculation Type</b>	Cumulative (year-to-date)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	To achieve the target of 25% of construction spend to enterprises that are from designated groups.
<b>Indicator Responsibility</b>	Executive: Project Development and Funding

<b>26</b>	<b>Indicator Title</b> <b>6.5.3.</b>	<b>Number of job opportunities created through projects implemented</b>
<b>Definition</b>		<p>Number of job opportunities created directly and operationally through projects implemented.</p> <p>In terms of the DHS Empowerment Policy (October 2021) employment in construction can be measured as the number of person-days of work created in terms of the construction spend.</p> <p>A target of 12 person-years of employment per R1 million construction spend is set, i.e., for every R1 million spent on construction of human settlement projects, employment for at least 12 people for a full year (220-250 working days) each, should be achieved.</p>
<b>Source of Data</b>		<ul style="list-style-type: none"> <li>PDF quarterly report.</li> </ul>
<b>Method of Calculation/Assessment</b>		Number of direct job opportunities created on construction and management of projects
<b>Means of Verification / Evidence</b>		<ul style="list-style-type: none"> <li>Exco minutes or agenda verifying the tabling of PD&amp;F Quarterly Report that reflects the number of persons employed based on the Economic Recovery Plan reporting requirements.</li> <li>Developers reports.</li> <li>Quarterly Compliance Reporting</li> </ul>
<b>Assumptions</b>		<p>Reports from developers/contractors are accepted as accurate.</p> <p>Includes operational jobs required post completion.</p>



<b>Disaggregation of Beneficiaries (where applicable)</b>	40% women, 20% youth
<b>Spatial Transformation (where applicable)</b>	Not applicable.
<b>Calculation Type</b>	Cumulative (year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	<p>Higher than targeted performance is desirable:</p> <ul style="list-style-type: none"> <li>▪ Achievement of 6 938 job opportunities created through projects implemented</li> </ul>
<b>Indicator Responsibility</b>	Executive: Project Development and Funding



## ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

### ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

As required by the DPME Revised Framework for Strategic Plans and Annual Performance Plans, the process to develop this 2021/22 Annual Performance Plan included a critical review of the approved 2020-2025 Strategic Plan, tabled in March 2020. The amendments to the approved 2020-2025 Strategic Plan arising from the review are reflected below.

**Note: The amendments are only to five-year targets and are not considered material enough to warrant the development and tabling of a Revised Strategic Plan.**

#### STRATEGIC PLAN AMENDMENTS (2023/24 FINANCIAL YEAR):

OUTCOME	OUTCOME INDICATOR	BASELINE (2019/20)	FIVE-YEAR TARGET (March 2025)		
			Original Approved	2022/23 Amendment	2023/24 Amendment
<b>Outcome 5:</b> <b>An effectively regulated and sustainable Social Housing Sector</b>	5.2. Number of social housing units accredited (Changed from accredited to approved)	28 026 social housing units accredited (Changed from accredited to approved)	63 026 social housing units accredited (Changed from accredited to approved)	42 450 social housing units approved	
	5.3. Number of social housing units under regulation	39 407 units under regulation	58 288 social housing units under regulation (Est. 4 000 p/a x 5)	48 000 social housing units under regulation	

**STRATEGIC PLAN AMENDMENTS (2022/23 FINANCIAL YEAR):**
**1) Amendments to Outcome 2: Quality, affordable social housing delivered in strategically located areas:**

- a) The target for the delivery of social housing units was reduced from 30 000 units to 18 000 units in the approved revised MTSF 2019-2024 (October 2021). The SHRA has, therefore, adjusted the target of outcome indicator 2.1. as follows:

OUTCOME	OUTCOME INDICATOR	BASELINE (2019/20)	FIVE-YEAR TARGET (March 2025)	
			Original Approved	2022/23 Amendment
<b>Outcome 2:</b> <b>Quality, affordable social housing delivered in strategically located areas</b>	2.1. Number of social housing units delivered in strategically located areas	<b>MTSF 2014–2019:</b> 13 968 social housing units delivered  <b>SP 2015-2020:</b> 15 915 social housing units delivered	<b>MTSF 2019–2024:</b> 30 000 social housing units delivered  <b>SP 2020–2025:</b> 30 000 social housing units delivered	<b>MTSF 2019–2024:</b> 18 000 social housing units delivered  <b>SP 2020–2025:</b> 18 000 social housing units delivered

**2) Amendments to Outcome 5: An effectively regulated and sustainable Social Housing Sector:**

- a) **Outcome indicator 5.2.:** Reframed from “Number of social housing units accredited” to “Number of social housing units approved.” While the meaning remains the same, the change has been made to align with the language used in the Social Housing Act, and the revised CAR Operational Framework.

The target for the number of social housing units approved has been reduced from 63 026 units to 42 450 social housing units, approved by the end of the strategic planning period. This is in line with the available funding and the reduction in the MTSF 2019-2024 target from 30 000 to 18 000 units.

- b) **Outcome indicator 5.3.:** The target for the number of social housing units under regulation has been reduced from 58 288 units to 48 000 social housing units under regulation by the end of the strategic planning period.

The above amendments are shown in the table below:

OUTCOME	OUTCOME INDICATOR	BASELINE (2019/20)	FIVE-YEAR TARGET (March 2025)	
			Original Approved	2022/23 Amendment
<b>Outcome 5:</b> <b>An effectively regulated and sustainable Social Housing Sector</b>	5.2. Number of social housing units accredited (Changed from accredited to approved)	28 026 social housing units accredited (Changed from accredited to approved)	63 026 social housing units accredited *** (Changed from accredited to approved)	42 450 social housing units approved ****
	5.3. Number of social housing units under regulation	39 407 units under regulation	58 288 social housing units under regulation (Est. 4 000 p/a x 5)	48 000 social housing units under regulation

\*\*\* Best case scenario based on full funding availability to deliver 30 000 units.

\*\*\*\* Target reduced to align with the available funding and reduced MTSF delivery target

### STRATEGIC PLAN AMENDMENTS (2021/22 FINANCIAL YEAR):

For tracking purposes, amendments made to the approved Strategic Plan in the 2021/22 financial year are reflected below.

#### 1) The SHRA Impact Statement:

CURRENT	AMENDED
<b>Two separate statements:</b> <ul style="list-style-type: none"> <li>A transformed, compliant, and sustainable Social Housing Sector</li> <li>Integrated, quality and affordable social housing</li> </ul>	<b>Combined into one statement:</b> <p>A transformed, compliant, and sustainable Social Housing Sector, comprising integrated, quality, and affordable social housing</p>

## 2) Outcome Indicator 1.2. Stakeholder Satisfaction Index:

At the time of finalising the 2020-2025 Strategic Plan in March 2020, the baseline stakeholder satisfaction survey had not taken place and there was uncertainty regarding the framing of outcome indicator 1.2. In the absence of the survey, the baseline and five-year target could not be set.

The stakeholder satisfaction survey has subsequently been completed and the report has been approved by Exco and Council. Indicator 1.2 of the 2020-2025 Strategic Plan is confirmed as follows:

OUTCOME	OUTCOME INDICATOR	BASELINE (2019/20)	FIVE-YEAR TARGET (March 2025)
<b>Outcome 1:</b> <b>Functional, efficient, and integrated government</b>	1.2. Stakeholder satisfaction index	7.3	7.8

## 3) Outcome Indicator 6.1. Social Housing Sector Transformation Index

Based on further research and benchmarking, as well as inputs from the SHRA Council, the outcome 6.1. indicator changes from “Social Housing Sector transformation *index*” to Social Housing Sector transformation *barometer*.” The TID has also been amended, to include reference to the State of the Transformation Report and Scorecard, as source data for developing the barometer.

### ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Social Housing Regulatory Authority.

### ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Social Housing Regulatory Authority.

## ANNEXURE D: DISTRICT DEVELOPMENT MODEL (DDM)

N <sup>o</sup>	Year Approved	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
1	2011/12	Brandwag Ph 2	495	Greenfield	On hold	FS	Mangaung	-29.10436	26.18981
2	2012/13	Aloe Ridge (Westgate Grange)	952	Greenfield	Completed with challenges	KZN	Amajuba	-29.66119	30.37789
3	2012/13	City Deep Ph 3	328	Greenfield	Completed with challenges	GP	City of Johannesburg	-26.22456	28.07331
4	2013/14	Dobsonville	502	Greenfield	Completed with challenges	GP	City of Johannesburg	-26.22794	27.85540
5	2014/15	Steve Biko Mumford	220	Brownfield	Construction and Tenanting	EC	Nelson Mandela Bay	-33.95922	25.62213
6	2014/15	Brandwag Ph 3	154	Greenfield	On hold	FS	Mangaung	-29.10443	26.19032
7	2014/15	Devland Gardens	870	Greenfield	Construction and Tenanting	GP	City of Johannesburg	-26.27853	27.93760
8	2015/16	Delville	88	Greenfield	Completed with challenges	GP	Ekurhuleni	-26.23500	28.19000
9	2015/16	Germiston Firestation	150	Greenfield	Tenanting	GP	Ekurhuleni	-26.22058	28.17034
10	2015/16	Devland/Golden Highway	444	Greenfield	Construction and Tenanting	GP	City of Johannesburg	-26.26412	27.97747
11	2015/16	Plein Street	210	Brownfield	Tenanting	GP	City of Johannesburg	-26.19988	28.04754
12	2015/16	Frischgewaagd Farm	801	Greenfield	Planning	NW	Bojanala	-25.37043	27.08154
13	2016/17	Westonaria Bonwa	582	Greenfield	On hold	GP	West Rand	-26.33631	27.67285
14	2016/17	Townlands Ph 2	509	Greenfield	Construction	GP	City of Tshwane	-25.74432	28.17357
15	2016/17	Townlands Ph 1	691	Greenfield	Tenanting	GP	City of Tshwane	-25.74432	28.17357
16	2016/17	301 Marshalltown	42	Brownfield	Tenanting	GP	City of Johannesburg	-26.20486	28.06132
17	2016/17	Mogale Junction Ph 1 & 2	1590	Greenfield	Construction and Tenanting	GP	West Rand	-26.15108	27.72964



## SHRA: 2023/24 Annual Performance Plan

N°	Year Approved	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
18	2017/18	Goodwood Station	1055	Greenfield	Planning	WC	City of Cape Town	-33.91485	18.54715
19	2017/18	Heideveld	180	Greenfield	Planning	WC	City of Cape Town	-33.97001	18.56183
20	2017/18	Hillside View	839	Greenfield	Tenancing	FS	Mangaung	-29.18470	26.21730
21	2017/18	Carnival Gardens	888	Greenfield	Construction and Tenancing	GP	Ekurhuleni	-26.26902	28.29436
22	2017/18	Garankuwa	1592	Greenfield	Construction	GP	City of Tshwane	-25.57393	28.01066
23	2018/19	Kempton Village	312	Greenfield	Tenancing	GP	Ekurhuleni	-26.10331	28.22743
24	2018/19	Mohlakeng	1080	Greenfield	Construction and Tenancing	GP	West Rand	-26.22569	27.66152
25	2018/19	Clayville (EKHC)	452	Greenfield	Construction	GP	Ekurhuleni	-25.98112	28.19289
26	2018/19	Turfontein Gardens	504	Greenfield	Completed with challenges	GP	City of Johannesburg	-26.25077	28.03449
27	2018/19	John Street	385	Greenfield	Tenancing	EC	Nelson Mandela Bay	-33.76596	25.39574
28	2018/19	Bothasig Gardens P3	314	Greenfield	Tenancing	WC	City of Cape Town	-33.86461	18.53401
29	2018/19	Ga Rena (Annandale)	494	Greenfield	Construction and Tenancing	LP	Capricorn	-23.88247	29.44549
30	2018/19	Bridge City (Instratin)	1130	Greenfield	Planning	KZN	eThekwin	-29.72607	30.98922
31	2018/19	Madison Loft	100	Acquisition	Tenancing	GP	Ekurhuleni	-26.25482	28.44082
32	2019/20	Hospital Street	1056	Greenfield	Planning	KZN	Amajuba	-27.77063	29.92964
33	2019/20	Unity House	95	Brownfield	Construction	GP	City of Johannesburg	-26.20449	28.06075
34	2019/20	Regent Villas Ph2	60	Greenfield	Construction	WC	City of Cape Town	-34.02690	18.57862
35	2019/20	Sondela Village Phase 2	177	Greenfield	Tenancing	GP	Ekurhuleni	-26.29505	28.47453
36	2019/20	Hull Street	372	Greenfield	Planning	NC	Frances Baard District Municipality	-28.73088	24.77657



## SHRA: 2023/24 Annual Performance Plan

N°	Year Approved	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
37	2019/20	Fochville Ext 11	258	Greenfield	Tenancing	GP	West Rand	-26.49102	27.47013
38	2019/20	Conradie Park P1	432	Greenfield	Construction and Tenancing	WC	City of Cape Town	-33.92402	18.51945
39	2019/20	Willow Creek	360	Greenfield	Planning	MP	Gert Sibande	-26.53071	29.98229
40	2019/20	Pineroads	243	Greenfield	Planning	WC	City of Cape Town	-33.929152	18.44491
41	2019/20	Kwandokuhle	492	Greenfield	Planning	MP	Gert Sibande	-26.48923	29.20106
42	2020/21	Fochville Ext 8	256	Greenfield	Construction	GP	West Rand	-26.49231	27.47090
43	2020/21	Kempton Towers	240	Greenfield	Construction	GP	Ekurhuleni	-26.10837	28.23502
44	2020/21	Maitland Mews	204	Greenfield	Construction	WC	City of Cape Town	-33.92383	18.48170
45	2020/21	Thlabane West	700	Greenfield	Planning	NW	Bonjala	-25.65096	27.20294
46	2020/21	Germiston Firestation PH2	152	Greenfield	Construction	GP	Ekurhuleni	-26.22065	28.16996
47	2020/21	Bridge City	738	Greenfield	Planning	KZN	eThekweni	-29.72746	30.98646
48	2021/22	Midrand Heights	305	Greenfield	Planning	GP	City of Johannesburg	-25.99476	28.12964
49	2021/22	Mountain Ridge Gardens	362	Greenfield	Planning	WC	Cape Winelands	-33.69683	18.99901
50	2021/22	North Park Mall	133	Brownfield	Planning	GP	City of Tshwane	-25.67681	28.17097
51	2021/22	Grand Central Towers	990	Greenfield	Planning	GP	City of Johannesburg	-25.99487	28.13137
52	2021/22	Siyakhela Imizi	227	Brownfield	Planning	GP	City of Johannesburg	-26.20401	28.07910
53	2021/22	Boston House	86	Brownfield	Planning	GP	West Rand	-26.10316	27.77002
		<b>TOTAL No. of Units</b>	<b>25 891</b>						

**Notes:** Table above includes 53 contracted projects totalling 25 891 units as at end Q2 2022-23.

## ANNEXURE E: STATEMENT OF FINANCIAL PERFORMANCE (MTEF)

Rand thousand	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Estimate	Budget	Budget	Budget
<b>Objective/Activity</b>							
Operational grant	55 201	57 945	60 848	63 738	66 573	76 355	72 680
Consolidated Capital Grant	723 706	725 747	764 646	791 144	825 958	863 051	901 716
Institutional Investment Grant	21 259	22 428	22 725	23 534	23 623	24 684	25 790
Regulations	10 560	11 400	9 400	9 000	6 500	6 792	7 096
<b>Total Grant Allocation</b>	<b>810 726</b>	<b>817 520</b>	<b>857 619</b>	<b>887 416</b>	<b>922 654</b>	<b>970 882</b>	<b>1 007 282</b>
<b>Other Income</b>	54 948	46					
<b>Interest earned</b>	20 892	12 582					
<b>Total Revenue</b>	<b>886 566</b>	<b>830 148</b>	<b>857 619</b>	<b>887 416</b>	<b>922 654</b>	<b>970 882</b>	<b>1 007 282</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>83 482</b>	<b>79 052</b>	<b>70 248</b>	<b>72 738</b>	<b>73 073</b>	<b>83 147</b>	<b>79 776</b>
Compensation of employees	41 693	45 575	41 483	37 392	40 392	40 392	40 392
Goods and services	41 693	25 132	28 765	35 346	32 681	42 755	39 384
Of which							
Advertising	2 283	1 914	1 890	2 185	2 287	2 544	2 593
Audit costs	965	1 571	1 765	1 800	1 890	1 915	1 678
Bank charges	49	51	53	55	58	60	63
Computer services	576	1 120	1 077	1 542	1 210	1 452	5 321
Consultants	12 414	6 452	6 036	6 338	6 572	6 986	7 912
Lease Payments	4 202	4 440	3 976	4 315	4 467	4 824	5 321
Legal fees	7 738	3 606	4 192	5 342	3 587	4 304	4 303
Non-life insurance	104	127	135	143	150	157	169
Repairs and maintenance	28	157	166	196	201	241	246
Research and development	-	-	2 177	2 308	2 587	3 104	3 128
Training and staff development	3 778	1 648	1 929	2 369	2 698	2 938	3 101
Travel and subsistence	3 899	3 685	3 602	2 976	3 519	4 223	5 236
Other unclassified expenditure							
Operational costs	6651	12 914	1 727	5 777	3 455	10 006	6 990
Losses from Impairments and Adjustments to Fair Value	-	-	-	-	-	-	-
Depreciation (Note 1)	1 687	1 742	1 900	1 900	1 900	1 900	1 900
Adjustment to fair value financial assets (Note 2)	542	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 216 473</b>	<b>595 450</b>	<b>786 250</b>	<b>813 501</b>	<b>848 345</b>	<b>887 735</b>	<b>927 506</b>

Rand thousand	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Estimate	Budget	Budget	Budget
<b>Grants:</b>							
Social Housing Grants	1 216 473	595 450	786 250	813 501	848 345	887 735	927 506
CCG - Surplus Funds							
Rent Relief Fund							
<b>Total Expenditure</b>	<b>1 299 955</b>	<b>674 505</b>	<b>856 498</b>	<b>886 239</b>	<b>921 418</b>	<b>970 882</b>	<b>1 007 282</b>
<b>Surplus / (Deficit)</b>	<b>(413 119)</b>	<b>155 646</b>	<b>1 121</b>	<b>1 177</b>	<b>1 236</b>	<b>-</b>	<b>-</b>

## ANNEXURE F: STATEMENT OF FINANCIAL POSITION (MTEF)

Statement of Financial Position	2019/20 Audited Outcome	2020/21 Audited Outcome	2012/22 Audited Outcome	2022/23 Estimate	2023/24 Budget	2024/25 Budget	2025/26 Budget
<b>ASSETS</b>							
<b>Current assets</b>	<b>721 167</b>	<b>1 233 844</b>	<b>1 152 172</b>	<b>917 057</b>	<b>91 059</b>	<b>912 912</b>	<b>934 850</b>
Current investments	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	61 622	21 013	524	122	124	122	115
Receivables from non-exchange transactions	-	-	-	-	-	-	-
Prepayments	1 069	1 069	1 069	1 069	1 069	1 069	1 069
Cash and cash equivalents	658 476	1 211 762	1 150 577	915 866	909 866	911 721	933 666
<b>Non-current assets</b>	<b>10 742</b>	<b>9 155</b>	<b>8 809</b>	<b>7 291</b>	<b>6 766</b>	<b>6 238</b>	<b>6 684</b>
Property, plant, and equipment	7 467	5 967	5 541	3 516	3 441	3 115	3 698
Intangible assets	3 275	3 188	3 267	3 775	3 325	3 123	2 986
			<b>1 160</b>				
<b>Total assets</b>	<b>731 909</b>	<b>1 242 999</b>	<b>981</b>	<b>924 348</b>	<b>917 540</b>	<b>919 150</b>	<b>941 534</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>	<b>155 666</b>	<b>511 111</b>	<b>402 671</b>	<b>190 162</b>	<b>177 074</b>	<b>183 728</b>	<b>193 554</b>
Payments received in advance	-	-	-	-	-	-	-
Trade and other payables from exchange transactions	35 158	85 318	3 948	54 000	51 489	56 817	58 456
Current provisions	86 225	82 844	99 937	113 807	125 035	129 504	135 098
<i>Performance Bonus</i>	3 171	2 979	2 481	-	-	-	0
<i>Interest capitalisation</i>	83 054	79 865	97 455	113 807	125 035	129 504	135 098
Current portion of unspent conditional grants and receipts (Note 1)	33 412	41 913	0	0	0	0	0
Current portion of operating lease liability	871	1 036	855	1 443	550	358	0
Residential Rent Relief Programme	-	300 000	297 931	-	-	-	-
<b>Total liabilities</b>	<b>155 666</b>	<b>511 111</b>	<b>402 671</b>	<b>190 162</b>	<b>177 074</b>	<b>183 728</b>	<b>193 554</b>
<b>NET ASSETS</b>	<b>576 243</b>	<b>731 888</b>	<b>758 309</b>	<b>734 186</b>	<b>740 466</b>	<b>735 422</b>	<b>747 980</b>
Accumulated surplus / (deficit) (Note 2)	576 243	731 888	758 309	734 186	740 466	735 422	747 980
<b>Total net assets and liabilities</b>	<b>1 463 818</b>	<b>2 485 998</b>	<b>2 321 961</b>	<b>1 848 696</b>	<b>1 835 080</b>	<b>1 838 299</b>	<b>2 270 216</b>

**Notes:**

- 1) Cash and cash equivalent of the new financial year expected to cover a portion of Q1 expenditure.
- 2) Provisioned as follows:

Accumulated Surplus	2020/21	2021/22	2022/23	2023/2024	2024/2025	2025/2026
Opening Balance	731 888	758 309	734 186	740 466	735 422	747 980
Current	1 121	1 177	1 236	0	0	0
Closing Balance	733 009	734 186	735 422	740 466	735 422	747 980

**ANNEXURE G: CASHFLOW STATEMENT (MTEF)**

Cashflow data R Thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/2025	2025/2026
	Audited Outcome	Audited Outcome	Audited Outcome	Estimate	Budget	Budget	Budget
<b>Cash receipts from stakeholders</b>	858 330	836 790	888 965	887 416	922 654	970 882	1 007 282
<b>Transfers received</b>	810 726	817 553	857 416	887 416	922 654	970 882	1 007 282
Other government units	810 726	817 553	806 119	887 416	922 654	970 882	1 007 282
Departmental transfers	810 726	817 553	809 119	887 416	922 654	970 882	1 007 282
Department of Human Settlements	810 726	817 553	809 119	887 416	922 654	970 882	1 007 282
<b>Interest and rent on land</b>	47 604	19 270	11 986	-	-	-	-
Interest	47 604	19 224	11 687	-	-	-	-
Other income	-	46	299	-	-	-	-
<b>Cash paid to stakeholders</b>	1 312 850	583 337	875 575	895 530	928 002	968 742	1 007 282
<b>Current payments</b>							
Compensation of employees	41 839	41 285	40 902	37 392	40 392	40 392	40 392
Goods and services	46 324	56 542	79 769	35 346	32 681	42 755	55 897
Recalled grant funds	-	-	-	-	-	-	-
Programme Costs – Grants	1 224 687	485 510	752 834	822 792	848 345	885 595	910 993
<b>Cashflow from investing activities</b>	2 277	169	1 645	899	937	-	-
Acquisition of property, plant, equipment & intangible assets	2 277	279	995	899	937	-	-
Other fixed structures	928	215	1 645	852	937	-	-
Furniture and office equipment	0	4	0	2	-	-	-
Software and other intangible assets	1 349	60	-	45	-	-	-
Other flows from Investing Activities	-	(110)	-	-	-	-	-
Domestic	-	(110)	-	-	-	-	-
Proceeds from sale of property, plant, equipment & intangible assets	-	(110)	-	-	-	-	-
<b>Cashflow from financing activities</b>	-	300 002	-	-	-	-	-
Proceeds from residential rent relief	-	300 000	-	-	-	-	-
Other cash item	-	2	-	-	-	-	-
Out flow to residential rent relief	-	-	2 069	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(456 797)	553 286	61 183	(234 710)	(6 285)	2 140	21 945
<b>Cash and cash equivalent - opening</b>	1 115 274	658 476	1 211 762	1 150 576	915 866	909 581	911 721
<b>Cash and cash equivalent - closing</b>	658 476	1 211 762	1 150 576	915 866	909 581	911 721	933 666