

Annual Performance Plan 2023-2024



Table of Contents

List of Abbreviations/acronyms	04
Ministers Foreword	06
Board Chairperson Statement	07
CEO's Statement	09
Official Sign Off	11

OUR MANDATE

PART A	1. Update to Relevant Legislations and Policy Mandates	12
	1.1 Relevant Legislation	12
	1.1.1 HDA Act 23 of 2008	12
	1.1.2 Other Acts/Legislations	15
	1.1.3 Policy Mandates	16
	2. Updates To Institutional Policies And Strategies	17
	2.1 Medium Term Strategic Framework (MTSF) 2019-2024	17
	2.2 HDA Mandate Shareholder Compact Signed by the Minister of Human Settlements	17
	2.3 Planned Policy Initiatives	17
	2.4 Updates to Relevant Court Rulings	17
	3. Update To Relevant Legislations and Policy Mandates	18
	3.1 External Environmental Analysis	18
	3.1.1 Political Environment	19
	3.1.2 Economic Environment	20
	3.1.3 Social Environment	23
	3.1.4 Technological Environment	26
	3.1.5 Legal Environment	26
	3.1.6 Environment Factors	27
	3.1.7 Persistent challenges that must be addressed	27
	3.1.8 Women, Youth and Persons with Disabilities	27

OUR STRATEGIC FOCUS

PART B	1. Internal Environmental Analysis	28
	1.1 HDA SWOT Analysis	28
	1.2 Stakeholder Analysis	32
	1.3 HDA Business and Funding Model	32
	1.4 HDA Operating Model	34

MEASURING OUR PERFORMANCE

PART C	1. Institutional Programme Performance Information	39
	1.1 Programme 1: Administration	39
	1.2 Programme 2: Land Assembly and PDA's	43
	1.3 Programme 3: Programme Planning and Design and Regional Coordination and Human Settlement Implementation Support Service	46
	1.4 Explanation of Planned Performance Over the Five-year Period	53
	1.5 Programme Resource Consideration	55
	1.6 Key Risks and Mitigations	69

PART D: TECHNICAL INDICATOR DESCRIPTIONS 72

ANNEXURE 1: PESTLE Table from the Agency's 23/24 APP	95
ANNEXURE 2: HDA SWOT Analysis Diagram	97
ANNEXURE 3: Table on Key functions associated with a Property Developer Role	98
ANNEXURE 4: MTSF Table 2019/2024	100
ANNEXURE 5: District Development Model	101
ANNEXURE 6: Budget Deductions	106

ABBREVIATIONS & ACRONYMS

APP	Annual Performance Plan
BEPP	Built Environment Performance Plan
CEO	Chief Executive Office
CFO	Chief Financial Officer
COJ	City of Johannesburg
COO	Chief Operating Officer
CPP	Catalytic Projects Programme
CSIR	Council for Scientific and Industrial Research
DPAD	Development Planning and Area Design
DRDLR	Department of Rural Development and Land Reform
EE	Employment Equity
GIS	Geographic Information Systems
GRAP	Generally, Recognized Accounting Practice
HDA	Housing development Agency
HR	Human Resources
HSDG	Human Settlements Development Grant
HSF	Human Settlement Forum
HOD	Head of Department
HS	Human Settlements
IBT	Innovative Building Technologies
IGR	Intergovernmental Relations
IGRFA	Intergovernmental Framework Act
IGR&SA	Intergovernmental Relations and Strategy Alignment
i.r.o	in relation to
IP	Implementation Protocol
ISA	International Standard on Auditing
ISSAI	International Standards of Supreme Audit Institutions
ISU	Informal Settlement Upgrading
IT	Information Technology
JCC	Joint Cooperating Committee
JOSHCO	Johannesburg Social Housing Company
KZN	KwaZulu-Natal
LA	Local Authority
LAPGIS	Land and Property Spatial Information System
LHSS	Land Housing Support Services
LIR	Land Identification Register
LIS	Land Information Services
LM	Local Municipality
LPA	Land Planning and Assembly
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MINMEC	Ministers and Member of Executive Council
MTEF	Medium-term Expenditure Framework
MTSF	Medium-term Strategic Framework
MTOP	Medium-term Operational Plan
NAHSLI	National Human Settlements Land Inventory



NDHS	National Department of Human Settlements
NDPW	National Department of Public Works
NHBRC	National Home Builder Registration Council
NLAS	National Land Assembly Programme
NUSP	National Upgrading Support Programme
PAA	Productive Asset Allowance
PDA	Priority Development Areas
PFMA	Public Finance Management Act
PHSHDA	Priority Human Settlements Housing Development Areas

Tables and Figures

Table 1: Relevant Sections of HDA Act 23 Of 2008 that explains the dual mandate and role

Table 2: Acts/Legislation that continue to guide and inform HDA's work

Table 3: MTSF 2019-2024 – Priority 5 and its associated impact and outcomes

Table 4: Updated PESTLE Analysis

Table 5: Dwelling Status by Province: 2021

Table 6: Access to Sanitation by Province: 2021

Table 7: Registered Indigent Household by Province: 2021

Table 8: Municipal Services and Indigent Services Provision per Household: 2020

Table 9: HDA SWOT Analysis

Table 10: Root-Causes Analysis and Key Strategies

Table 11: Stakeholder Analysis

Table 12: Programme 1: Sub-programmes and services provided

Table 13: Programme 2: Sub-programmes and services provided

Table 14: Programme 3: Sub-programmes and services provided

Figure 1: HDA Business Model Canvas

Figure 2: HDA Funding Sources

Figure 3: HDA Operating Model

Figure 4: High Level Functional Structure

Foreword by Minister



I have, on more than one occasion, expressed my wish that the Housing Development Agency (HDA) has to work towards becoming a property developer of choice for the public sector. Given the state of instability in which the entity was engulfed just over a year ago, I fully appreciate the fact that it will take a little longer to achieve this target. The leadership has been moving with speed to turn the organisation around and improve its performance. In its strategic planning in 2022, there was admission that the first objective of the HDA in terms of the Act, also commonly referred as the primary mandate, is still not being fully implemented.

HDA is in a better position to attract and recruit the necessary skills to enhance its core capabilities after the approval of the new organisational structure. In addition, development plans, implementation of informal settlements upgrading programme, the title deeds programme and the priority projects programme for state organs, I expect that HDA will enhance its capabilities in disaster management and the provision of emergency housing solutions. This is because climate change induced natural disasters such as floods and fires have become more frequent which increases the demand in the human settlements delivery system to respond with speedily with appropriate solutions.

South Africa, through UN Habitat is a leading advocate of the Global Action Plan Framework for Transforming Informal Settlements and Slums globally. The Upgrading of Informal Settlements Programme is consistent with this framework whose focus it is to address the plight of persons without adequate housing. To make an impact in this programme the HDA needs to sharpen its capabilities to implement this programme. The number of informal settlements is ever increasing and each settlement present its own unique problems which means prioritisation will change depending on each circumstance. It is therefore important for HDA to have the agility and the flexibility to respond to fast changing sub-sector of human settlements sector.

The disruption of the apartheid spatial development remains a priority and access to urban land for human settlement is central to the achievement of this objective. The HDA is central to land acquisition for purposes of human settlements and it has a duty to identify and acquire strategic pieces of land with this objective in mind. More importantly, the HDA has to move beyond just land acquisition both from the Department of Public Works and Infrastructure and from private land owners, and develop plans. I expect that in the financial year 2023/24 the HDA will prioritise assessing the land pieces currently under its custodianship and categorise them in of terms various property development types and market segments that can be targeted to occupy such locations. The 2689 hectares that has already been released for human settlements for housing by the Department of Public Works and Infrastructure must be subjected to this process.

Unlike one and half years ago, the HDA no longer has acting executives in most executive positions. In this regard, the board has done well in stabilising the organisation and ensuring that there is good corporate governance. The departure of Dr Tshilidzi Ratshitanga as a board chairperson comes at a time when many strides have been made in getting the organisation to focus on its core business. I therefore expect the interim chairperson, Dr Manqoba Soni, and remaining board members will steer the organisation in the current trajectory until the vacancy is filled and the new board chairperson is appointed.

Let me also thank the Board of the HDA, the executives and the rest of the staff for their dedication in delivering on the mandate of the entity.

Mmamoloko Kubayi, MP
Minister of Human Settlements



Board Chairperson Statement

During the months of August and September 2022, the Board and Management of HDA undertook strategic planning sessions in which there was acknowledgement by all that the Agency is in the process of transition from a difficult past, with the focus going forward being to ensure the successful turnaround of the organisation. At the heart of the turnaround are two objectives:

- To ensure that the full mandate of the HDA is implemented within the 2019-2024 MTSF and Strategy
- To deeply reflect on the factors that have led to inadequate performance in the past and develop plans to address same

As we undertook our planning we focused on the following levers of the HDA turn around including the following key areas of focus:

Mandate: Clarification of the HDA mandate and ensuring that the Agency pursues this mandate of being a fully-fledged property developer.

Governance: Implementation of concerted initiatives to progressively enhance compliance with the applicable regulatory and governance frameworks, which among others, will lead the Agency to break the trend of qualified audit outcomes to unqualified audit outcomes.

Sustainability: A business and funding model will be implemented that will support both the primary and secondary mandate and balance the need for the public mandate and financial sustainability in terms of people and structure. This entails acquiring the missing skills in the labour market.

People and Structure: The strategic path chosen by the HDA requires a systematic and deliberate reorganization to ensure that the HDA has the right fit of capacity and skills.

Process and Systems: The HDA strategic outlook requires that the organisation embraces processes and systems that are aligned to the digital era. This will start with inculcating a culture of business process management that should be enabled by relevant technology and systems. This will further be supported by the implementation of records and document management processes.

Perception Management: The HDA will need to implement a change management programme that is both inward and outward-looking. Such a change management programme will be aimed at instilling a culture that cuts across all levels of the organization resulting in employees that behave in line with the "HDA way". The culture to be promoted will result in the recovery of credibility in the eyes of employees, partners, and stakeholders.

The HDA will continue to maintain relationships with partners in all spheres of government to fulfil its role as a project and programme manager and implementing agent. Having previously undertaken the role, various instructions will be accepted to enable the Agency to provide support in areas of land assembly, the servicing of sites, delivery of top structures, support in the management and implementation of the informal settlements upgrading, mining towns programmes. However, the Agency will also ensure that the funding model and the inconsistencies between the funding regimes in various spheres of government do not negatively impact on the HDA's sustainability.

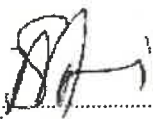
Along with management we have developed an organisational structure with the right capabilities to implement the full mandate of the HDA; at the same time addressing the misalignment of the current structure to the mandate which led to poor performance.

We are pleased that over the last couple of months there has been reduction of whistle blower complaints along with a shift in public sentiment based on media queries received which focus mainly on the projects undertaken by the HDA.

The plans captured in the 2023/24 Annual Performance Plan, along with a deep analysis of the internal operating environment of the HDA reflect the commitment of the Board, Management and all staff to ensure the successful turn around of the Agency.

I wish to thank the Honourable Minister of Human Settlements, Mmamoloko Kubayi for her unrelenting guidance and support to the Board, Management and staff of the HDA with the implementation of informal settlements upgrading programme, the title deeds programme, the priority projects programme and emergency housing solutions. Assistance to provinces and municipalities varies but in the main involves project managing the delivery of serviced sites and housing units on their behalf. The nature, details and targets and outputs of this assistance is detailed in an IP with provinces or an MTOP with municipalities. The projects listed in the IPs and MTOPs are generally multi-year projects, so the targets and outputs thereof tend to be the same for each MTEF period.

While the Agency has started performing its property developer role, there are a number of building block activities still required. These include organisational design, capital raising and project conceptualisation and preparation processes and are reflected in the 23/24 Operational Plans and the 2023/24 APP.



Dr. Manqoba Soni
Interim Board Chairperson



Statement of the Chief Executive Officer

The HDA in the current Medium Term Expenditure Framework (MTEF) will embark on a journey which will consolidate its mandate as the government developer of choice in housing and human settlements. This journey has commenced with a set of strategic and operational reviews session to onboard the lessons and good practice to chart a way forward for the agency by identifying and leveraging strategic and operational strengths, to achieve the primary mandate and outcome to identify, acquire, plan fund and develop land and property for housing and human settlement, to support the government targets for housing, consistent with the Constitution. An institutional analysis has been undertaken which then allows for the Strategic Plan for 2020-2025 and Annual Performance Plan for 2023/24 to place the HDA on a trajectory of success and achievement of its mandate.

The strategic review was based on the current strategy of HDA, and that there are no fundamental shifts in the HDA mandate as stipulated in the HDA Act 23 of 2008 and other directives for the MTSF Period 2019 - 2024. The review highlights that the HDA suffered considerable loss of goodwill and reputation from its stakeholder during the period between 2018 and 2021, when the Agency was placed under administration and received negative media press coverage, underachieved in terms of performance targets, based on a myriad of institutional failures and constraints. This was notwithstanding that the HDA has internal strengths and pockets of excellence, these were overshadowed by numerous distresses experienced by the agency.

Arising from the review six strategic perspectives will receive focus that will restore the HDA institutional and development capabilities and reputation. These pillars are critical to the development of the entity turnaround strategy, and includes mandate clarification, governance, sustainability, alignment between people and structure, processes and systems, and perception management. The pillars outcome to be achieved are as follows:

1. **Mandate:** Clarification of the mandate and the HDA fully implementing its mandate and putting in measures that will lead to a much bigger role as a fully-fledged property developer.
2. **Governance:** Implementation of concerted initiatives to progressively enhance compliance with the applicable regulatory and governance frameworks for the HDA, which will lead to the Agency breaking from the current trend of qualified audit outcomes to unqualified audit outcomes.
3. **Sustainability:** A business and funding model will be implemented that will support both the primary and secondary mandate and balances the need for the public mandate and financial sustainability in terms of people and structure.

This entails acquiring the required skills in the labour market and allowing attrition to allow for exit of individuals with no resonance with the culture, values and objectives of the HDA.
4. **People and Structure:** The strategic path chosen by the HDA requires a systematic and deliberate reorganization to ensure that the HDA has the right fit.
5. **Process and Systems:** The HDA strategic outlook requires that the organisation embraces processes and systems that fit the digital era. This will start with inculcating a culture of business process management that should be enabled by relevant technology and systems. This will further be supported by the implementation of records and document management processes.
6. **Perception Management:** The HDA will need to implement a change management programme that is both inward and outward-looking. Such a change management programme will be aimed at instilling a culture that cuts across all levels of the organisation resulting in employees that behave in line with the HDA Way. The culture to be promoted will result in the recovery of credibility in the eyes of employees, partners, and stakeholders.

The implementation of the strategic pillars will improve performance and management to implement good governance and compliance measures principles, based on a robust and pro-active risk management model, which allow the HDA to achieve an unqualified audit outcome in the immediate term, and an unqualified audit outcome without any findings.

In the period up until now as CEO at the HDA, we have achieved some notable milestones, which includes the establishment of the Condonation Committee which has been effective in fast-tracking the assessment, investigation and where possible prevention of irregular, fruitless and wasteful expenditure. The first report of this committee will now be used to ensure that concrete steps are taken to address such expenditure, including better controls and consequence management.

Our contributions to the MTSF targets are as follows:

1. 7294,574 hectares of land in priority development areas out of a target of 6000 ha,
2. 32% of the 1786.1527 hectares of land in Priority Development Areas (PDA's) acquired in the 2014-2019 MTSF has been rezoned. This has been one of the more stubborn targets and a task force comprising of the National Department, the HDA, and the Department of Agriculture, Land Reform and Rural Development has been constituted to coordinate rezoning projects and troubleshoot blockages and constraints to achieve the target.

The HDA has effective plans to consult with the Provinces and Metropolitan Municipalities to ensure prioritization of the rezoning projects in the grant business plan as well as the exemption available under Section 55 of the Spatial Planning and Land Use Management Act.

3. A total of fifty-nine (59) integrated implementation programmes for the PDA's have been developed to date against a target of one hundred and thirty-six (136). For the current year we envisage developing a further forty (40) integrated development programmes.
4. A total of 12 228 serviced sites were delivered, while a combined total of 13125 housing units were delivered against a target of 23 948 service sites and 23 526 housing units. For the current financial year, we are targeting to deliver a further nine hundred and fifty-three (953) serviced sites and one thousand three hundred and fifty-six (1356) houses.

The current inability of the HDA to achieve the targets set for the MTSF stems from the fact that the overall national budget for human settlements have declined because of the lagging negative effects of the CoVID-19 impact, July 2021 community unrest and a downturn in the economic fortunes of the country.

In addition, the HDA is further impacted by lack of contracting certainty with development partners. This is a matter receiving attention as part of ongoing consultations with the National Department, to find a strategic funding and operating model which allows the HDA to achieve better financial and operational sustainability. This will include the HDA taking its place as the government partner and developer of choice, across the housing and human settlements delivery chain.



Mr. Bheki Khenisa
Chief Executive Officer

OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of HDA under the guidance of the Board Chairperson;
- Was prepared in line with the 2021-2026 Strategic Plan of HDA;
- And reflects performance targets which HDA will endeavour to achieve over the 2023/24 financial year.

Acting Head Strategic Support
Ms. TEBOHO SEJANE

SIGNATURE: 

Acting Chief Operations Officer
Mr. PHUMLANI MBULAWA

SIGNATURE: 

Chief Financial Officer
Ms. JOY MASEMOLA

SIGNATURE: 


Chief Executive Officer
Mr. BHEKI KHENISA

SIGNATURE: 

Interim Board Chairperson
Dr. MANQOBA SONI

SIGNATURE: 

Minister of Human Settlements
MT KUBAYI, MP

SIGNATURE: 



PART A

OUR MANDATE

1.Update to Relevant Legislations and Policy Mandates

1.1 Relevant Legislation

1.1.1 HDA Act 23 of 2008

The legislative mandate of the HDA (the Agency) for the 2023-2024 financial year (23/24 FY) and its associated Medium Term Expenditure Framework (MTEF) period continues to be derived from the HDA Act, No 23 of 2008 (the Act).

During August 2022 the Agency held their EXCO strategic planning session which was followed by a Board strategic planning session September 2022, the Agency undertook the strategic processes as part of the deliberations to develop a business turnaround strategy towards ensuring it fulfills its mandate in terms of the entirety of the Act including nuances from engagements with key stakeholders, current and identified partners. However, despite a documented mandate and additional pronouncements by the then Human Settlements Minister, there is agreement that the first objective of the HDA in terms of the Act, also commonly referred as the primary mandate, is still not being fully implemented. The Honourable Minister of Human Settlements, Ms M Kubayi, as part of the remarks by the shareholder during the HDA strategic planning session encouraged the HDA to assert itself as preferred developer of choice for the public sector such that government entities would not have to be persuaded to take up the Agencies services. Secondly, highlighted that the HDA has been missing out on participation in industries that participate in the human settlements value chain. One of the examples provided included why the Agency could not set up or take up equity in a cement making entity. Lastly, noted that HDA seemed to define delivery of services as having spent budgets on procurement and not necessarily developing properties and this is a major concern as it means the Agency is not delivering on their mandate as expected.

Relevant sections of the Act explain the dual mandate of the Agency; namely that of serving as a public sector property developer as well as being responsible for land acquisition and providing support to national, provincial and municipalities on their human settlement projects as reflected in the Agency's 5-year Strategic Plan and its 23/24 APP. For ease of reference, these sections are repeated in the following table in the next page.



Table 1: Relevant sections of the HDA Act 23 of 2008 that explain the dual mandate and roles

Section of the Act	What It States...	How the HDA Will Implement It...
Definitions	<p>"Develop" means improving or undertaking the development of land acquired by the Agency or the Agency sub-contracts to developers to improve or to undertake the development of acquired land by buildings or structure for the purpose of housing delivery.</p> <p>"Land" includes a right in land.</p> <p>"Landed Property" means land with improvements including buildings, structures and purposes.</p>	<p>During the 2014-2019 MTSF period the Agency has acquired 19430.3151 hectares of land that is suitable for the development of integrated human settlements. Some of this land sits on the Agency's balance sheet and is immediately available for development once all project conceptualization and planning stages have been completed. If so required, the Agency will leverage this land asset as its equity contribution in its potential partnerships with private sector developers to ensure the construction of integrated human settlements that is responsive to the needs of people.</p>
Section 2: Purpose	<p>The purpose of this Act is to provide for the:</p> <p>(a) establishment of the Agency which will facilitate the acquisition of land and landed property,</p> <p>(b) objects, role, powers and duties of the Agency, and fast-tracking of land acquisition and housing development services for the purpose of creating sustainable human settlements.</p>	<p>The Agency's acquisition of land and landed property gives expression to its dual mandate and role, in that land is acquired:</p> <ul style="list-style-type: none"> • in response to requests from provinces and municipalities for acquisition on their behalf; and • in the name and under the ownership of the Agency for the development of human settlements where the Agency serves as the public sector property developer aimed at disrupting and transform the apartheid human settlement spatial patterns from cradle to grave
Section 4: Objects of the Agency- 4 (a)	<p>Identify, acquire, hold, develop and release state, communal and privately owned land for residential and community purposes and for the creation of sustainable human settlements.</p>	<p>The Agency will acquire land for both Brownfield and Greenfield human settlements developments which is inclusive of socio- economic amenities. Integrated human settlements are, by their very nature, developments that fulfill residential and community purposes.</p> <p>The Agency will also continue to support Provinces, Municipalities and the National Department of Human Settlements (NDHS), with their projects, on request in and in line with the objectives, role and functions outlined in the Act.</p>
Section 5: Role of the Agency – 5 (1) and (2)	<p>(1) The Agency must, in consultation with the relevant owner, identify, acquire, hold, develop and release state, privately and communally owned land for residential and community purposes for the creation of sustainable human settlements.</p> <p>The Agency must ensure that there is funding for provision of all infrastructure that is required for housing development in which it is involved.</p>	<p>The Agency will raise additional funding required for it to fulfil its public sector property developer role, utilizing a wide range of financing models. Other sources of funding will include but not limited to the following: capital, bonds, loans, project management fees, equity, sales proceeds and rental income. This also includes engaging with the Division of Revenue Act (DORA) subsidies and grants for the human settlements and setting aside a percentage of its project management fees for Agency driven human settlement projects.</p>

Section of the Act	What It States...	How the HDA Will Implement It...
Section 7: Functions of the Agency – 7 (1) (g), (j), (k) and (l)	<ul style="list-style-type: none"> (g) identify, acquire, hold, develop, and release state, privately and communal owned land for residential and community development (j) assist organs of state in dealing with housing developments that have not been completed within the anticipated project period. (k) assist organs of state with the upgrading of informal settlements assist organs of state in respect of emergency housing solutions 	The Agency assists organs of state through functions and budget delegates by the NDHS, provinces and municipalities. The support provided to provinces and municipalities is contained in formal IPs and MTOPs signed between the partners and the Agency.
Section 25: Funds of the Agency – 25 (1) and (2)	<ul style="list-style-type: none"> (1) The fund of the Agency consists of: (a) Money appropriated from Parliament, Donations or contributions received by the Agency with the approval of the Minister, (c) Interest on investments of the Agency, (d) Loans raised by the Agency subject to Section 26, (e) Proceeds from the sale of land, (f) Fees for services rendered based on cost recovery, and Subsidies and grants granted by the organs of state. 	The Agency will raise additional funding required for it to fulfill its public sector property developer role, utilizing a wide range of financing models. Other sources of funding will include but not limited to the following: capital, bonds, loans, project management fees, equity, sales proceeds and rental income. This includes engaging with the Division of Revenue Act (DORA) subsidies and grants for the human settlements, and setting aside a percentage of its project management fees for Agency driven human settlement projects
Section 29: Additional Functions – 29 (1)	The Minister may, in consultation with the Board, authorize the Agency to perform any additional function not inconsistent with this Act.	The mandate document that the Minister signed with the Agency will outline the dual mandate and role of the Agency.

To date, the Agency has focused on its functions of assisting organs of state, namely the NDHS, provinces and municipalities. The Agency assists the NDHS with land acquisition, development plans and other requirements in Priority Development Areas (PDAs), as well as with implementation of informal settlements upgrading programme, the title deeds programme, the priority projects programme and emergency housing solutions. Assistance to provinces and municipalities varies but in the main involves project managing the delivery of serviced sites and housing units on their behalf. The nature, details and targets and outputs of this assistance is detailed in an IP with provinces or an MTOP with municipalities. The projects listed in the IPs and MTOPs are generally multi-year projects, so the targets and outputs thereof tend to be the same for each MTEF period.

While the Agency has started performing its property developer role, there are a number of building block activities still required. These include organisational design, capital raising and project conceptualisation and preparation processes and are reflected in the 23/24 Operational Plans and the 2023/24 APP.

1.1.2 Other Acts/Legislations

Other Acts that inform and guide the work of the Agency remains those explained in its 5-year Strategic Plan 202 - 2025 and 2023/24 APP. For ease of reference these are listed again in the following table.

Table 2: Acts/Legislation that continues to guide and inform the HDA's work

Legislation
Housing Act, 1977 (Act No 107 of 1997)
Rental Housing Act, 1999 (Act No 50 of 1999)
Social Housing Act, 2008 (Act No 16 of 2008) and Social Housing Regulations, 2011
Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act No 19 of 1998 as amended)
Community Schemes Ombudsman Services Act, 2011 (Act No 9 of 2011)
National Building Regulations and Building Standards Act, 1977 (Act No 103 of 1977)
Construction Industry Development Board Act, 2000 (Act No 38 of 2000)
Property Practitioners Regulatory Act, 2019 (Act No 22 of 2019)
Spatial Planning and Land Use Management Act, 2013 (Act No 16 of 2013)
Communal Land Rights Act, 2004 (Act No 11 of 2004)
Communal Properties Associations Act, 1996 (Act No 28 of 1996)
Alienation of Land Act, 1981 (Act No 68 of 1981 as amended)
Immoveable Assets Management Act (No 19 of 2007)
Deeds Registry Act, 1937 (Act No 47 of 1937 as amended)
Extension of Security of Tenure Act, 1997 (Act No 62 of 1997)
Upgrading of Tenure Rights Act, 1991 (Act No 112 of 1991 as amended)
Conversion of certain leasehold right to Ownership Act, 1988 (No 81 of 1988 as amended)
Expropriation Act, 1975 (Act No 63 of 1975 as amended)
National Environment Management Act, 1998 (Act No 107 of 1998 as amended)
Public Finance Management Act, 1999 (Act No 1 of 1999 as amended)
Municipal Finance Management Act, 2003 (Act No 56 of 2003 as amended)
Division of Revenue Act (as amended)
Broad Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003)
Promotion of Administrative Justice Act, 2000 (Act No 3 of 2000)
Preferential Procurement Policy Framework Act, 2000 (No 5 of 2000)

Legislation

Promotion of Access to Information Act, 2000 (Act No 2 of 2000)

Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005)

Restitution of Land Right Act of 1994 as amended

Protection of Personal Information Act of 2013

Home Loan and Mortgage Disclosure Act of 2000

Housing Development Agency Regulations, 2014

Sustainable Land Use Management Act of 2013

Rental Amendment Act, 2014

Housing Consumer Protection Measures Act 1998

Sectional Title Schemes Management Act of 2011

Infrastructure Development Act 2014

Financial Intelligence Centre Act 2001

Financial Advisory and Intermediary Services Act 2002

The Companies Act 2008

1.1.3 Policy Mandates

As in the case with Other Acts/Legislation, the policies that inform and guide the work of the Agency are as explained in its 5-year strategic plan and 23/24 APP. These policies, for ease of reference, are again listed below:

- The 2004 White Paper on Housing.
- The 2000 version of the National Housing Code.
- The 2004 Comprehensive Plan for the Creation of Sustainable Settlements.
- The National Development Plan Vision 2030.
- Breaking New Ground Housing Policy.
- The 2005 Social Housing Policy.
- The 2009 version of National Housing Code.
- The Integrated Urban Development Framework.
- The HDA Regulations GNR 610 and Government Gazette No 37899.
- The National Spatial Development Framework.
- National Housing Policy and Subsidy Programme, 2010

PART A

OUR MANDATE

2. Updates to Institutional Policies and Strategies

2.1 Medium Term Strategic Framework (MTSF) 2019-2024

The 2019-2024 MTSF for the 6th term of democratic governance remains unchanged and is explained in detail in the Agency's 5-year strategic plan and previous associated APPs. The Agency continues to contribute to Priority 5 of the MTSF. For ease of reference, this priority and its associated impact and outcomes are presented in the following table.

Table 3: MTSF 2019-2024 – Priority 5 and its associated impact and outcomes.

Priority	Impact: 2024	Outcomes
Spatial integration, human settlements and local government	Achieving spatial transformation through improved integrated human settlement development and linking job opportunities and housing opportunities.	<ul style="list-style-type: none">• Adequate housing and improved living environments• Security of tenure• Improved capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services (electrification, water treatment works and bulk water supply)

The Agency also indirectly contributes to the other six (6) priorities, and directly to the cross-cutting focus areas of women, youth and persons with disabilities.

2.2 HDA Mandate Shareholder Compact Signed by the Minister of Human Settlements

Section 8 of the HDA Act, No 23 of 2008 and its associated Regulation No R.610 states that the National Minister must, after consultation with MINMEC, conclude a written 5-year mandate with the Agency. The HDA will conclude a 5 year written mandate with the Minister of Human Settlements. The Agency is in the process of finalising the shareholder compact for the 2023/24 FY.

2.3 Planned Policy Initiatives

The Agency does not develop any human settlement sector specific policies in its own right because policy development in this regard is the responsibility of the NDHS. As an entity of the NDHS, the Agency does contribute to and participate in the planned policy initiatives of the NDHS. The planned policy initiative listed in the NDHS plans for the 22/23 FY is a Policy on upgrading of Informal Settlements.

2.4 Updates to Relevant Court Rulings

The Agency is not directly involved in any court cases or rulings arising there from, that impacts on its work.

PART A

OUR MANDATE

3.Update to Relevant Legislation and Policy Mandates

3.1 External Environmental Analysis

The work of the Agency is directly impacted on by the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) environment within which it works. The PESTLE Analysis provided for the Agency's 23/24 APP provided on the table below.

Table 4: Updated Pestle Analysis

Pestle	Detailed Perspective
Political	<ul style="list-style-type: none"> • Aperpetuation of unjust spatial patterns, which do not enhance sustainable HS developments • Insufficient alignment in the human settlement plans of the three spheres of government • Lack of alignment in terms of bulk infrastructure and human settlements planning and budgeting • The political impact of the covid-19 pandemic • The political and socio-economic priorities set for the 6th administration as outlined in the MTSF and the NDHS Strategic Plan for the same period • The strategic focus areas for human settlement programmes as outlined by the new Minister of Human Settlements • The release of government owned land for human settlement by the Department of Public Works and Infrastructure (DPWI)
Economic	<ul style="list-style-type: none"> • Fragmented funding framework of government • Reduced budgets for human settlement projects • Construction Gross Capital formation has declined by 0,62% between 2011 and 2021 • The economic impact of the Covid-19 pandemic on the construction / infrastructure sector. • Increased unemployment, especially amongst youth coupled with slow economic growth. • Implementation of the Economic Reconstruction and Recovery Plan (ERRP) which foregrounds infrastructure development • High inflation rate resulting in high costs of construction materials • The lack of available capital amongst construction sector Small, Medium and Micro Enterprises (SMMEs) at Construction Industry Development Board (CIDB) levels 1 to 4 • The human settlement industry not leveraging off the human settlements value chain due to lack of knowledge and understanding of opportunities • Unstable energy provision and continued load shedding • Enabling private sector participation in both leasing, managing and protecting state assets, whilst also contributing to the mission of a transformed, inclusive and vibrant active property market.
Social	<ul style="list-style-type: none"> • Expectations of communities not being met and the poor achievement of human settlement outcomes as defined in the NDP Vision 2030 and the MTSF for the 6th administration • Slow or inadequate spatial transformation and delivery of integrated Human Settlements close to or inclusive of socio-economic amenities • Service Delivery Environment and Housing Demand • High inflation rate resulting in poverty and high levels of crime • 400 000 housing units blocked due to unavailability of bulk infrastructure • Social and economic impact of the July 2021 protests actions in KwaZulu-Natal and Gauteng Provinces. • Continued social impact of the Covid-19 pandemic. • Continued service delivery protests and work stoppages at development project sites in some cases resulting in major damage to government infrastructure. • Unoccupied government buildings hijacked which could be repurposed for residential housing

PESTLE	Detailed Perspective
Technological	<ul style="list-style-type: none"> • Slow uptake of, and utilisation of alternative building technologies that speed up delivery and ensure long-term environmental sustainability, in the delivery of Human Settlements • Opportunity for the 4th Industrial Revolution innovations to improve the quality and standards of Human Settlement Developments • Insufficient funding and infrastructure to ensure 4IR is integrated in human settlements • Institutionalisation of sustainability principles in the facilities management programme and alignment to other departmental initiatives • Investment in disruptive and innovative technology including digitization of the housing delivery
Legal	<ul style="list-style-type: none"> • Impact of litigation and court judgements in respect of the NDHS and provincial departments of human settlements • Impact of legislation e.g. the Expropriation Bill • Unlawful occupation of land • Reduction in requests from some provincial department and municipalities for the Agency's project management services • The compliance requirements are onerous resulting in lengthy approvals and government procurement processes • Development of policies and legislation to incorporate bulk infrastructure, housing code, green technology as part of the housing delivery model
Environmental	<ul style="list-style-type: none"> • Delays in EIA and other land preparation approvals, and lack of co-ordination in respect of inter-linked approval processes • Impact of natural emergencies and disasters e.g. floods • Continued impact of the topography and terrain in terms of suitable land for human settlement developments. • Utilisation of innovation of private sector participants to enable alternative financing, spatial justice, spatial integration, equitable access and reduction of carbon footprint • Compliance to SPLUMA, SDF and the integration of DDM in the Agency Plans

3.1.1 Political Environment

Where people live and work matters. Apartheid planning consigned the majority of South Africans to places far away from work, where services could not be sustained, and where it was difficult to access the benefits of a society and participate in the economy. Although a great deal of progress has been made since 1994, South Africa is far from achieving the Reconstruction and Development Programme (RDP) goals of "breaking down of apartheid geography through land reform, more compact cities, decent public transport and the development of industries and services that use local resources and/or meet local needs". Despite reforms to the planning system, colonial and apartheid legacies still structure space across different scales.

The local sphere of government remains responsible for critical elements of delivery in terms of human settlement developments. The provision of bulk infrastructure as well as decisions and approvals pertaining to layout plans and township establishment are just some examples of the responsibilities that lie solely within the domain of municipalities. Although the Constitution of the Republic of South Africa provides for cooperative governance, the practice thereof is weak at best. The results of the November 2021 local government elections have produced a radical shift and change in the political environment of this sphere. A significant majority of councils now have coalition government of political parties with different and varying policies on socio-economic transformation and how this can be achieved. Thus, the extent to which service delivery in respect of human settlements is prioritised at a municipal level, will be impacted on.

In response to this deficiency government launched the District Development Model (DDM) in 2019. The Model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focussed One Plan for each

of the 44 districts and 8 metropolitan geographic spaces in the country, wherein the district is seen as the 'landing strip'. Therefore, the model is a practical Intergovernmental Relations (IGR) mechanism to enable all three spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison. This will also require national and provincial departments provide implementation plans and budgets which address local challenges and developmental opportunities whilst aligning with national, regional, continental and global goals and objectives. The Department of Human Settlements has started the process to review the White Paper on Human Settlements and it expected that this review will focus on eliminating the unlocking the backlogs in the delivery of housing and with particular focus on partnering with key stakeholders to streamline the service delivery model.

In the recent past the HDA has undergone some turbulent times with the Human Settlements having had to place the organisation under administration in 2018 and 2021. Since her appointment in August 2021, the Minister of Human Settlements, Ms Kubayi, has reiterated the importance of accelerating the delivery of human settlement projects and improving the performance of the sector in general and the NDHS in particular. In this regard the Minister appointed a new Board for the Agency and the board proceeded to fill in the vacant key executive management positions for the Chief Executive Officer and Chief Financial Officer which has ensured in the stabilisation of the Agency which has partly resulted in the reduction in the whistle blowers complaints since the appointments. Of importance is the decision to formally set aside 40% of all procurement spend for businesses owned by women. This includes businesses operating in the construction sector across all CIDB levels, i.e. Levels 1 to 9. The Agency will contribute to this target, primarily but not only through its role as a public sector property developer. Also of significance is the emphasis on the rezoning of all land acquired within Priority Development Areas (PDAs) between 2014 and 2019. This rezoning responsibility had been delegated to the Agency and thus impacts on its work for the 23/24 FY and it associated MTEF.

It is envisaged that the DPWI's release of government land under its custodianship and which is suitable for human settlement developments will make a valuable contribution to accelerating the delivery of human settlement projects to be delivered by the Agency. It is also envisaged that the land released by DPWI could be used by the Agency to leverage additional revenue required for its public sector developer role.

At the recent Department of Human Settlement strategic planning session to develop the Annual Performance Plan for 2023/24 the Minister highlighted a need for disruptive and innovative human settlements underpinned by the realisation of quality, efficiency to delivery on the human settlement mandate for the majority of South Africans. The provision of bulk infrastructure remains the achilles heel for the DHS to deliver on the mandate as the responsibility is intergovernmental and require an enhanced partnership model between the three spheres of government and an investment drive to persuade the private sector interest.

3.1.2 Economic Environment

a. Gross Domestic Product

GDP decreased by 0,7% in the second quarter of 2022 Gross domestic product (measured by production). South Africa's gross domestic product (GDP) decreased by 0,7% in the second quarter of 2022. The manufacturing industry decreased by 5,9% in the second quarter, contributing -0,7 of a percentage point to GDP growth. The construction industry decreased by 2,4%, contributing -0,1 of a percentage point. Decreased economic activities were reported for residential buildings and construction works. The unadjusted real GDP at market prices for the first six months of 2022 increased by 1,4% compared with the first six months of 2021.

b. Unemployment

According to Stats SA's Quarterly Labour Force Survey (QLFS) Q2: 2022, The official unemployment rate was 33,9% in the second quarter of 2022. These results indicate that 648 000 jobs were gained between the first quarter of 2022 and the second quarter of 2022. The biggest job gains were recorded in Community and Social Services (276 000), Trade (169 000), Finance (128 000) and Construction (104 000). However, there were job losses in Manufacturing (73 000) and Transport (54 000). The total number of persons employed was 15,6 million in the second quarter of 2022.

The number of unemployed persons increased by 132 000 to 8,0 million in the second quarter of 2022 compared to the previous quarter. The number of discouraged work-seekers decreased by 183 000 (4,9%) and the number of people who were not economically active for reasons other than discouragement decreased by 452 000 (3,3%) between the two quarters resulting in a net decrease of 635 000 in the not economically active population. The above changes in employment and unemployment resulted in the official unemployment rate decreasing by 0,6 of a percentage point from 34,5% in the first quarter of 2022 to 33,9% in the second quarter of 2022. The unemployment rate according to the expanded definition of unemployment also decreased by 1,4 percentage points to 44,1 % in Q2:2022 compared to Q1:2022.

The results continue to show that youth remain vulnerable in the labour market. The second quarter of 2022 saw the total number of unemployed youth (aged 15-34) increase by 2,0% (or 92,000) to 4,8 million from Q1:2022. There was a noticeable increase of 7,2% or 370 000 in the number of employed youth during the same period. The increase in both employment and unemployment among the youth resulted in a decrease in youth unemployment rate by 1,3 percentage points to 46,5% in Q2:2022.

HDA Job Creation Estimates for 2023-24

		MODEL RESULTS			
Item	Delivery	Direct	Indirect	Induced	Total
Serviced Stand	953	169	17	79	265
Top Structure	1 186	358	60	281	699
Socio-Economic	-	-	-	-	-
Total	2 139	527	77	360	964

Source: Human Settlements Employment model, date 20 February 2023

Direct job comes from project implementation while indirect jobs come from suppliers of material for housing development. Induced jobs are created in other industries through income generated as a result of government investment in housing i.e., furniture and appliances, food and beverage industry, and clothing industry etc).

c. Economic Recovery

A Parliamentary Budget Office Report 3 on the ERRP includes data on progress in the first 6 (six) months of its implementation. For the purposes of this APP, only the interventions related to infrastructure development are considered. On the development of local supplier industries for infrastructure delivery, a draft master plan i.r.o. of steel has been finalised, an implementation plan is being developed and a Powerline hardware designation circular has been published. The cement designation has been finalised but the Circular is yet to be published. The ceramics designation was in the process of being finalised. The ERRP also speaks to the need for a public procurement set aside for women.

The Agency is responding directly to this with its indicator and target in this 22/23 APP for 40% procurement spend on women owned businesses. Although infrastructure that meets the goals of the NDP is one of the eight (8) priorities of the ERRP, there is no intervention specific to the delivery of human settlement projects.

Stats SA's March 2021 Construction Material Prices Indices⁴ shows an increase in the cost of construction. The price index increased by 4.4% on the month-to-month rate in Contract Price Adjustment; 6.6% in respect of bituminous mixtures; and 5.2% for padlocks, clasps and keys. The index for Construction Input Prices Indices, increased by 1.1% in the month-to-month rate. The civil engineering category account for 1.9% of this increase. The Agency will take into account the increase in construction material costs, as well as the availability of construction materials when determining the timeframes and milestones for the projects it is managing and/or developing in its own right. The Agency is working in partnership with the NDHS to develop and implement solutions that will assist construction SMME's to access the financial support they require to capitalise their businesses in order to implement projects awarded to them.

The South African economy has been experiencing economic stagnation which has put a strain in the effort to tackle the historical structural economic challenges of inequalities, unemployment and poverty. COVID-19 exacerbated the social and economic situation. Therefore, the Economic Recovery and Reconstruction Programme (ERRP) was developed, in the short term, to preserve lives through supporting livelihoods, distressed firms and financial systems, health care.

In the long term the ERRP focuses on economic recovery and reconstruction to be implemented by government and social partners to stimulate equitable and inclusive growth. The Economic Reconstruction and Recovery Plan aimed to build a new economy and unleash South Africa's true potential. The overarching goal of the plan continues to create sustainable, resilient and inclusive economy. It remains focused on the following priority areas:

- Energy security
- Industrial base to create jobs
- Mass public employment programme
- Infrastructure development
- Macro-economic interventions
- Green economy
- Food security
- Reviving the tourism sector

The Status Quo of the economy remains a deterrent in the achievement of the ERRP goals as these remain highly dependent on the external forces in the environment, including the following:

- The Russia/Ukraine conflict (and subsequent sanctions) have renewed the surge in global inflation, weighing on global demand
- Higher inflation is eroding purchasing power, leading to higher interest rates, discouraging and delaying investment and hiring
- Fuel prices have increased dramatically, primarily on the back of increasing oil prices due to a resurgence in global demand and the Russian conflict with Ukraine. This has been compounded by a surge in gas prices, resulting from European countries switching from gas to alternative energy sources, such as oil and coal for power generation
- China's economy has also slowed, owing to the impact of COVID-19 restrictions and the weakening property market
- Lower global growth means lower external demand threatening the pace of economic growth in South Africa
- Commodity prices have been very supportive of South Africa's recovery, tax revenue and external account. However this support is proving to be only temporary

- The decline in prices of commodity is not supportive for SA's economic growth, as well as for tax revenues
- Growth in first half of 2022 is mixed as a result of strong real GDP outcome in 1Q 2022 but due to shocks in 2Q 2022 (the KZN flooding, load shedding and rising inflation) real gross domestic product (GDP) decreased by 0,7%
- Despite a modest improvement thus far in 2022, the official unemployment rate is still very high
- Unemployment rates remain worse for women (35.5%) compared to men (32.6%), black Africans (37.8%) and for youth aged 15- 24 years (61.4%); and
- Electricity supply remains constrained and unreliable

The following enabling interventions have been planned to accelerate the implementation of the ERRP:

- Accelerate social infrastructure development and delivery by unlocking catalytic fund projects for bulk infrastructure which stimulate private sector investment by increasing investment in infrastructure projects
- Industrialisation and Localisation programme to focus
- National Treasury to provide adequate funding for ERRP projects
- ESIEID and JCPS Clusters to collaborate on security strategies to combat corruption, theft and vandalization of infrastructure
- Provincial, local government and social partners to collaborate on the implementation of ERRP and reporting thereof

3.1.3 Social Environment

South Africa uses a Multidimensional Poverty Index (MPI) to define and gauge poverty. Two (2) of the MPI's nine (9) indicators relate to housing, namely (a) household dwelling is a shack/informal dwelling and (b) overcrowded: three (3) or more persons per room. The other seven (7) indicators relate to water, sanitation, energy, communication/assets, food/ hunger, schooling and unemployment.

Stats SA, 2022 estimate the SA population at 60.2 Million growing at an annual rate of 1.06%. Children and Youth amount to 38m (62.1%) of the total population. In 2015, more than a quarter (25.2%) of the population were living below the food poverty line. The location of the ten (10) poorest municipalities (by headcount) in 2016 was in rural municipalities and still remain the reality as a result of poor or limited levels of development in rural areas. Grants are the main source of income for almost one-quarter (24,4%) of households nationally.

As access to grants increased, vulnerability to hunger at an individual and household level had declined until 2019 at 11.6% and 10.8% respectively. Since 2020, vulnerability to hunger for individual and household level has increased slightly at 12.2% and 11.6% respectively.

Slightly more than four-fifths (83,6%) of South African households lived in formal dwellings in 2021.

Table 5: Dwelling Status by Province: 2021

Province	Formal	Informal	Traditional
North-West	80.5%	19.1%	0.4%
Western Cape	82.2%	17.3%	0.1%
Gauteng	81.6%	17%	0.1%
Free State	82.6%	15.4%	2%
Northern Cape	86.8%	12.3%	0.5%
Mpumalanga	89.8%	7.1%	3.1%
Eastern Cape	72.4%	5.4%	21.6%
Kwa-Zulu Natal	85.7%	5.0%	9.3%
Limpopo	96.3%	2.9%	0.7%
South Africa	83.6%	11.7%	4.2%

A noteworthy 83.6% of all households live in formal dwellings. Between 2019 and 2021, the figure of people living in informal dwellings dropped from 12.7% in 2019 to 11.7% in 2021. The Survey also indicates a decrease in households living in traditional dwellings from 5.1% in 2019 to 4.2% in 2021;

The findings regarding access to electricity, water and sanitation by households show: 89.3% of households were connected to the mains electricity supply 2021 as compared to 85% in 2019

Table 6: Access to Sanitation by Province: 2021

Province	Flush Toilet	Pit Latrine/toilet With Ventilation Pipe	Pit Latrine/toilet Without Ventilation Pipe	None
Western Cape	94.8%	0.0%	0.0%	0.4%
Gauteng	87.5%	4.3%	6.0%	0.3%
Free State	75.2%	11.1%	9.1%	0.4%
Northern Cape	73.1%	14.3%	7.7%	2.7%
Kwa-Zulu Natal	50.5%	34.0%	13.0%	0.5%
Eastern Cape	47.8%	43.9%	5.1%	2.0%
North-West	47.2%	30.6%	20.5%	1.6%
Mpumalanga	41.0%	22.2%	36.7%	0.1%
Limpopo	25.6%	32.9%	41.1%	0.4%
South Africa	64.8%	19.3%	13.4%	0.6%

Almost two-thirds of South African households have access to flush toilets while 84,1% had access to improved sanitation.

Around 3,6 Million households we registered as indigent in 2020. Around 20% of households nationally are registered as indigent household.

Table 7: Registered Indigent Household by Province: 2021

Province	Registered Indigent Households
Kwa-Zulu Natal	33.7%
Eastern Cape	33.0%
Free State	27.9%
Northern Cape	21.4%
Western Cape	17.1%
Gauteng	15.3%
Limpopo	11.7%
North-West	10.2%
Mpumalanga	7.7%
South Africa	19.9%

Around 3,6 Million households we registered as indigent in 2020.

Table 8: Municipal Services and Indigent Services Provision per Household: 2020

Indigent Services	Total Number
Water	14 117 892
Free Basic Water	3 377 871
Basic Electricity	12 479 998
Free Basic Electricity	2 373 983
Basic Sewerage & Sanitation	12 769 267
Free Basic Sewerage & Sanitation	2 816 134
Basic Solid Waste Management	10 525 742
Free Basic Solid Waste Management	2 733 573
Indigents	3 580 006
Bucket Toilets	47 130

3.1.4 Technological Environment

The Agency has inadequate and outdated policies, processes and systems not suited to efficiently deliver on the primary and secondary mandate. Therefore there is a urgent need for the HDA to invest in the Fourth Industrial Revolution (4IR) and disruptive technology like machine learning, artificial intelligence, and big data will improve the way we live, the way we work, do business and the way we govern. The introduction of innovation incorporating digitisation will allow increased productivity, efficiency and quality in processes, greater safety for workers by reducing jobs in dangerous environments, enhanced decision making with data-based tools and improve competitiveness of the Agency. Beneficiaries should have access to apply for housing online using the mobile devices i.e. WhatsApp. Millions of housing units are delivered for low income earners, however, few of these are constructed using alternative building technologies/ Innovation. There is a need to strengthen knowledge and understanding of innovative system and alternative building technologies in the housing sector.

The Agency will continue to encourage and facilitate the use of Smart and Alternative Building Technologies (ABT) and the inclusion of broadband connectivity in human settlement developments, to yield the broader socio-economic benefits there from, such as environmental sustainability and broad-based economic growth and development. As part of the government strategy to build Smart Cities. The housing sector needs to develop policies for alternative technologies and systems that can be sustainable in the South African context. When selecting the technology there will be a need to consider the lifecycle costs such as energy efficiency and maintenance costs. It will also be critical that inspection of houses built with alternative building technologies should be undertaken by personnel with the required expertise. Lastly there will be a need to establish partnerships with professional bodies to assist in ensuring quality and durable structures and to develop capacity in construction project management.

The critical matter of the poor quality and standards of TRU's is being addressed by the NDHS and the Agency will contribute to the assessment of the problem as well as the development of solutions to address it. The health risks associated with asbestos roofs is also being addressed by the NDHS which has delegated the function of replacing asbestos roofs to the Agency. Thus, this 23/24 APP reflects an indicator and targets pertaining to the replacement of asbestos roofs.

3.1.5 Legal Environment

The impact of the legal environment on the delivery of human settlements is addressed in detail in Section A of this 23/24 APP. The said section explains that the overall mandate of the human settlements sector, which the Agency is located in, derives from the Constitution; the specific mandate as expressed in the HDA Act and all related policies and legislation that impacts on and guides the work of the sector as a whole, and the Agency in particular.

The Agency is cognisant of the fact that it must incorporate any changes made to the policy and legislative environment into its work, and in the same way that it has to take into account relevant litigation and court judgements.

The Agency's regional managers are engaging in discussions with provinces and municipalities to conclude IPs and MTOPs for the MTEF period starting in the 23/24 FY. In addressing the procurement process, blockages experienced, the Agency is undergoing an organisational review process that is envisaged to address this as well as take into account all new developments at a national policy and legislative level on procurement.

The housing sector is undergoing a review of the policy and legislation to incorporate amongst others the provision of bulk infrastructure, housing code, green technology as part of the housing delivery model. The provision of bulk infrastructure has a major impact on unblocking and accelerating the revitalization of CBDs and deserted towns, reduce project stoppages and unreasonably long delays in delivery of houses to the beneficiaries.

3.1.6 Environment Factors

As stated in the NDHS 23/24 APP: "The totality of the living environment (ecosystem) has a bearing on the delivery of human settlements, and this accounts for the environment to be carefully analysed against the possibility of achieving human settlement targets. Housing and human settlements delivery focuses on spatial management, i.e. the living environment or ecosystem".

The Agency will continue to ensure that human settlement projects it has responsibility for complies with the spatial principles of the Spatial Land Use Management Act of 2013 (SPLUMA) and with the NDP Vision 2030.

3.1.7 Persistent challenges that must be addressed

The persistent challenges reflected in the agency's 5-year strategic plan remain the same and are listed again below for ease of reference:

- Insufficient delivery by the public sector due to challenges and blockages in the system.
- Declining supply by the private sector caused by both supply and demand side constraints.
- The continued location of housing projects on the periphery of cities that marginalizes the poor in terms of transport and access to work opportunities and social service.
- An untransformed human settlements sector in terms of black industrialists with specific focus on women, youth and persons with disabilities.
- Insufficient bulk and link infrastructure.
- Procurement and management delays in provinces and municipalities.
- Lack of adequate monitoring, evaluation and reporting.

3.1.8 Women, Youth and Persons with Disabilities

During the 23/24 FY, the Agency will continue to strive to contribute to the NDHS targets for the marginalised sectors of women, youth and persons with disabilities. In line with the NDHS directives, the targets for procurement spend on women; youth and persons with disabilities have been revised upwards to 45%; 25% and 7% respectively. The target for military veterans remains at 5%.



PART B

OUR STRATEGIC FOCUS

1. Internal Environmental Analysis

1.2. HDA SWOT Analysis

The key internal environment (strengths and weaknesses) and the external environment (opportunities and threats) that impacts on the Agency have been outlined on table 9 in the next page.



Table 10: Root-Causes Analysis and Key Strategies

Strategic Perspectives	Problem Statement	Symptoms	Root Causes	Key Strategies
1. Mandate	<ul style="list-style-type: none"> Insufficient roll-out of the primary mandate A perpetuation of unjust spatial patterns, which do not enhance sustainable HS developments. HDA mandate allows for the disruption of this status quo however it is not fully implemented Contradictory policy framework leading to inefficient operations 	<ul style="list-style-type: none"> Inconsistent remuneration Not using available mechanisms such as PFMA section 54, PP Not changing PFMA scheduling 	<ul style="list-style-type: none"> Misinterpretation of the HDA act Secondary Mandate receiving priority at the expense of the primary mandate Lack of seed funding from the department Current structure is not enabling to sufficiently support the primary mandate 	<ul style="list-style-type: none"> Increased utilization of available to legislative mechanisms to facilitate meeting of mandate (PFMA Scheduling, Section 54 Special Purpose Vehicles etc) Roll out and execution of the primary mandate Lobby for the harmonization of conflicting legislation across the three spheres of government
2. Governance	<ul style="list-style-type: none"> Poor Governance leading to the Agency under performing and being placed under administration. 	<ul style="list-style-type: none"> Repeated adverse Audit findings Leadership instability Allowing to fiscal dumping Poor records keeping and management Poor reputation of HDA Non-Integrated systems (ICT, Supplier Payments, Business reporting) 	<ul style="list-style-type: none"> Non-compliance with HDA policy, processes and Standard Operating Procedures Non-adherence to SCM SOPs Lack of consequence management Poor culture and lack of accountability 	<ul style="list-style-type: none"> Improved compliance to the HDA corporate governance framework Institute enhanced accountability and consequence management mechanisms
3. Sustainability	<ul style="list-style-type: none"> Current operating business and funding model is not meeting the primary and secondary mandates leading to an uncertain future in terms of sustainability 	<ul style="list-style-type: none"> Budget deficits Lack of sufficient progress on the primary mandate Province and Municipalities unilaterally withdraw projects Agreeing to fiscal dumping 	<ul style="list-style-type: none"> No penalty clauses in Contracts/SLA Funding instruments not enforceable Projects not viable / ready/ retracted Cross subsidisation of Provincial from HDA Operational Grant Poor exploitation of all sources of income as per provision of Act Accounting treatment of transfers (including revenue) Non-compliance with 	<ul style="list-style-type: none"> Development and operationalisation of a sustainable Business (including) funding model Reduced/Curbed cross subsidization Enhanced financial controls

Strategic Perspectives	Problem Statement	Symptoms	Root Causes	Key Strategies
4. People and Structure	<ul style="list-style-type: none"> • Instability in leadership and poor work ethics • Misalignment of structure with the mandate (that lead to inconsistencies or inadequacy in capacitating different units) 	<ul style="list-style-type: none"> • Low staff morale • High staff turnover • Non-attainment of organizational targets 	<ul style="list-style-type: none"> • Lack of consequence management • Lack of accountability (e.g., failure to avail for BSC Meeting) • Inadequate systems or processes (e.g., induction) • Performance Contracts not matching organizational targets • Inconsistency in adhering to requirements of job profiles at recruitment stage 	<ul style="list-style-type: none"> • Improved staff establishment • Implement an organization-wide performance management system
5. Processes and Systems	<ul style="list-style-type: none"> • Inadequate and outdated policies, processes and systems not suited to efficiently deliver on the primary and secondary mandate. 	<ul style="list-style-type: none"> • Delays in project delivery and other key performance areas (closure of site) • Non-adherence to policies, processes and systems. • Delays in approval process • Non-compliance to policies and procedures • Audit findings (reconciliation of policies to practice) • double or non- payment of contractors impacting on safety of employees 	<ul style="list-style-type: none"> • No effective training and socialisation on existing policies and SOP which leads to no buy in from internal stakeholders. • Processes are not automated. • Lack of appropriate delegations • Lack of document management 	<ul style="list-style-type: none"> • Improved alignment of technology systems to business requirements of the HDA • Implement a culture of business process management
6. Perception Management	<ul style="list-style-type: none"> • Consistent in creating and generating negative publicity thereby leading to HDA losing credibility with all stakeholders including staff 	<ul style="list-style-type: none"> • Anonymous letters • Negative media coverage • Partners withdrawing projects • Dysfunctional team and organisation (silo mentality) • Intimidation • Bullying • Culture of mistrust • No consequences • Loss of business • Reputational damage 	<ul style="list-style-type: none"> • Learned patterns of beliefs, values etc • Avoidance of accountability • Avoidance of outright conflict / passive aggressive • Institutionalised cliques / factions 	<ul style="list-style-type: none"> • Implement culture assessment and change management • Implement change management programme to foster greater alignment between staff and the Agency

Table 9: HDA SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> • Clear policy and legislative mandate on the role of the HDA • Early successful track record that can be used as a learning opportunity • Capable youthful staff members bringing innovation to the HDA family • Pockets of excellence having delivered large scale projects • Designated by cabinet as preferred developer for all public works • Strong and capable HDA Board • Permanent CEO and CFO positions filled. • Existing intergovernmental relationships • Existing partnerships with private sector developers. • Qualified and experienced staff especially for the secondary role 	<ul style="list-style-type: none"> • Use of SPVs as a means of attracting private sector funds • Expanded mandate of HDA to manage state land and properties on behalf of the DPWI • Government to make investment of 1.8 billion in bulk infrastructure, which will unlock seven private sector projects to the value of R133 billion • Identify and repurpose derelict and disused buildings • Engender qualitative participation rates of designated groups • Tap into the Bulk catalytic infra Fund and the IF facility • Sector agreement on the dual mandate, role and functions of the Agency • Set-aside of percentage of the Agency's project management fees for HDA driven HS developments • Redefining HSDG and other HS grants indicators and outputs through DORA • Media management and build positive sentiment on the brand with key stakeholders, by developing an updated digital library of project/programme information • Implement a stakeholder satisfaction survey, including media, provinces, municipalities, beneficiaries, contractors and develop an engagement strategy • Revision of HDA agreements to include penalty clauses
Weaknesses	Threats
<ul style="list-style-type: none"> • low staff morale • Persistent negative publicity, • Negative financial outlook, • Not fulfilling the primary mandate • Non-participation in industries that participate in the human settlements value chain • Lengthy procurement processes and compliance requirements. • Reputation deficit due to prolonged instability of the Agency • Lack of penalty clauses in HDA funding agreements (SLA's, funding agreements) 	<ul style="list-style-type: none"> • Insufficient budget for HDA driven HS projects. • Continued dependencies on provinces and municipalities for IPs and MTOPs. • Liquidity of the HDA (Provinces not paying on time) • Sustainability of the HDA • Construction Gross Capital formation has declined by 0,62% between 2011 and 2021

At a planning session of the Agency's staff held in August 2022 to develop the 23/24 APP, A Root- Cause Analysis (RCA) exercise was conducted. Conducting the RCA exercise was aimed at discovering the underlying causes of problems to identify appropriate solutions that will eliminate the problems permanently. RCA assumes that it is much more effective to systematically prevent and solve the underlying issues rather than just treating ad-hoc symptoms and putting out fires. It was then expected that key strategies should be undertaken to address these causes. The Agency envisages that it will implement the key strategies with action plans as part of the 2023/23 APP and the Departmental Operational Plans.

The key Root-Causes and Key Strategies were identified through an organisational assessment model that identified six (6) strategic perspective and these are summarised in the following table on the next page.

1.2.2 Stakeholder Analysis

The following table provides a summary of the key stakeholders that contribute to the delivery of the HDA's mandate.

Table 11: Stakeholder Analysis

Stakeholder	Contributions
NDHS	Policy and Legislative directives and funding. Signed Shareholder's Compact. Approval of Strategic Plan, APPs and related plans.
Provincial Departments of Human Settlements	Appointment of the HDA as project manager and/or implementing agent of identified human settlement projects in the form of signed IPs. Ring-fencing/allocation/transfer of provincial budgets set aside for projects listed in signed IPs.
Municipalities	Appointment of the HDA as project manager and/or implementing agent in the form of MTOPs. Provision of bulk services infrastructure. Approvals e.g. township establishment, layout plans, etc.
Financial Services Sector and potential investors	Additional capital required for human settlement projects. Market guarantee of subsidy commitments.
Private Sector Developers	Implementation/construction of projects. Compliance with SLA's and contractual agreements. Co-investment.
Citizens	Beneficiaries of housing units provided through integrated human settlement projects.
Other line function departments	Alignment of infrastructure development plans and budgets. Collaboration and co-operation at implementation level to ensure integrated human settlements that meet all the economic and social needs of residents.

1.2.3 HDA Business and Funding Model

One of key outputs at the planning session of the Agency's staff held in August 2022 was to develop the 23/24 APP, was the development of the responsive and relevant HDA Business and Funding Model. A Business Model is intended to describe the plan for the successful operation of a business, identifying sources of revenue, the intended customer base, products, partners, and details of financing. A Business Model typically describes how an organisation creates, delivers and captures value and sustains itself in the process.

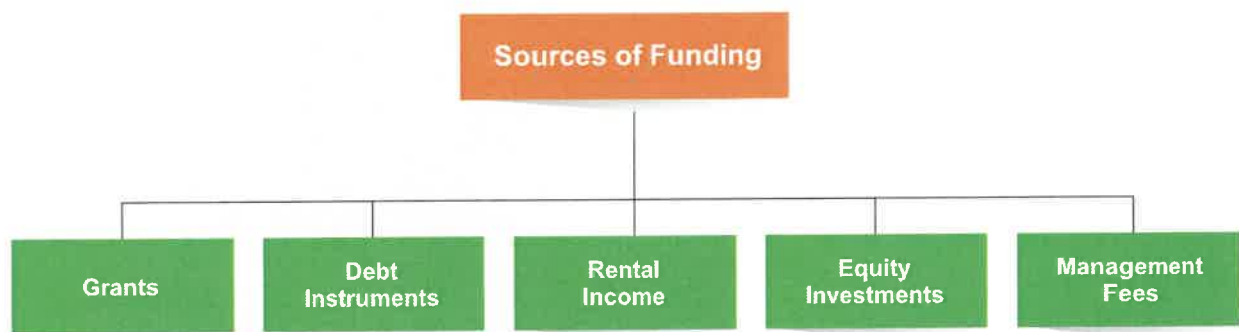
Figure 1: HDA Business Model Canvas



The Business Model above (Figure 1) illustrates that the HDA offers integrated, varied human settlement products and services to the target market of mixed income groups, mixed typologies, through collaboration with public and private partnerships. Further the business model embraces the second objective in terms of the HDA mandate which entails provision of project delivery services in the form of planning, capacity support and capability, and project management. Further the business model define:

- Key role players that participate in the value chain;
- The key activities that the HDA undertakes as part of both primary and secondary mandate;
- The key resources required to implement both mandate;
- The value proposition that justifies why the HDA should be the developer of choice;
- The customer interactions and delivery channels; and
- The segments targeted.
- The funding model consisting of the cost structure and revenue streams

Figure 2: HDA Funding Sources



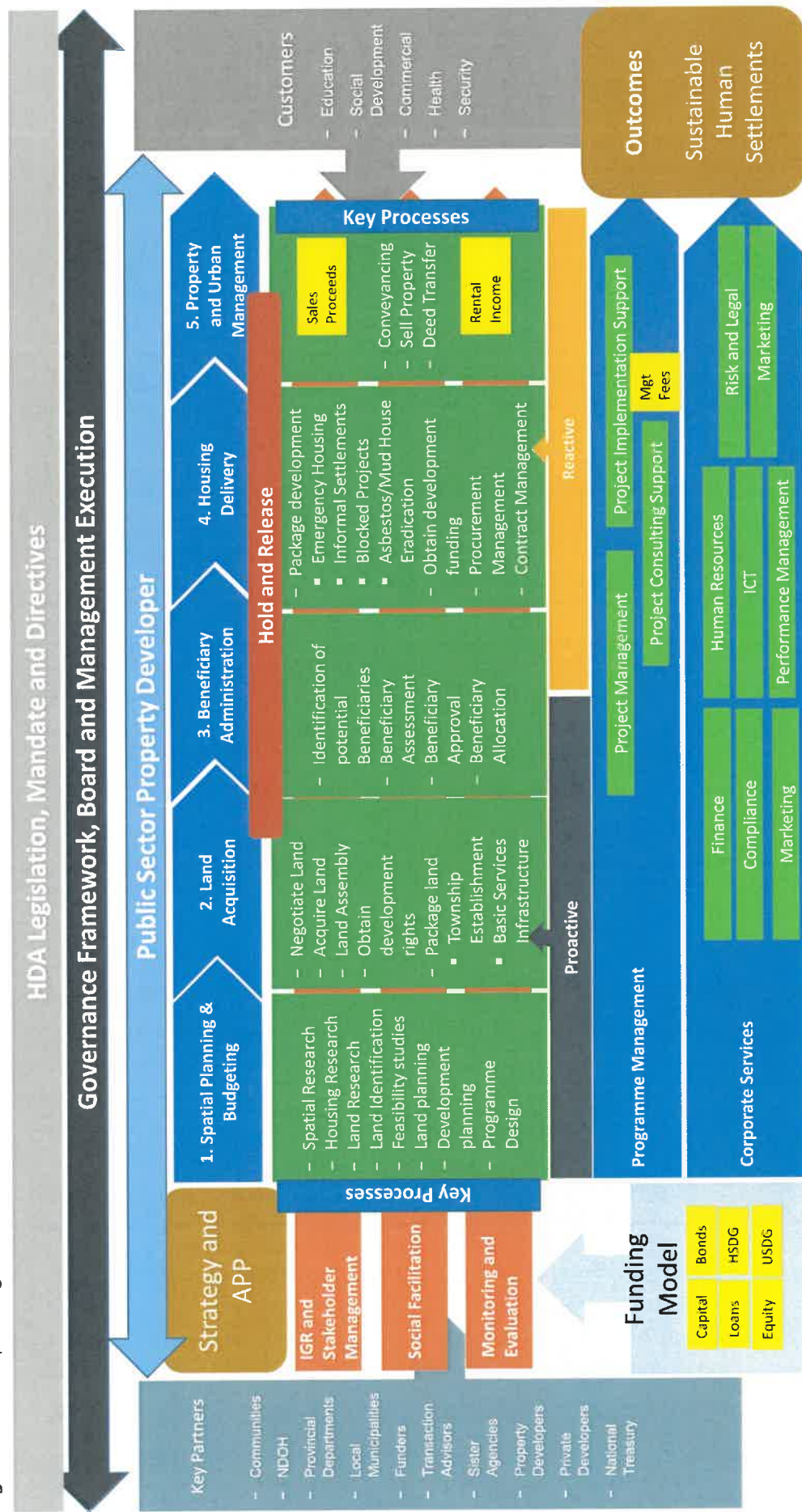
The HDA business model can be sustained through several funding sources as highlighted in the diagram above. Each of the funding sources are unpacked as follows:

- **Grants and Subsidies:** Refer to operational grants provided through the fiscus via various organs of state. Currently these are the:
 - Capital Restructuring Grants
 - Human Settlement Development Grant (HSDG)
 - Urban Settlements Development Grant (USDG)
- **Debt Instruments:** these refer to various debt available through lenders such development funding institutions, commercial banks and other funders in the form of loans and bonds amongst others
- **Rental Income:** These refer to rental income derived from social housing projects
- **Equity Investments:** Funding derived from various equity investment in the property development projects that HDA would have undertaken
- **Management Fees:** Earned from project management services rendered to HDA various clients.

1.2.4 HDA Operating Model

One of the key group activities during the strategic planning session in August 2022 was the clarification of the HDA mandate and defining the business model including the funding model. From this activity it was clear that the operating model would be the next key activity to be defined as there will be a need to align the organisational structure that will support the strategy of the organisation as the role of the Public Sector Property Developer for the HDA is prioritised in terms of the primary and secondary mandates. The proposed operating model and value chain is presented in Figure 3 in the next page.

Figure 3: HDA Operating Model



The operating model shows the integration of primary and secondary mandate core components of the value chain as well as:

- Key partners
- Customer segments
- Transversal elements that include:
 - o Core and support activities,
 - o Institutional good governance framework,
 - o Board and management execution,
 - o Funding sources

There are key cross-functional areas that will need to be strengthened to support the HDA Operating Model. These will include:

- o **IGR and stakeholder management** are intended to promote and facilitate co- operative decision-making and ensure that policies and activities across all spheres encourage service delivery and meet the needs of the citizens in an effective way. Agreements such as M-TOP, SLA, etc need to be reviewed to ensure inclusion of pre-conditions, service standards and consequence management.
- o **Social facilitation** that communicates clear messages to communities on the housing codes to ensure beneficiaries are clear on the different subsidy types, qualification criteria and processes to be followed and
- o **A monitoring and evaluation system** that will define the input, activities and assess the outputs, outcomes and impact accelerated delivery of the HDA Strategy and Mandate as envisioned in the HDA Act.

The key elements of the proposed operating model and value chain advocates for the following:

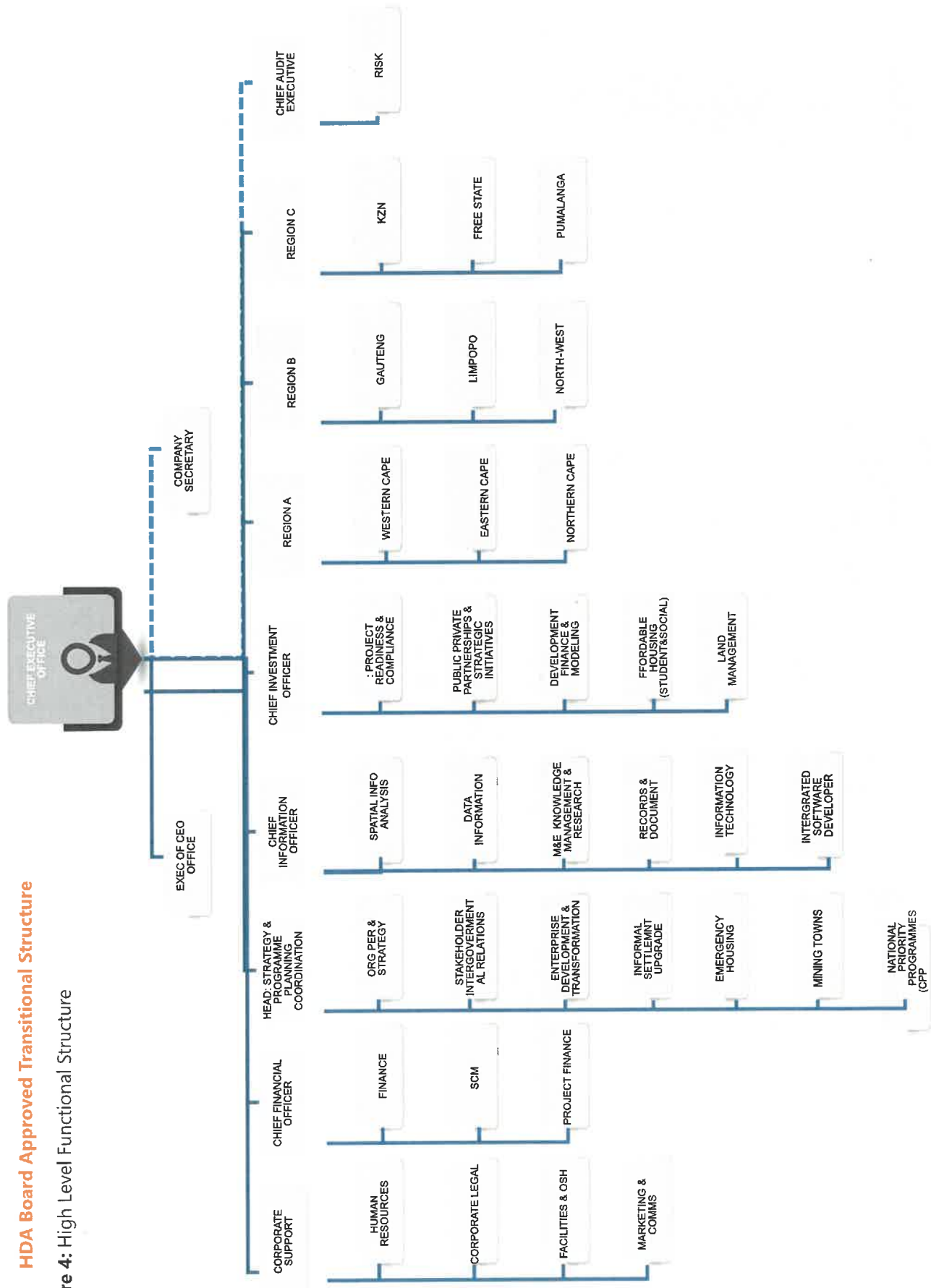
- 1. Spatial Planning and Budgeting** - spatial planning and budgeting include all the key processes related to proactive research to inform HDA and their key partners and stakeholders on demands for housing, availability of suitable land parcels for development. Additional planning and budgeting activities include conducting feasibility studies, land and development planning as part of designing a programme as input preparation for the acquisition of land. The key partners will be engaged on the funding instruments including bonds, equity, loans, grants, capital etc to ensure that there is adequate funds and these funds are budgeted and allocated before the land acquisition element is initiated.
- 2. Land Acquisition** - land acquisition including negotiating with owners of the land which could be privately and or publicly owned land, acquiring the land at the best possible price, assembling the land taking into consideration the development rights and submission of applications for building permissions to the local authorities, packaging the land parcels and establishment of townships and installation of bulk infrastructure
- 3. Beneficiary Administration**- this value chain element is the heartbeat for the organisation as it relates to the outcomes of HDA in terms of end user customers (beneficiaries) having access to integrated human settlements and benefitting from government interventions for providing housing to the communities in need. The key processes will include the identification of potential beneficiaries, assessment of the beneficiaries in terms of the subsidies they qualify for and support in the application processes, approvals and allocation of erf number/stand number for qualifying and approved beneficiaries

4. **Housing Delivery-** housing delivery value chain element relates to the delivery of integrated human settlements utilising the best practice project management framework intended to standardise the housing delivery across the HDA regions with support from corporate services, key partners and stakeholders in terms of packaging development for new housing, emergency housing, informal settlements, blocked projects, asbestos/mud housing eradication. Other key processes include obtaining development funding, following transparent the procurement management to appoint suitable and experienced main contractors and implementing pre-conditions of implementing government BBBEE and implementing contract management systems with service level service standards and penalty clauses to manage performance and provide consulting and implementation support resulting in project closures and site handovers in seamless and professional manner; and
5. **Property and Urban Management** - property and urban management value chain element is the last element in the value chain once the site has been handed over to HDA by the contractors and it relates to the key role that HDA needs to play in terms of which of the developments they intended to rent out or sell from the initial spatial planning and budgeting. The key processes will include engagement with estate agents to place properties on the market for rental and selling off property and engagement with conveyancing attorneys to facilitate the transfer of the properties including deeds transfers to the qualifying and approved beneficiaries.



1.2.5 HDA Board Approved Transitional Structure

Figure 4: High Level Functional Structure



PART C

MEASURING OUR PERFORMANCE

1. Institutional Programme Performance Information

1.1 Programme 1: Administration

The Administration programme provides effective leadership, strategic management and administrative support to the Agency in line with applicable legislation and best practice. It does so by ensuring that there is effective and efficient administration and governance within the organization.

The programme has the following sub-programmes: Audit and Risk, Corporate Support Services, Finance, Strategy and Organisational Performance, and Communication and Marketing.

Sub-programme	Services Provided
Audit and Risk	<ul style="list-style-type: none"> Organisational risks, integrity management, and anti-corruption services. Reports directly to the Chief Executive Officer. Facilitates the development and implementation of an internal control system to improve governance and compliance with applicable regulations, internal policies, processes and procedures. Fraud prevention and loss management.
Corporate Support Services	<ul style="list-style-type: none"> Reports directly to the Chief Executive Officer Provides administrative support to the entire organization i.r.o. Human Resource Management, Legal Services, Facilities Management, and Information Technology. HR = human resource administration, labour relations and employee wellness. Legal Services = legal advice, litigation support, ensures compliance with the national and international laws, drafting and monitoring of service level agreements. Facilities Management = staff and other resources are protected, well maintained and that the work environment is conducive for productive performance. IT = information communication technology and business enablement services
Finance	<ul style="list-style-type: none"> Reports to the Chief Executive Officer. Manages and provides financial management services i.r.o: Financial Accounting and Administration, Budgeting and Management Accounting, Supply Chain, Project Finance Management. Financial Accounting and Administration = develops and oversees the implementation of financial administration and accounting policies, processes and systems, ensures that the financial resources allocated to the agency are optimally utilised. Budgeting and Management Accounting = provides guidance on the preparation of budgets and monitors the expenditure trends on an ongoing basis. Supply Chain = facilitates the development and monitors the implementation of supply chain management policies, processes and systems. It also provides procurement management services within the organisation. Project Finance Management = manages and reports on funds received by the HDA from various provinces and/or municipalities to finance projects as per signed funding agreements.
Strategy and Organisational Performance	<ul style="list-style-type: none"> Facilitates the formulation of the strategic plan and annual performance plans. Responsible for institutional performance assessment and reviews.
Communication and Marketing	<ul style="list-style-type: none"> Responsible for the provision of communication services. Provides both internal and external communication services, media liaison support, public liaison, events management. Develops and maintains the organisational website.

Outcome	Outputs	Output Indicators	Annual Targets					MTEF Period		
			Audited/Actual Performance					Estimated Performance		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
Effective and Efficient Management and Good Governance of the HDA.	Unqualified Audits	1.1.1 Unqualified audit outcome with no material findings	Qualified audit opinion for the 2018/ 19 financial year	Qualified audit opinion obtained on the 2020/21 financial statements	Qualified audit outcome with no material findings	Unqualified audit outcome with no material findings	Unqualified audit outcome with no material findings	Unqualified audit outcome with no material findings	Unqualified audit outcome with no material findings	Unqualified audit outcome with no material findings
	Transformation and empowerment of designated groups	1.1.2 Percentage of annual HDA procurement spend, targeted at businesses owned by women	33.5% of annual HDA procurement spend, targeted at businesses owned by women	35% of annual HDA procurement spend, targeted at businesses owned by women	8.12% of annual HDA procurement spend, targeted at businesses owned by women	35% of annual HDA procurement spend, targeted at businesses owned by Women	45% of annual HDA procurement spend, targeted at businesses owned by Women	50% of annual HDA procurement spend, targeted at businesses owned by Women	55% of annual HDA procurement spend, targeted at businesses owned by Women	
		1.1.3 Percentage of annual HDA procurement spend, targeted at businesses owned by youth	46% of annual HDA procurement spend, targeted at businesses owned by youth	15% of annual HDA procurement spend, targeted at businesses owned by youth	2.92% of annual HDA procurement spend, targeted at businesses owned by youth	15% of annual HDA procurement spend, targeted at businesses owned by Youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth	30% of annual HDA procurement spend, targeted at businesses owned by Youth	35% of annual HDA procurement spend, targeted at businesses owned by Youth	
		1.1.4 Percentage of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	0.56% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	5% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	0.53% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	5% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	9% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	11% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	

Outcome	Outputs	Output Indicators	Annual Targets						MTEF Period		
			Audited/Actual Performance						Estimated Performance		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
Effective and Efficient Management and Good Governance of the HDA.	Functional, Efficient and Integrated Governance	1.1.5 Percentage Implementation of the approved internal audit Plan	New Indicator	100% Implementation of internal audit Plan against the annual coverage Plan by 31 March 2021	75% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan		
			New Indicator	0% implementation of approved anti-fraud and corruption plan by 31 March 2021	0% Implementation of anti-fraud and corruption plan	100% Implementation of anti-fraud and corruption plan	100% Implementation of anti-fraud and corruption plan	100% Implementation of anti-fraud and corruption plan	100% Implementation of anti-fraud and corruption plan		
			New Indicator	0% Implementation of the approved risk implementation plan	26.67% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan		

Table 12: Programme 1: Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1.1 Unqualified audit outcome with no material findings	Unqualified audit outcome with no material findings	Submission of Financial Statements	Unqualified audit outcome with no material findings	No Target	No Target
1.1.2 Percentage of annual HDA procurement spend, targeted at businesses owned by women	45% of annual HDA procurement spend, targeted at businesses owned by Women	45% of annual HDA procurement spend, targeted at businesses owned by Women	45% of annual HDA procurement spend, targeted at businesses owned by Women	45% of annual HDA procurement spend, targeted at businesses owned by Women	45% of annual HDA procurement spend, targeted at businesses owned by Women
1.1.3 Percentage of annual HDA procurement spend, targeted at businesses owned by youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth	25% of annual HDA procurement spend, targeted at businesses owned by Youth
1.1.4 Percentage of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	7% of annual HDA procurement spend, per financial year, targeted at businesses owned by Persons with disabilities
1.1.5 Percentage implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan
1.1.6 Percentage Implementation of Anti-fraud and corruption plan	100% implementation of anti-fraud and corruption plan	100% implementation of anti-fraud and corruption plan	100% implementation of anti-fraud and corruption plan	100% implementation of anti-fraud and corruption plan	100% implementation of anti-fraud and corruption plan
1.1.7 Percentage Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan	100% Implementation of the approved risk management plan

1.2 Programme 2: Land Assembly And Pda's

PURPOSE:

This programme facilitates access to well-located land for human settlements development, through land acquisition and rezoning within PDA's.

The Programme has the following sub-programmes: Land Management and Land Planning, as indicated in the following Table 12.

Table 12: Programme 2: Sub-programmes and services provided

Sub-programme	Services Provided
Land Management	Identifying, acquiring, holding, developing, and releasing state, privately and communal owned land Targeting and prioritising areas for integrated housing and human settlements development
Land Planning	Implementation of PDA programme - spatial targeting to achieve maximum spatial impact Compilation of detailed development concepts and layout for acquired land parcels to Proactively guide sector plans and investments over the MTEF periods e.g., Bulk requirements.



Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22			2022/23	2023/24
Integrated and sustainable human settlements and Security of Tenure	Integrated implementation programmes for PDAs	2.1.1. Number of integrated implementation programmes for PDAs completed per year	New Indicator	New Indicator	40 Integrated implementation programmes for PDAs completed per year	40 Integrated implementation programmes for PDAs prepared	14 Integrated implementation programmes for PDAs prepared	18 Integrated implementation programmes for PDAs prepared	19 Integrated implementation programmes for PDAs prepared
	Well-located land acquired within PDAs	2.1.2 Number of hectares of well-located land acquired within PDAs	New Indicator	1332,6383 hectares of well-located land acquired within PDAs	1765,5591 hectares of well-located land acquired within PDAs	1500 hectares of well-located land acquired within PDAs	500 hectares of well-located land acquired within PDAs	450 hectares of well-located land acquired within PDAs	500 hectares of well-located land acquired within PDAs
	Land rezoned, townships established, and all related development approvals acquired	2.1.3 Percentage of the 1786,1527ha of land acquired during 2014 – 2019 falling within PDAs rezoned	New Indicator	33% of the land acquired during 2014 – 2019 falling within PDAs rezoned	0% of the 1884,6870ha of land acquired during 2014 – 2019 falling within PSHDAs rezoned	50% of the 1884,6870ha land acquired during 2014 – 2019 falling within PDAs rezoned	100% of 1786,1527 ha of land acquired during 2014–2019 falling within PSHDAs rezoned	No Target	No Target
		2.1.4 Number of hectares of land rezoned for Human Settlements development	5 parcels of land facilitated for rezoning	1000 hectares of land rezoned for Human Settlements development	607,1939 hectares of land rezoned for Human Settlements development	1000 hectares of land rezoned for Human Settlements development	550 hectares of land rezoned for Human Settlements development	600 hectares of land rezoned for Human Settlements development	700 hectares of land rezoned for Human Settlements development
	Well-located land acquired	2.1.5 Number of hectares of well-located land acquired and/or released for human settlements development	3514, 5428 hectares of Land acquired and/ or released for Human Settlements	2116,5517 of hectares of well-located land acquired and/or released for human settlements development	3243,447 hectares of well-located land acquired and/or released for human settlements development	750 of hectares of well-located land acquired or released for Human Settlements development	500 of hectares of well-located land acquired or released for Human Settlements development	1000 of hectares of well-located land acquired or released for Human Settlements development	1000 of hectares of well-located land acquired or released for Human Settlements development

Programme 2: Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.1.1. Number of integrated implementation programmes for PDAs completed per year	14 Integrated Implementation Programme for PDAs prepared	14 inception reports	14 situational analysis reports	14 draft plans	14 Completed Plans
2.1.2 Number of hectares of well-located land acquired Within PDAs	500 hectares of well- located land acquired within PDAs	0 ha	50 ha	150 ha	300 ha
2.1.3 Percentage of 1786.1527 ha of land acquired during 2014-2019 falling within PSHDAs rezoned	100% of 1786.1527 ha of land acquired during 2014-2019 falling within PSHDAs rezoned	No Target	No Target	No Target	100%
2.1.4 Number of hectares of land rezoned for Human Settlements Developed	550 hectares of land rezoned for Human Settlements development	0 ha	0 ha	0 ha	550 ha
2.1.5 Number of hectares of well-located land acquired or Released for human settlements development	1000 hectares of well- located land acquired or released for Human Settlements development	100 ha	150 ha	250 ha	500 ha

1.3 Programme 3: Programme Planning and Design and Regional Coordination and Human Settlement Implementation Support Service

PURPOSE:

This programme plans, designs, manages and implements priority programmes and provides access to adequate housing through a range of programmes.

The programme has the following sub-programmes:

- Programme Planning and Design and Regional Coordination
- Human Settlements Implementation Support Services

Sub-Programme 3.1: Informal Settlements Upgrading

The Upgrading of Informal Settlements Programme is consistent with conventions whose focus it is to address the plight of persons without adequate housing. The Government of South Africa is party to developmental goals which provide for the significant improvement in the lives of its dwellers. Noting that informal settlements are multi-year development projects, it is envisaged that the numbers will fluctuate based on the Agency's involvement in this priority Informal Settlement Upgrading Programme (UISP) nationally.

The UISP is a very complex programme with various informal settlements having their own unique circumstances which require different interventions and / or development responses. The programme is one of Government's prime development initiatives and that upgrading projects should be dealt with on a priority basis. In line with international best practice, the programme has been designed to address the specific development requirements posed by informal settlements hence it is flexible to ensure that it can address locally peculiar development requirements and becomes a specially designed funding mechanism.

With due consideration of the objectives and principles of informal settlements upgrading projects should be undertaken against the following broad objectives and principles:

- Maximise the impact of the programme by reaching as many households as possible and to achieve the national goal of upgrading of all informal settlements
- Priority should be on settlements located in areas posing a threat to health and safety
- Projects should promote the objective of spatial restructuring and integration
- Settlements that are threatened with eviction or have been the subject of a court judgement must be prioritised
- Responsible authorities should adhere to the principle that community participation is key to success and that relocation of communities should be a last resort



Provided that HDA has the necessary capacity it can demonstrate ability to assume and Implementing Agent role and provide impetus to Provincial Human Settlements departments and Municipalities to implement the phases of UISP accordingly.

Table 13: Programme 3: Sub-programmes and services provided

Sub-programme	Services Provided
Programme Planning and Design	<ul style="list-style-type: none"> Provides programme planning and design for priority programmes such as priority projects within PDA's, Informal Settlement Upgrading, Mining towns' revitalisation Specific unblocking of projects. Facilitates the implementation of transformation and empowerment in all HDA programmes (as per preferential procurement targets set in Programme 1)
Revitalisation of distressed mining towns	
Upgrading of Informal Settlements Programme	
Priority Projects	
Regional Co-ordination and HS Implementation Support Services	<ul style="list-style-type: none"> Enhances capacity and renders human settlements projects implementation services to provinces and municipalities. Collaborates with the respective spheres of government to optimise service delivery and facilitate access to adequate housing.



Sub-Programme 3.1: Informal Settlements Upgrading

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22		2022/23	2023/24	2024/25
Integrated and sustainable human settlements and Security of Tenure	Adequate housing and improved living conditions in informal settlements	3.1.1. Number of informal settlements supported for upgrading between to Phase 3	369 informal settlements assessed and categorised	191 informal settlements supported for upgrading to Phase 3 of UISP	375 informal settlements supported for upgrading to Phase 3 of the UISP	200 informal settlements supported for upgrading to Phase 3 of UISP	124 informal settlements supported for upgrading to Phase 3	280 informal settlements supported for upgrading to Phase 3	320 informal settlements supported for upgrading to Phase 3
	Adequate housing and improved living conditions in Emergency housing areas	3.1.2. Number of development programme and project plans drafted for funding and implementation	New Indicator	New Indicator	New Indicator	5 draft project development plans drafted for funding and implementation	5 draft project development plans drafted for funding and implementation	5 draft project development plans drafted for funding and implementation	5 draft project development plans drafted for funding and implementation

Sub-Programme 3.1: Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target FY 2023/24	Q1	Q2	Q3	Q4
3.1.1 Number of informal settlements supported for Upgrading to Phase 3	124 of informal settlements supported for Upgrading to Phase 3	No Target	No Target	No Target	250 of informal settlements supported for Upgrading to Phase 3
3.1.2 Number of development programme and project plans drafted for funding and implementation.	5 draft project development plans drafted for funding and implementation	No Target	No Target	No Target	5 draft project development plans drafted for funding and implementation

Sub Programme 3.2 Priority Projects and Revitalisation of Distressed Mining Communities

Outcome	Outputs	Output Indicators	Annual Targets					MTEF Period		
			Audited/Actual Performance			Estimated Performance		2023/24	2024/25	2025/26
			2019/20	2020/21	2021/22					
Integrated and sustainable human settlements and Security of Tenure	Adequate housing and improved living conditions in selected priority projects	3.2.1 Number of National Priority Human Settlements Projects provided with implementation support	50 Priority Projects provided with Implementation support	36 National and/ or provincial priority Human Settlements priority projects provided provides with implementation support	50 Priority Projects provided with Implementation support	50 Priority Projects provided with Implementation support		50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support
			New Indicator	New Indicator	23 mining towns provided with technical and implementation support	6 Provinces provided with programme planning and implementation support for the revitalisation of distressed mining communities		6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities

Sub-Programme 3.2: Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.2.1 Number of National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support	50 National Priority Human Settlements Projects provided with implementation support
3.2.2 Number of Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities	6 Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities

Sub-Programme 3.3: Regional Co-ordination and Human Settlement Implementation Support Services

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22		2022/23	2023/24	2024/25
Integrated and sustainable human settlements and Security of Tenure	Housing Units delivered by HDA	3.3.1 Number of housing units delivered i.r.o. projects implemented by the HDA	4655 housing units delivered	4564 of housing units delivered	2451 of housing units delivered i.r.o. projects implemented by the HDA	3428 Housing units delivered i.r.o. projects implemented by the HDA	1300 Housing units delivered i.r.o. projects implemented by the HDA	4107 Housing units delivered i.r.o. projects implemented by the HDA	4189 Housing units delivered i.r.o. projects implemented by the HDA
		3.3.2 Number of serviced sites delivered i.r.o. projects implemented by HDA	2604 serviced sites delivered i.r.o. projects implemented by the HDA	4270 serviced sites delivered i.r.o. projects implemented by the HDA	2806 serviced sites delivered i.r.o. projects implemented by HDA	4517 Serviced sites delivered i.r.o. projects implemented by the HDA	1236 Serviced sites delivered i.r.o. projects implemented by the HDA	4737 Serviced sites delivered i.r.o. projects implemented by the HDA	4831 Serviced sites delivered i.r.o. projects implemented by the HDA
	Serviced sites delivered	3.3.3 Number of asbestos roofs replaced	New Indicator	New Indicator	New Indicator	1000 Asbestos roofs replaced i.r.o. projects managed by	1000 Asbestos roofs replaced i.r.o. projects managed by the HDA	1103 Asbestos roofs replaced i.r.o. projects managed by the HDA	520 Asbestos roofs replaced i.r.o. projects managed by the HDA
		3.3.4 Number of Temporary Emergency Accommodation managed by the HDA i.r.o. projects managed by the HDA	New Indicator	New Indicator	New Indicator	New Indicator	3 of Temporary Emergency Accommodation managed by the HDA	4 of Temporary Emergency Accommodation managed by the HDA	5 of Temporary Emergency Accommodation managed by the HDA
		3.3.5 Number of Title deeds registered	403 Title Deeds Registered	7058 Title Deeds Registered	7058 Title Deeds Registered	1590 title deeds registered	882 title deeds registered	1403 title deeds registered	1432 title deeds registered

Sub-Programme 3.3: Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.3.1 Number of housing units delivered i.r.o. projects implemented by the HDA	1300 of housing units delivered i.r.o. projects implemented by the HDA	96 of housing units delivered i.r.o. projects implemented by the HDA	139 of housing units delivered i.r.o. projects implemented by the HDA	270 of housing units delivered i.r.o. projects implemented by the HDA	795 of housing units delivered i.r.o. projects implemented by the HDA
3.3.2 Number of serviced sites delivered i.r.o. projects implemented by HDA	1236 of serviced sites delivered i.r.o. projects implemented by HDA	140 of serviced sites delivered i.r.o. projects implemented by HDA	262 of serviced sites delivered i.r.o. projects implemented by HDA	325 of serviced sites delivered i.r.o. projects implemented by HDA	509 of serviced sites delivered i.r.o. projects implemented by HDA
3.3.3 Number of asbestos roofs replaced i.r.o. projects managed by the HDA	1000 of asbestos roofs replaced i.r.o. projects managed by the HDA	200 of asbestos roofs replaced i.r.o. projects managed by the HDA	300 of asbestos roofs replaced i.r.o. projects managed by the HDA	200 of asbestos roofs replaced i.r.o. projects managed by the HDA	300 of asbestos roofs replaced i.r.o. projects managed by the HDA
3.3.4 Number of Temporary Emergency Accommodation managed by the HDA	3 of Temporary Emergency Accommodation managed by the HDA	3 of Temporary Emergency Accommodation managed by the HDA	3 of Temporary Emergency Accommodation managed by the HDA	3 of Temporary Emergency Accommodation managed by the HDA	3 of Temporary Emergency Accommodation managed by the HDA
3.3.5 Number of Title deeds registered	882 Title Deeds Registered	50 Title Deeds Registered	100 Title Deeds Registered	100 Title Deeds Registered	632 Title Deeds Registered

1.4 Explanation of Planned Performance Over the Five-year Period

The planned performance of the HDA contributes to two (2) of the seven (7) priorities for the 6th administration, as announced by President Ramaphosa when he delivered the July 2019 State of Nation Address. These two priorities are "A capable, ethical and developmental State" and "Spatial Integration, Human Settlements and Local government". The planned performance also contributes to the cross-cutting areas of women, youth and persons with disabilities. The contribution of this planned performance is explained below.

Contribution to the MTSF 2019-2024

HDA OUTCOME 1: Effective and Efficient Management and Good Governance of the HDA.

Outcome 1 of the HDA's contribution to the MTSF Priority 1 "A capable, Ethical and Developmental State" is evident in its emphasis on the management and good governance foundation and support functions that enables efficient and effective delivery of the Agency's mandate. The support provided by this Outcome cuts across the entire Agency and is essentially the vehicle that ensures the HDA implements its role in a capable, ethical and developmental manner. The management element of Outcome 1 will address the persistent challenges mentioned in the MTSF that is applicable to the current status quo of the HDA. These challenges are "declining public confidence and trust; skills gap; weak accountability and governance; uneven service delivery; an unsustainable wage bill; persistent corruption; a leadership deficit; and poor governance of ICT resulting in missed opportunities and efficiency gains".⁵ The good governance element of Outcome 1 responds to the need for the HDA, as a government entity to ensure that it fits the expectations of a developmental state as described in the MTSF, i.e. "A developmental State has an effective governance and accountability capability that intervenes to deal with the structural causes of economic and social underdevelopment. It is accountable and responds to the expectations and needs of citizens."⁶ This outcome responds at all the MTSF outcomes linked to MTSF Priority 1, namely:

- Improved leadership, governance and accountability
- Functional, efficient and integrated governance
- Professional, meritocratic and ethical public administration
- Social Compact and Engagement with Key Stakeholders



HDA OUTCOME 2: Integrated And Sustainable Human Settlements And Security Of Tenure

"Human settlement patterns remain inequitable and dysfunctional across the country, with densely settled former homeland areas and insecure tenure. Despite far-reaching efforts over the past 25 years, housing demand has increased dramatically as household size has reduced and urbanisation has accelerated this. To address this, the MTSF 2019-2024 focuses on three (3) inter-related outcomes:

- Spatial Transformation through multi-programme integration in priority development areas.
- Adequate housing and improved quality living environments, and
- Security of Tenure".

The HDA's Outcome 2 directly contributes to all the above-mentioned inter-related outcomes.

In acquiring land for human settlement developments, the HDA will ensure that the land acquired is suitable and well located, i.e. close to economic opportunities and social amenities with reduced travel times between the spaces that people live, work and play in. Emphasis will be placed on acquiring and developing land in the declared PHDAs. The HDA will also acquire landed property for the re-development thereof into housing, will upgrade informal settlements, provide emergency housing and develop selected Catalytic/Mega project developments. The issuing of title deeds for the housing units completed by the HDA in its capacity as a public sector property developer will directly contribute to providing security of tenure.

Outcome 2 of the HDA is effectively the result of it implementing programmes as property developer to ensure that the country has "co-ordinated spatial planning systems that transform human settlements into equitable and efficient spaces, with citizens living in close proximity to work, social facilities and the necessary infrastructure"



1.5 Programme Resource Consideration

The HDA has received the following allocation from the NDHS for the Medium Term Expenditure Framework period:

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Budget estimate	Planning budget estimate
Objective/Activity							
Administration	153 826	80 954	106 288	182 520	160 645	167 794	175 311
Land Management & PHDA's	27 662	31 329	26 949	32 758	32 186	33 618	35 124
Programme Planning & Coordination & Region	144 418	151 551	198 448	264 582	261 146	272 766	284 986
Planning and Monitoring	26 221	30 444	37 887	23 814	24 210	25 287	26 420
Total	352 127	294 278	369 573	503 674	478 187	499 466	521 842
Economic classification							
Current payments	352 127	294 278	369 573	503 674	478 187	499 466	521 842
Compensation of employees	190 767	164 649	172 396	245 939	262 020	273 680	285 941
Salaries and wages	187 078	159 696	167 224	238 561	253 520	264 802	276 665
Social contributions	3 689	4 953	5 172	7 378	8 500	8 878	9 276
Goods and services of which	157 852	126 438	194 328	252 061	204 438	213 535	223 102
Administrative fees	-	-	-	-	-	-	-
Advertising	828	1 246	903	877	1 222	1 276	1 334
Minor assets	16	235	858	91	93	97	101
Audit costs: External	1 557	2 658	1 207	2 085	3 000	3 134	3 274
Bursaries: Employees	-	-	108	916	800	836	873
Catering: Internal activities	1 073	884	698	977	905	945	988

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Budget estimate	Planning budget estimate
Communication (G&S)	736	3 697	1 398	1 119	801	837	874
Computer services	3 886	6 908	8 247	7 462	8 742	9 131	9 540
Consultants: Business and advisory services	15 367	44 866	74 247	109 979	74 717	78 042	81 538
Legal services (G&S)	21 829	19 066	26 352	13 950	8 400	8 774	9 167
Science and technological services	-	-	-	-	-	-	-
Contractors	211	524	1 440	0	0	0	0
Maintenance and repairs of other fixed structures	211	524	1 440	0	0	0	0
Agency and support/outsourced services	1 883	1 263	845	3 526	3 580	3 739	3 907
Entertainment	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	1 017	666	826	1 004	1 152	1 203	1 257
Operating leases	1 026	1 705	1 397	1 228	1 092	1 141	1 192
Rental and hiring	-	-	-	-	0	0	0
Property payments	23 351	13 229	21 706	21 575	18 983	19 828	20 716
Transport provided: Internal activities	-	-	-	-	-	-	-
Travel and subsistence	5 381	5 934	15 701	20 068	20 651	21 570	22 536
Training and development	1 776	1 173	620	1 152	1 563	1 633	1 706
Operating payments	77 645	15 606	36 375	63 508	55 972	58 463	61 082
Venues and facilities	260	778	1 400	2 544	2 765	2 888	3 017

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Budget estimate	Planning budget estimate
Depreciation	3 383	3 191	2 848	5 674	11 729	12 251	12 800
Losses from	30	-	-	-	-	-	-
Sale of fixed assets	30	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interest, dividends and rent on land	95	-	-	-	-	-	-
Interest	95	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Total Expenditure	3 52 127	294 278	369 573	503 674	478 187	499 466	521 842

Statement of Financial Performance		2023/24 Annual Budget	Q1	Q2	Q3	Q4
Revenue		478,187,193	119,546,798	119,546,798	119,546,798	119,546,798
Revenue from non-exchange transactions		243,649,000	60,912,250	60,912,250	60,912,250	60,912,250
Operational grant funding		243,649,000	60,912,250	60,912,250	60,912,250	60,912,250
Revenue from exchange transactions		234,538,193	58,634,548	58,634,548	58,634,548	58,634,548
Medium Term Operation Plans (MTOp)		228,538,193	57,134,548	57,134,548	57,134,548	57,134,548
Provinces Support conditional grant- MTOp		185,987,165	46,496,791	46,496,791	46,496,791	46,496,791
Management Fee from (Provinces)		42,551,027	10,637,757	10,637,757	10,637,757	10,637,757
Other income		1,000,000	250,000	250,000	250,000	250,000
Interest Income		5,000,000	1,250,000	1,250,000	1,250,000	1,250,000
Expenditure		(478,187,193)	(119,546,798)	(119,546,798)	(119,546,798)	(119,546,798)
Operational expenditure		(216,166,955)	(54,041,739)	(54,041,739)	(54,041,739)	(54,041,739)
Payroll costs		(262,020,238)	(65,505,060)	(65,505,060)	(65,505,060)	(65,505,060)
Budget		(0)	(0)	(0)	(0)	(0)
Total Expenditure		478,187,193	119,546,798	119,546,798	119,546,798	119,546,798
Administration - Programme 1		160,645,093	40,161,273	40,161,273	40,161,273	40,161,273
CFO		41,609,167	10,402,292	10,402,292	10,402,292	10,402,292
CEO		22,365,832	5,591,458	5,591,458	5,591,458	5,591,458
Audit and Risk		7,631,140	1,907,785	1,907,785	1,907,785	1,907,785
Board		6,384,370	1,596,092	1,596,092	1,596,092	1,596,092
CS		40,658,346	10,164,586	10,164,586	10,164,586	10,164,586
Strategic Support		27,509,457	6,877,364	6,877,364	6,877,364	6,877,364

Statement of Financial Performance		2023/24 Annual Budget	Q1	Q2	Q3	Q4
Infrastructure Finance		5,061,782	1,265,445	1,265,445	1,265,445	1,265,445
Assets Purchases		9,425,000	2,356,250	2,356,250	2,356,250	2,356,250
Land Management and Priority Housing Development Areas - Programme 2		32,185,967	8,046,492	8,046,492	8,046,492	8,046,492
Land Management		32,185,967	8,046,492	8,046,492	8,046,492	8,046,492
Programme Planning and Regional Coordination - Programme 3		261,146,107	65,286,527	65,286,527	65,286,527	65,286,527
Planning Programme & Coordination (PPC)		24,107,914	6,026,979	6,026,979	6,026,979	6,026,979
Chief operating office (COO)		4,947,850	1,236,962	1,236,962	1,236,962	1,236,962
Student Housing		3,552,150	888,037	888,037	888,037	888,037
Region A- Regional Manger operational costs		3,264,806	816,202	816,202	816,202	816,202
EC		33,571,944	8,392,986	8,392,986	8,392,986	8,392,986
NC		10,839,697	2,709,924	2,709,924	2,709,924	2,709,924
WC		65,803,463	16,450,866	16,450,866	16,450,866	16,450,866
Region B- Regional Manger operational costs		4,264,457	1,066,114	1,066,114	1,066,114	1,066,114
GP		8,979,084	2,244,771	2,244,771	2,244,771	2,244,771
LP		20,973,277	5,243,319	5,243,319	5,243,319	5,243,319
NW		13,845,266	3,461,317	3,461,317	3,461,317	3,461,317
GADA		12,915,413	3,228,853	3,228,853	3,228,853	3,228,853
Region C- Regional Manger operational costs		3,414,786	853,697	853,697	853,697	853,697
FS		29,666,000	7,416,500	7,416,500	7,416,500	7,416,500
KZN		21,000,000	5,250,000	5,250,000	5,250,000	5,250,000
Planning and Monitoring - Programme 4		24,210,025	6,052,506	6,052,506	6,052,506	6,052,506
Spatial Information Management Planning		24,210,025	6,052,506	6,052,506	6,052,506	6,052,506

Statement of Financial Position

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Budget estimate	Planning budget estimate
Assets							
Current assets	1,112,643	1,964,001	2,602,692	2,764,656	2,522,022	2,522,022	2,522,022
Current investments	-	-	-	-	-	-	-
Inventory	343,197	422,398	388,198	390,705	390,705	390,705	390,705
Short-term loans	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	131,053	304,296	249,122	405,533	358,733	358,733	358,733
Other receivables from non-exchange transactions, including taxes, fines and transfers	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-
Cash and cash equivalents	638,393	1,237,307	1,965,372	1,968,418	1,772,584	1,772,584	1,772,584
Non-current assets	36,130	35,577	35,205	40,777	87,577	87,577	87,577
Property, plant and equipment	7,789	7,578	7,141	8,071	8,071	8,071	8,071
Intangible assets	436	94	159	4,801	4,801	4,801	4,801
Investment property	27,905	27,905	27,905	27,905	74,705	74,705	74,705
Long-term loan	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-
Total assets	1,148,773	1,999,578	2,637,897	2,805,433	2,609,599	2,609,599	2,609,599

Statement of Financial Position

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Budget estimate	Planning budget estimate
Assets							
Liabilities							
Current liabilities	1,118,278	1,858,584	2,484,757	2,538,132	2,342,298	2,342,298	2,349,196
Payments received in advance	-	-	-	-	-	-	-
Trade and other payables from exchange transactions	91,897	764,725	801,334	962,344	766,510	766,510	766,510
Other payable from non-exchange transactions, including taxes, fines and transfers	-	-	-	-	-	-	-
Taxes and transfers payable	-	-	-	-	-	-	-
Current provisions	16,175	-	-	7,823	7,823	7,823	7,823
Leave	-	-	-	-	-	-	-
Severance	-	-	-	-	-	-	-
Provisions for operational liabilities	16,175	-	-	-	-	-	-
Provisions for outstanding claims-	-	-	-	7,823	7,823	7,823	7,823
Bank overdraft	-	-	-	-	-	-	-
Current portion of unspent conditional grants and receipts	-	-	-	-	-	-	-
Short-term loans	-	-	-	-	-	-	-
Deferred income	1,009,951	1,093,547	1,683,177	1,567,965	1,567,965	1,567,965	1,567,965
Other current financial liabilities	-	-	-	-	-	-	-
Consumer deposits	-	-	-	-	-	-	-
Current portion of finance lease liability	255	312	246	-	-	-	-
Current portion of operating lease liability	-	-	-	-	-	-	-

Check

Cash Flow Statement

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Cash flow from operating activities	58,836	87,296	(82,022)	-	(0)	(0)	(0)
Cash receipts from stakeholders	347,264	359,143	376,835	503,674	478,187	499,466	521,842
Tax receipts	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	115,875	120,719	137,402	240,016	228,538	238,608	249,298
Sales of goods and services produced by entity	115,875	120,719	137,402	240,016	228,538	238,608	249,298
Administrative fees	13,042	13,529	37,771	61,842	42,551	44,345	46,331
Management fees	13,042	13,529	37,771	61,842	42,551	44,345	46,331
Other income	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Please specify	-	-	-	-	-	-	-
Sales by market establishments	102,833	107,190	99,631	178,174	185,987	194,263	202,966
Provincial projects	102,833	107,190	99,631	178,174	185,987	194,263	202,966
Please specify	-	-	-	-	-	-	-
Please specify	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-
User charges	-	-	-	-	-	-	-
Sales other than user charges	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-
Transfers received	229,311	233,604	235,379	242,716	243,649	254,591	265,997
Other government units	229,311	233,604	235,379	242,716	243,649	254,591	265,997
National government	229,311	233,604	235,379	242,716	243,649	254,591	265,997

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Departmental transfers	229,311	233,604	235,379	242,716	243,649	254,591	265,997
Interest and rent on land	3,539	1,560	4,374	20,942	5,000	5,223	5,456
Interest	3,539	1,560	4,374	20,942	5,000	5,223	5,456
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	(1,461)	3,260	(320)	-	1,000	1,045	1,091
Forex gains	-	-	-	-	-	-	-
Other receipts	(1,461)	3,260	(320)	-	1,000	1,045	1,091
Tax benefit	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-
Cash paid to stakeholders	288,428	271,847	458,857	503,674	478,187	499,466	521,842
Current payments	288,428	271,847	458,857	503,674	478,187	499,466	521,842
Compensation of employees	190,771	164,649	172,397	245,939	262,020	273,680	285,941
Salaries and wages	185,048	159,712	172,397	238,561	253,520	264,802	276,665
Social contributions	5,723	4,937	-	7,378	8,500	8,878	9,276
Goods and services	96,807	106,531	286,372	257,735	216,167	225,786	235,902
Administrative fees	1,467	-	-	-	-	-	-
Advertising	1,209	1,246	1,958	3,285	1,222	1,276	1,334
Minor assets	165	235	858	-	93	97	101
Audit costs: External	1,557					3,134	3,274
Bursaries: Employees	-	-	108	916	800	836	873
Catering: Internal activities	1,351	883	2,044	977	905	945	988

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Communication (G&S)	847	3,697	726	1,119	801	837	874
Computer services	3,884	1,715	8,248	7,462	8,742	9,131	9,540
Consultants: Business and advisory services	26,451	44,866	74,406	123,571	74,717	78,042	81,538
Infrastructure and planning services	-	-	-	-	-	-	-
Maintenance and repairs: Buildings: Consultants	-	-	-	-	-	-	-
Maintenance and repairs: Other fixed structures: Consultants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-
Legal services (G&S)	22,052	19,066	25,696	13,950	8,400	8,774	9,167
Science and technological services	-	-	-	-	-	-	-
Contractors	10,975	524	227	-	0	-	-
Maintenance and repairs of other fixed structures	9,097	524	227	-	0	-	-
Maintenance and repairs of other machinery and equipment	-	-	-	-	-	-	-
Maintenance and repairs of heritage buildings	-	-	-	-	-	-	-
Maintenance and repairs of other heritage fixed structures	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Agency and support/outsourced services	1,939	1,263	847	3,526	3,580	3,739	3,907
Entertainment	-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	1,020	666	826	1,005	1,152	1,203	1,257
Operating leases	13,260	1,705	1,397	1,228	1,092	1,141	1,192
Rental and hiring	-	-	-	-	0	0	0
Property payments	-	19,229	15,684	21,575	18,983	19,828	20,716

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Transport provided: Internal activities	-	-	-	-	0	0	0
Travel and subsistence	6,107	5,934	1,555	20,068	20,651	21,570	22,536
Training and development	1,202	1,173	726	1,867	1,563	1,633	1,706
Operating payments	3,321	893	148,513	52,558	67,701	70,714	73,882
Venues and facilities	-	778	1,346	2,543	2,765	2,888	3,017
Interest and rent on land	850	667	88	-	-	-	-
Interest	850	667	88	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Cash flow from investing activities	(3,516)	(2,823)	(2,577)	(5,612)	(9,425)	(9,844)	(10,285)
Acquisition of property, plant, equipment	(1,996)	(2,754)	(2,438)	(4,194)	(4,000)	(4,178)	(4,365)
Buildings: residential	-	-	-	-	-	-	-
Furniture and office equipment	(1,357)	(836)	(532)	(747)	(2,100)	-	-
Other machinery and equipment	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-
Other than buildings and fixed structures	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-
Computer equipment	(639)	(1,918)	(1,906)	(3,447)	(1,900)	(1,985)	(2,073)
Investment property	-	-	-	-	-	-	-

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Acquisition of software and other intangible assets	(1,520)	(69)	(159)	(1,418)	(5,425)	(5,666)	(5,920)
Proceeds from sale of property, plant, equipment & intangible assets	-	-	20	-	-	-	-
Other flows from Investing Activities	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-
Cash flow from financing activities-	85,584	514,441	812,664	8,658	205,259	9,845	10,286
Deferred Income	-	-	-	-	-	-	-
Departmental transfer	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-
Borrowing Activities	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
Loan from other government units	-	-	-	-	-	-	-
Short-term (≤12 months)	-	-	-	-	-	-	-
Long-term (>12 months)	-	-	-	-	-	-	-
Market loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Repayment of long-term loans	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-
Market loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Repayment of long-term loans	-	-	-	-	-	-	-

Cash flow data	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited outcome	Audited outcome	Audited outcome	Approved budget	Budget estimate	Revised budget estimate	Planning budget estimate
Repayment of finance leases	-	-	-	-	-	-	-
Other (e.g. issuance of shares, revaluations)-	85,584	514,441	812,664	8,658	205,259	9,845	10,286
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	140,904	598,914	728,065	3,046	195,834	0	0
Check							
Net movement in Cash and cash equivalents as per the Financial statements	140,904	598,914	728,065				
Differences	-	-	-				

1.6 Key Risks and Mitigations

Outcome	Risk Key	Risk Mitigation
Effective and Efficient Management and Good Governance of the HDA.	Poor governance and internal control system	<ul style="list-style-type: none"> • Reinforcement of good governance and internal control through training and awareness • Implement change management programme which will include: <ol style="list-style-type: none"> a) Reignition of HDA values b) Communication of HDA Strategy and APP to all staff c) Finalise the organisational structure
	Business disruption / continuity risk	<ul style="list-style-type: none"> • Finalise the revamp of the HDA BCM Programme which includes: <ol style="list-style-type: none"> a) Business Impact Analysis b) Business Continuity Plans (i.e., ICT Continuity Plan, Emergency Response Plan and Crisis Management Plan). • Proactive project/social facilitation using specialised skills (at project conception and inception stage)
	Fraud and corruption	<ul style="list-style-type: none"> • Monitoring of fraud risk and submission of relevant reports to the oversight committees. • Monitor and report on the outcome of financial declaration interest and approval of other remunerative outside work or official duties. • Establish loss control committee. • Tracking of recommendations from investigations, and consequence management reports
	Failure to retain key skills	<ul style="list-style-type: none"> • Developing Standard Operating Procedures for Finance. • Develop checklist for GRAP compliance • Performing follow-up audits and report on implementation status of external and internal audit findings • Develop compliance program and implement quarterly compliance reviews (compliance checklists for acts, regulations, and relevant prescripts).
	Cyber attacks	<ul style="list-style-type: none"> • Conducting fraud awareness sessions and awareness materials/articles to be shared with all staff • Embark on a Policy Drive to update all policies with applicable legislations and regulations • Ethic hotline reports to be investigated.
	Inability to procure in an efficient manner	<ul style="list-style-type: none"> • Reviewing the current procurement strategy • Conducting specific training on streamlining of procurement plans, bid committees and develop of standard operating procedures. • Review of the current Delegation of Authority.

Outcome	Risk Key	Risk Mitigation
Integrated and sustainable human settlements and Security of Tenure	Misalignment between HDA APP, MTSF, NDP priorities, and the priorities of Provinces, Municipalities and Sector Departments	<ul style="list-style-type: none"> Engagement with the NDHS to direct the provinces to confirm provincial commitments to the HDA. The HDA to actively participate on the Provincial planning process to facilitate the alignment of the HDA APP with the Provincial business plans. Proposal to the NDHS to ensure that the provinces gazette of allocation to the HDA where there are existing agreements.
	Unfunded primary mandate	<ul style="list-style-type: none"> Develop a sustainable funding model for the primary mandate. Capacitate the investment office upon approval of the new structure by the Minister
	Insufficient funding to execute the secondary mandate	<ul style="list-style-type: none"> Continue to engage with the NDHS to treat the HDA as a 10th province (especially on budget related to land assembly). Deliver projects and programmes as per commitments. Standardisation of the HDA service offering across all the provinces.

1.6 Public Entities

Not Applicable.

1.7 Infrastructure Projects

The HDA is not capitalized to implement infrastructure projects.

1.8 Public and Private Partnerships

Not Applicable.

1.9 District Development Model and PDAs

The District Development Model (DDM) is based on the concept of joint planning. The model reflects existing local plans (IDP, SDFs, etc) with common intergovernmental vision and outcomes. The aim of the DDM is to customise and localise solutions that are appropriate to the circumstances of each district and metropolitan area (Draft DDM Guidelines, 2019).

District municipalities are close to communities. Thus the DDM enables government to be responsive to needs at a local level as well as to leverage local economic opportunities. The DDM also enables a more strategic regional development approach that goes beyond administrative boundaries to focus on functional economic areas, environmental resource areas and catchments, regional spatial structuring and connectivity, and regional bulk infrastructure investment.

The DDM is implemented in two processes: namely spatialization and reprioritization. Spatialisation refers to development priorities and objectives that are translated into spatial locations. Reprioritisation refers to realigning and adjusting plans and budgets to meet the desired outcomes.

In respect of human settlement development priorities, the DDM can be optimised in the 136 PDAs which were identified for investments from multiple public and non-public role-players, to align mandates across spheres and sectors which have a strong spatial impact and to direct the available State resources to existing human settlements and to plan for the provision of new human settlements.

The key output of the DDM is the One Plan which is a Strategic Framework to guide all state and private investment within the district/metro area. It is not a detailed plan covering all departmental and municipal responsibilities. Instead the focus is to utilise existing national, provincial district and municipal plans as key informants for the model. As part of the consolidated inputs by the Department, the PDAs development plans will thus inform the One Plan.

**(District Development Model attached as annexure 5)



PART D

TECHNICAL INDICATOR DESCRIPTIONS

Technical Indicator Descriptions for Programme 1: Administration

Indicator title	1.1.1 Unqualified audit outcome with no material findings
Definitions	This indicator measures the performance of the Agency in compliance with all applicable policies, legislation, regulations and prescripts, and whether the HDA receives an unqualified audit outcome with no material findings from the Auditor General on the Department's financial and non-financial performance.
Source of data	External audit outcome report, Management report issued by External Auditors
Method of calculation / Assessment	Simple calculation
Means of verifications	Final 2022/23 Audit Report and opinion, duly signed and stamped by the Auditor General (AG)/AG's office
Assumptions	<ul style="list-style-type: none"> • Timeous reconciliations and regular financial reporting and monitoring • Complete, accurate, financial information and co-operation from internal stakeholders • All financial and non-financial performance reflected in each financial year's APP implemented in compliance with all applicable policies, legislation, regulations and prescripts.
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	Achievement of the 2023/24 APP target of "unqualified audit outcome with no material findings"
Indicator responsibility	Chief Financial Officer

Indicator title	1.1.2 Percentage of annual HDA procurement spend, targeted at businesses owned by Women
Definitions	This indicator measures the percentage of the Agency's annual procurement spend on businesses owned by women. The amount of money spent on goods and services procured by the HDA in the implementation of its mandate from women is expressed in percentage form relative to its entire procurement spend for the financial year
Source of data	<ul style="list-style-type: none"> Financial Reports on the payment of service providers for goods and services
Method of calculation / Assessment	Percentage: Total procurement spend committed and/or awarded to businesses owned by women/total procurement spend of the Agency x 100
Means of verifications	<ul style="list-style-type: none"> General Ledger and Management Accounts presented to the Board and/or Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating women owned status of the companies and the commitment and awards registers indicating the women owned status of the company.
Assumptions	<ul style="list-style-type: none"> Board approval of reports Businesses owned by women registered on the National CSD database. Availability of businesses owned by women for the services and products procured by the Agency B-BBEE certificates and or sworn affidavits and any legally valid supporting documents
Disaggregation of beneficiaries (where applicable)	Annual Target for Women – 45%
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 2023/24 APP target of 45% of annual HDA procurement spend, targeted at businesses owned by women
Indicator responsibility	Manager: Transformation and Empowerment

Indicator title	1.1.3 Percentage of annual HDA procurement spend, targeted at businesses owned by Youth
Definitions	This indicator measures the percentage of the Agency's annual procurement spend on businesses owned by youth. The amount of money spent on goods and services procured by the HDA in the implementation of its mandate from youth is expressed in percentage form, relative to its entire procurement spend for the financial year.
Source of data	<ul style="list-style-type: none"> Financial Reports on the payment of service providers for goods and services.
Method of calculation / Assessment	Percentage: Total procurement budget committed and/or awarded to businesses owned by youth/total procurement of the Agency x 100
Means of verifications	<ul style="list-style-type: none"> General Ledger and Management Accounts presented to the Board and/or Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating youth owned status of the companies and the commitment and awards registers indicating the youth owned status of the company.
Assumptions	<ul style="list-style-type: none"> Board approval of reports Businesses owned by youth registered on the National CSD database. Availability of businesses owned by youth for the services and products procured by the Agency B-BBEE certificates and or sworn affidavits and any legally valid supporting documents
Disaggregation of beneficiaries (where applicable)	Annual Target for Youth = 25%
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 2023/24 APP target of 25% of annual HDA procurement spend, targeted at businesses owned by youth
Indicator responsibility	Manager: Transformation and Empowerment

Indicator title	1.1.4 Percentage of procurement spent on persons living with disabilities
Definitions	This indicator measures the percentage of the Agency's annual procurement spend on businesses owned by Persons with disabilities. The amount of money spent on goods and services procured by the HDA in the implementation of its mandate from persons with disabilities is expressed in percentage form relative to its entire budget spent on procurement.
Source of data	<ul style="list-style-type: none"> Financial Reports on the payment of service providers for goods and services
Method of calculation / Assessment	Percentage: total procurement spends committed and / or awarded to businesses owned by Persons with disabilities total procurement spend of the agency x 100
Means of verifications	<ul style="list-style-type: none"> General Ledger or Management Accounts and/or Documentation pertaining to the companies that procurement budget is awarded/ committed to e.g., CSD reports indicating ownership status of the companies and the commitment and awards registers indicating the designated group of the company.
Assumptions	<ul style="list-style-type: none"> Board approval of reports Businesses owned by persons with disabilities registered on the National CSD database. Availability of businesses owned by youth for the services and products procured by the Agency B-BBEE certificates and or sworn affidavits and any legally valid supporting documents
Disaggregation of beneficiaries (where applicable)	Annual Target for persons with disabilities – 7%
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 2023/24 APP target of 7% procurement budget allocated/awarded to persons with disabilities
Indicator responsibility	Manager: Transformation and Empowerment

Indicator title	1.1.5 Percentage implementation of the approved internal audit plan
Definitions	Management will on an annual basis formulate an internal audit plan which focuses on potential problem areas to ensure that the risk exposure is minimised. The audit plan is done to ensure audits are conducted within the approved budget and completed expeditiously.
Source of data	Approved Internal Audit Plan and/or Approved Internal Audit Report
Method of calculation / Assessment	Percentage: Total number of actions in the audit report completed / total number of activities in the entire report x 100 per quarter.
Means of verifications	Approved Internal Audit Plan and/or Approved Internal Audit Report
Assumptions	Unrestricted access to information, availability of personnel
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 23/24 APP target of 100% implementation of the approved internal audit plan
Indicator responsibility	Manager Audit and Risk

Indicator title	1.1.6 Percentage Implementation of the approved Anti-fraud and corruption plan
Definitions	This indicator measures the Agency's implementation of the Anti-fraud and Corruption Plan. The Anti- Fraud and Corruption plan is the same as the fraud prevention plan .
Source of data	Anti-fraud or Fraud Prevention and Corruption Plan and/or Progress Reports
Method of calculation / Assessment	Percentage: Total number of anti-fraud and corruption plan activities implemented / total number of activities in the anti-fraud and corruption plan x 100 per quarter
Means of verifications	<ul style="list-style-type: none"> • Anti-fraud or Fraud Prevention progress report and/or • Anti-fraud or Fraud Prevention and Corruption plan.
Assumptions	Unrestricted access to information, availability of personnel
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 23/24 APP target of 100% implementation of the Anti-fraud and Corruption Plan
Indicator responsibility	Manager Audit and Risk

Indicator title	1.1.7 Percentage implementation of the approved Risk Management Plan
Definitions	This indicator measures the Agency's implementation of the Risk Management Plan.
Source of data	<ul style="list-style-type: none"> • Risk management report and/or • Risk Management Plan and/or • Strategic Risk register
Method of calculation / Assessment	Percentage: Total number of risk management actions implemented / total number of actions in the Risk Management Plan x 100 per quarter
Means of verifications	<ul style="list-style-type: none"> • Risk management report and/or • Risk Management Plan and/or • Strategic Risk register
Assumptions	Strategic and Operational risk registers will be completed
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	Achievement of the 23/24 APP target of 100% implementation of the approved Risk Management Plan
Indicator responsibility	Manager Risk

Technical Indicator Descriptions for Programme 2: Land Assembly and PDAs

Programme 2: Land Assembly and PDAs

Indicator title	2.1.1 Number of integrated implementation programmes for PDAs completed per year
Definitions	<p>The indicator measures the number of completed integrated implementation plans for priority development areas that have been identified in municipalities for purposes of establishing and maintaining sustainable human settlements. These areas include new neighborhoods, inner-city precincts, informal settlements, distressed mining communities and per-urban areas.</p> <p>Integrated Implementation Programmes refers to a range of activities sequenced over a period of time which indicates funding sources as well as roles and responsibilities to achieve human settlements delivery in the PDAs.</p> <p>Completed means that a document conforms to all the requirements of an implementation programme and it is ready for signature. The completion of the implementation programmes involves the following activities:</p> <ol style="list-style-type: none"> 1. Identify key interventions from existing or new plans and sequence over a period of 3 years. 2. Consult with relevant stakeholders. 3. Allocate roles and responsibilities. 4. Identify funding sources. <p>PDAs: Gazette 43316 declares 136 PDAs which are targeted areas for synchronising housing programme.</p>
Source of data	<ul style="list-style-type: none"> • National, Provincial and Municipal Spatial Plans (SDFs, IDPs, SPLUMA, Submissions from Provinces Municipalities) and/or • Development Plans (new or existing) and/or • Precinct plans and/or • Master plans and/or • Sector plans and/or • Multi Year Housing Development Plans and/or • Human Settlement Grant Business Plans and/or • Stats SA data and/or • Provincial SDFs, Municipal SDFs, and/or • Municipal IDPs and/or • DHS Entities plans
Method of calculation / Assessment	Simple count
Means of verifications	Completed Integrated Implementation Programmes
Assumptions	Collaboration from provincial and municipal partners
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	HDA Provinces
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	14 of integrated implementation programmes for PDAs completed per year
Indicator responsibility	Manager: PDAs

Indicator title	2.1.2 Number of hectares of well-located land acquired within PDAs
Definitions	<p>This indicator measures the hectares of well-located land parcels that is acquired within PDAs for establishing and maintaining sustainable human settlements. The target for this indicator is a consolidated target of all land acquired in the three (3) regions of the Agency</p> <p>Acquisition refers to the purchasing, donation or leasing of the land parcel from private or public sector partners. Land with existing development right agreements will be prioritised.</p> <p>Well-located refers to the land that is suitable for human settlement developments and that is close to existing socio-economic amenities and/or has the potential for the additional development of socio-economic amenities.</p>
Source of data	<ul style="list-style-type: none"> • Deeds Office, and/or • Conveyancers and/or • Lapsis, Deeds office search and/or • Win deed search and/or • Municipality planning division and/or • Development rights agreements
Method of calculation / Assessment	Simple Count
Means of verifications	<p>Private Land</p> <ul style="list-style-type: none"> • copy of Deed of sale or donation; or • copy of Title Deed <p>Public or SOC land</p> <ul style="list-style-type: none"> • copy of deed of donation; or • copy of land availability agreement; or • copy of Power of Attorney; or • copy of Notice of expropriation; or • copy of letter of land release; or • copy of long-term lease; or • copy of title deed.
Assumptions	Cooperation and support from stakeholders
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	500 of hectares of well-located land acquired within PDAs
Indicator responsibility	Manager: Land Management

Indicator title	2.1.3 Percentage of the 1786.1527 ha of land acquired during 2014–2019 falling within PDAs rezoned
Definitions	<p>This indicator measures the percentage of land that has obtained land development rights for integrated human settlement developments, from the hectares of land acquired during 2014 – 2019 within PDAs.</p> <p>Rezoning means change of land development rights to allow for the required development of integrated human settlements.</p>
Source of data	<ul style="list-style-type: none"> • Town planning application approved by the relevant authority • Proclamation notices • List of land acquired during the previous MTSF (2014-2019) period and relevant legislation
Method of calculation / Assessment	The number of hectares of land rezoned / the total number of 1786.1527ha of land acquired x 100
Means of verifications	<ul style="list-style-type: none"> • Proclamation notice (Government Gazette) • Town Planning Application approved by the relevant authority • Zoning and/or rezoning certificate • Development rights agreement or Title deeds for land acquired or sales agreements
Assumptions	Cooperation and support from municipalities
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative over the MTSF period
Reporting cycle	Annually
Desired performance	100% of the 1786.1527 ha of land acquired during 2014–2019 falling within PDAs rezoned
Indicator responsibility	Manager: Land Identification and Planning

Indicator title	2.1.4 Number of hectares of land rezoned for Human Settlements development
Definitions	The indicator measures the hectares of land / land parcels (portion/s of land where in a human settlement project is undertaken) facilitated (preparation submission and approval for rezoning)
Source of data	<ul style="list-style-type: none"> Rezoning certificates or letter of approval from the relevant municipality General Plans
Method of calculation / Assessment	Simple count
Means of verifications	<ul style="list-style-type: none"> Letter of approval from the relevant municipality and/or Rezoning certificate and/or Proclamation notice (Government Gazette) and/or Town Planning Application approved by the relevant authority and/or Zoning and/or rezoning certificate and/or Development rights agreement or Title deeds for land acquired or sales agreements
Assumptions	Cooperation and support from municipalities
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	550 of hectares of land rezoned for Human Settlements development
Indicator responsibility	Manager: Land Identification and Planning

Indicator title	2.1.5 Number of hectares of well-located land acquired or released for human settlements development
Definitions	<p>This indicator measures the hectares of land on the periphery of PDAS which is acquired to provide a complete integrated human settlement within a PDA.</p> <p>The target for this indicator is a consolidated target of all land acquired in the three (3) regions of the Agency</p> <p>Acquisition refers to the purchasing, donation or leasing of the land parcel from private or public sector partners. Land with existing development right agreements will be prioritised.</p> <p>Released land refers to land released by public sector partners for Human Settlement Development.</p> <p>Well-located refers to the land that is suitable for human settlement developments and that is close to existing socio-economic amenities and/or has the potential for the additional development of socio-economic amenities.</p>
Source of data	<ul style="list-style-type: none"> • Deeds Office, and/or • Conveyancers, and/or • Lapsis, Deeds office search, and/or • Win deed search, and/or • Municipality planning division
Method of calculation / Assessment	Simple count
Means of verifications	<p>Private Land</p> <ul style="list-style-type: none"> • copy of Deed of sale or donation; or • copy of Title Deed <p>Public or SOC land</p> <ul style="list-style-type: none"> • copy of deed of donation; or • copy of land availability agreement; or • copy of Power of Attorney; or • copy of Notice of expropriation; or • copy of letter of land release; or • copy of long-term lease; or • copy of title deed.
Assumptions	Cooperation and support from stakeholders
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	1000 of hectares of well-located land acquired and/or released for human settlements development
Indicator responsibility	Manager: Land Management

Technical Indicator Descriptions for Sub Programme 3.1: Informal Settlements Upgrading

Sub-programme 3.1: Informal Settlements Upgrading

Indicator title	3.1.1 Number of informal settlements supported for Upgrading between Phase 1 to Phase 3
Definitions	<p>This indicator measures the number of informal settlements for which the HDA provides implementation support, in terms of support for upgrading up to Phase 3 of the UISP, as per the Housing Code 2009. Achieving Phase 3 is based on a incremental phased approach commencing with phase 1 and phase 2 focused on detailed town planning activities and installation of interim services. In phase 3 the settlement is provided with communal and/or individual water and sanitation provision</p> <p>Support refers to:</p> <ul style="list-style-type: none"> • Assistance to and in concluding Implementation Protocols with and between National, Provinces and/or Municipalities. • Assistance to and in concluding Memorandum of Agreements with and between National, Provinces and/or Municipalities. • Assistance to and in concluding Memorandum of Undertaking with and between National, Provinces and/or Municipalities. • Assistance and in concluding funding agreements with and between National, Provinces and/or Municipalities. • Assistance with and/or concluding Medium Term Operational Plans with Provinces and Municipalities on ISUP • Assisting National and/or Provinces and/or Municipality in development of budgetary business plans
Source of data	<ul style="list-style-type: none"> • Upgrading Strategies and Plans and/or • Inception Reports and/or • Business Plans and/or • Design Reports and/or • Drawings and/or • Social Compacts and/or • Progress Reports and/or • Project Specifications and/or • Layout Plans and/or • Social Facilitation Reports and/or • Public Participation Reports / Minutes and/or • Bulk Services Analysis Reports and/or • Environmental Impact Assessment and/or • Flood line Assessments and/or • Budgetary Business Plans and/or • Contracts
Method of calculation / Assessment	Simple count

Indicator title	3.1.1 Number of informal settlements supported for Upgrading to Phase 3
Means of verifications	<ul style="list-style-type: none"> • Policies, Legislation and Frameworks and/or • Implementation Protocol Contracts and/or • Memorandum of Agreements Contracts and/or • Memorandum of Undertaking Contracts and/or • Funding Agreement Contracts and/or • Medium Term Operational Plans Contracts and/or • Business Plans and/or • Upgrading Plans and/or • Inception Reports and/or • Business Plans and/or • Design Reports and/or • Drawings and/or • Social Compacts and/or • Progress Reports and/or • Project Specifications and/or • Layout Plans and/or • Social Facilitation Reports and/or • Public Participation Reports / Minutes and/or • Bulk Services Analysis Reports and/or • Environmental Impact Assessment and/or • Floodline Assessments and/or • Budgetary Business Plans and/or • Contracts
Assumptions	Phase 3 is achieved in an incremental approach that requires Phases 1 and 2 being undertaken and achieved. The activities of the Phases as well as the Phases themselves are not necessarily chronological and subject to planned priorities - Phase 1 and Phase 2 outputs are included in Phase 3.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial Transformation where applicable)	HDA Provinces
Calculation Type	Cumulative
Reporting cycle	Annually
Desired performance	Achievement of 124 informal settlements supported for upgrading to Phase 3
Indicator responsibility	Programme Manager: Informal Settlements Upgrading

Indicator title	3.1.2 Number of development programme and project plans drafted for funding and implementation
Definitions	The indicator measures the number of integrated human settlements project plans for funding and implementation
Source of data	<ul style="list-style-type: none"> • Inception Reports and/or • Progress Meetings Minutes and/or • Draft Design Reports and/or • Project Specifications and/or • Draft Social Compacts and/or • Draft Development Plans and/or • Draft Layout Plans and/or • Household Demand Analysis Report
Method of calculation / Assessment	Simple Count
Means of verifications	<ul style="list-style-type: none"> • Inception Reports and/or • Progress Meetings Minutes and/or • Draft Design Reports and/or • Project Specifications and Typologies and/or • Draft Social Compacts and/or • Draft Development Plans and/or • Draft Layout Plans and/or
Assumptions	<ul style="list-style-type: none"> • Draft Plans Undertaken On HDA Owned Land and Property • Project Preparation Funding Availability • Relevant Land Planning Approval Timeframes
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Annually
Desired performance	Achievement of 5 development programme and project plans drafted
Indicator responsibility	Programme Manager: Informal Settlements Upgrading

Technical Indicator Descriptions for Sub-programme 3.2: Priority Projects and Revitalisation of Distressed Mining Communities

Indicator title	3.2.1 Number of National Priority Human Settlements Projects provided with implementation support
Definitions	<p>This indicator measures the number of priority (previously called catalytic) projects that the Agency has provided implementation support to. The target for this indicator is.</p> <p>Implementation support includes:</p> <ul style="list-style-type: none"> • Programme planning, coordination and implementation support, and/or • Facilitate multi-year programme and projects planning, and/or • Hands-on technical delivery capacity support to catalytic projects, and/or • Mobilisation and harnessing of programme resources (financial and non-financial), and/or • Provide legal and socio-economic due diligences to catalytic projects, and/or • Facilitate strategic partnerships and stakeholder mobilisation and participation, and/or • Programme institutional arrangements (signing of IPs), and/or • Programme and project contracting (Project Delivery Agreements where HDA is the Implementing Agent), and/or • Complete all planning processes and land and legal issues, and/or • Development of socio-economic amenities in catalytic projects, and/or • Programme monitoring and development of impact assessments, and/or • Programme performance analysis and reporting
Source of data	Quarterly programme and/or project progress reports
Method of calculation / Assessment	Simple Count
Means of verifications	Reports on Priority Projects
Assumptions	HDA receipt of support, assistance and cooperation from the National, Provincial and Municipal Departments related to targets, outputs, activities and outcomes of the identified projects.
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	50 of National Priority Human Settlements Projects provided with implementation support
Indicator responsibility	Programme Manager: Catalytic Projects Programme

Indicator title	3.2.2 Number of Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities
Definitions	<p>This indicator measures the number of provinces in which the HDA provides programme planning and implementation support for the revitalization of distressed mining communities. The target is provision of programme and project implementation support to six towns identified to include communities affected by mining activities.</p> <p>The distressed mining communities programme is focused on re-integrating mining communities with broader local communities through planning and intervention in infrastructure investment.</p> <p>Programme planning and Programme Implementation Support includes:</p> <ul style="list-style-type: none"> • Town and project profiling, status quo analysis and issues for a specific Provincial Interventions and development of credible plan and projects pipelines • Alignment of projects and pipelines into the HSDG business plans • Programme and project feasibility • Development and Project Designs & Planning • Programme and projects implementation plans • Project institutional arrangements • Project Management and project execution • Contracting, risk management and mitigation • Project costing and tracking • Stakeholder mobilization and management
Source of data	<ul style="list-style-type: none"> • Applicable Spatial Transformation Plans and/or • Provincial Multi Year Housing Development Plans and/or • Municipal Housing Sector Plans and/or • Programme and Project Progress Reports
Method of calculation / Assessment	Simple Count
Means of verifications	<ul style="list-style-type: none"> • Spatial Transformation Plans for distressed mining communities and/or • Programme plans and/or • Project's pipeline developed and/or • Technical support and related reports geotechnical, planning and engineering matters and/or • Programme and Project funding, implementation plans and technical implementation support and/or • Diagnostic plans, pipelines and development projects included in the Municipal Council IDPs, BEPPs and budgeting plans (SDBIPs) and/or • Development agreements and development partnerships for projects implementation
Assumptions	The Provinces identified for the implementation support for mining towns provide the relevant planning, funding and implementation management and support to achieve, targets and outputs.
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	6 of Provinces provided with programme planning and implementation support for human settlements development for the revitalization of distressed mining communities
Indicator responsibility	Programme Manager Mining Towns

Technical Indicator Descriptions for Sub Programme 3.3: Regional Co-ordination and Human Settlement Implementation Support Services

Indicator title	3.3.1 Number of housing units delivered i.r.o. projects implemented by the HDA
Definitions	This indicator measures the number of completed housing units the Agency will have delivered during the 23/24 FY. The projects emanate from IPs and MTOPs signed with provinces and municipalities. This indicator speaks to the projects implemented by the Agency.
Source of data	<ul style="list-style-type: none"> • Engineer completion certificate, and/or • Quality Assurance Report
Method of calculation / Assessment	Simple count
Means of verifications	<ul style="list-style-type: none"> • Engineer completion certificate, and/or • Quality Assurance Report
Assumptions	<p>The Engineer completion certificate is valid, and the Quality Assurance has capacity to inspect and issue Quality Assurance Report.</p> <p>The contracted service provider achieves all construction milestones within stipulated timeframes</p>
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	1300 of housing units delivered i.r.o. projects implemented by the HDA
Indicator responsibility	Regional Managers: Regions A, B and C

Indicator title	3.3.2 Number of serviced sites delivered i.r.o. projects implemented by HDA
Definitions	<p>This indicator measures the progress achieved in the delivery of services sites utilising the HSDG and USDG. The projects emanate from IPs and MTOPs signed with provinces and municipalities. This indicator speaks to the projects implemented by the Agency.</p> <p>Serviced sites refer to land that is ready to build on and has immediate access to water, sewer and access roads. A serviced site is considered delivered once a practical completion certificate has been issued.</p>
Source of data	<ul style="list-style-type: none"> Signed IPS and MTOPs HSS, Project Manager's signed project report and/or Project Implementation Plan (PIP) and Engineering certificate confirming serviced sites completed
Method of calculation / Assessment	Simple count
Means of verifications	<ul style="list-style-type: none"> Practical Completion Certificate and/or Professional Engineers Report and/or Listing of serviced sites delivered in terms of approved ground plan
Assumptions	<ul style="list-style-type: none"> After assessment suitable sites will then be installed with services There are financial resources to provide services to each site The contracted service provider achieves all construction milestones within stipulated timeframes
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	1236 of serviced sites delivered i.r.o. projects implemented by HDA
Indicator responsibility	Regional Managers: Region A, Region B and Region C

Indicator title	3.3.3 Number of asbestos roofs replaced i.r.o. projects managed by the HDA.
Definitions	<p>This indicator measures the removal and replacement of Storm damaged Asbestos roofing materials, approved under the emergency/Disaster programme by the Provincial Departments of Human Settlements and National Department of Human Settlement.</p> <p>Asbestos roofs were used as an alternative roof material dating far back before the year 1995. The damaged Asbestos roofs are hazardous to human health and leads to health risks to anyone that may inhale or come into contact with the asbestos power or dust/fiber.</p> <p>It was therefore recommended, approved and budget was availed by the provincial department of CoGHSTA under the emergence housing programme that 1500 housing units roofed with Asbestos are to be removed and replaced with SABS approved roofing materials All asbestos removals are to be done in line with relevant regulations for dealing with asbestos and National building regulations.</p>
Source of data	<p>Reports by the PRT (Consulting Engineers) or</p> <p>Reports by the Municipality Inspectorate or</p> <p>Reports NHBRC Inspectorate or</p> <p>Reports by HDA Project Managers</p>
Method of calculation / Assessment	Simple count
Means of verifications	Engineers Certification of completion
Assumptions	Co-operation and support of stakeholders
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	1000 of asbestos roofs replaced i.r.o. projects managed by the HDA.
Indicator responsibility	Regional Manager– Region B

Indicator title	3.3.4 Number of Temporary Emergency Accommodation managed by the HDA
Definitions	<p>This indicator measures the total number of facilities or properties managed by the HDA that offer accommodation to displaced households affected by disasters. The projects emanate from Ips, MTOPs and Instructions to Perform (IPWs) signed with provinces and municipalities, in which the Agency is appointed as project manager. These projects tend to be multi-year projects.</p> <p>This indicator refers to the facilities that the Agency manages on behalf of provincial or municipal partner.</p>
Source of data	<ul style="list-style-type: none"> Signed IPs, MTOPs and Instructions to Perform (IPWs) and/or Regional Annual Operational Plans
Method of calculation / Assessment	Simple count
Means of verifications	Funding Agreements
Assumptions	Agreements valid. Agreements signed and witnessed.
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	3 of Temporary Emergency Accommodation managed by the HDA
Indicator responsibility	Regional Manager: Region C

Indicator title	3.3.5 Number of Title deeds registered
Definitions	Title deeds registered in the name of beneficiaries towards the provision of adequate housing for lower and middle-income households and security of tenure
Source of data	Deeds registered and date registered
Method of calculation / Assessment	Simple count
Means of verifications	Confirmation by conveyancer after successful deeds registered and date registered
Assumptions	The Deeds Office timeously processes documents lodged by conveyancers
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial Transformation where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	882 of Title deeds registered
Indicator responsibility	Regional Managers: Region A, Region B and Region C

ANNEXURE 1

Pestle Table from the Agency's 23/24 APP

Political	<ul style="list-style-type: none"> • Aperpetuation of unjust spatial patterns, which do not enhance sustainable HS developments • Insufficient alignment in the human settlement plans of the three spheres of government • Lack of alignment in terms of bulk infrastructure and human settlements planning and budgeting • The political impact of the covid-19 pandemic • The political and socio-economic priorities set for the 6th administration as outlined in the MTSF and the NDHS Strategic Plan for the same period • The strategic focus areas for human settlement programmes as outlined by the new Minister of Human Settlements • The release of government owned land for human settlement by the Department of Public Works and Infrastructure (DPWI)
Economic	<ul style="list-style-type: none"> • Fragmented funding framework of government • Reduced budgets for human settlement projects • Construction Gross Capital formation has declined by 0,62% between 2011 and 2021 • The economic impact of the Covid-19 pandemic on the construction / infrastructure sector. • Increased unemployment, especially amongst youth coupled with slow economic growth. • Implementation of the Economic Reconstruction and Recovery Plan (ERRP) which foregrounds infrastructure development • High inflation rate resulting in high costs of construction materials • The lack of available capital amongst construction sector Small, Medium and Micro Enterprises (SMMEs) at Construction Industry Development Board (CIDB) levels 1 to 4 • The human settlement industry not leveraging off the human settlements value chain due to lack of knowledge and understanding of opportunities • Unstable energy provision and continued load shedding • Enabling private sector participation in both leasing, managing and protecting state assets, whilst also contributing to the mission of a transformed, inclusive and vibrant active property market.
Social	<ul style="list-style-type: none"> • Expectations of communities not being met and the poor achievement of human settlement outcomes as defined in the NDP Vision 2030 and the MTSF for the 6th administration • Slow or inadequate spatial transformation and delivery of integrated Human Settlements close to or inclusive of socio-economic amenities • Service Delivery Environment and Housing Demand • High inflation rate resulting in poverty and high levels of crime • 400 000 housing units blocked due to unavailability of bulk infrastructure • Social and economic impact of the July 2021 protests actions in KwaZulu-Natal and Gauteng Provinces. • Continued social impact of the Covid-19 pandemic. • Continued service delivery protests and work stoppages at development project sites in some cases resulting in major damage to government infrastructure. • Unoccupied government buildings hijacked which could be repurposed for residential housing
Technological	<ul style="list-style-type: none"> • Slow uptake of, and utilisation of alternative building technologies that speed up delivery and ensure long-term environmental sustainability, in the delivery of Human Settlements • Opportunity for the 4th Industrial Revolution innovations to improve the quality and standards of Human Settlement Developments • Insufficient funding and infrastructure to ensure 4IR is integrated in human settlements • Institutionalisation of sustainability principles in the facilities management programme and alignment to other departmental initiatives • Investment in disruptive and innovative technology including digitization of the housing delivery

Environmental	<ul style="list-style-type: none"> • Delays in EIA and other land preparation approvals, and lack of co-ordination in respect of inter-linked approval processes • Impact of natural emergencies and disasters e.g. floods • Continued impact of the topography and terrain in terms of suitable land for human settlement developments. • Utilisation of innovation of private sector participants to enable alternative financing, spatial justice, spatial integration, equitable access and reduction of carbon footprint • Compliance to SPLUMA, SDF and the integration of DDM in the Agency Plans
Legal	<ul style="list-style-type: none"> • Impact of litigation and court judgements in respect of the NDHS and provincial departments of human settlements • Impact of legislation e.g. the Expropriation Bill • Unlawful occupation of land • Reduction in requests from some provincial department and municipalities for the Agency's project management services • The compliance requirements are onerous resulting in lengthy approvals and government procurement processes • Development of policies and legislation to incorporate bulk infrastructure, housing code, green technology as part of the housing delivery model

ANNEXURE 2

HDA SWOT Analysis Diagram

STRENGTHS

- Clear policy and legislative mandate on the role of the HDA
- Early successful track record that can be used as a learning opportunity
- Capable youthful staff members bringing innovation to the HDA family
- Pockets of excellence having delivered large scale projects
- Designated by cabinet as preferred developer for all public works
- Strong and capable HDA Board
- Permanent CEO and CFO positions filled.
- Existing intergovernmental relationships
- Existing partnerships with private sector developers
- Qualified and experienced staff especially for the secondary role

WEAKNESSES

- Revised Organisational structure and processes in the process of approval
- low staff morale
- Negative financial outlook,
- Not fulfilling the primary mandate
- Non-participation in industries that participate in the human settlements value chain
- Lengthy procurement processes and compliance requirements.
- Reputation deficit due to prolonged instability of the Agency
- Lack of penalty clauses in HDA funding agreements (SLA's, funding agreements)

OPPORTUNITIES

- Use of SPVs as a means of attracting private sector funds
- Expanded mandate of HDA to manage state land and properties on behalf of the DPWI
- Government to make investment of 1.8 billion in bulk infrastructure, which will unlock seven private sector projects to the value of R133 billion
- Identify and repurpose derelict and disused buildings
- Engender qualitative participation rates of designated groups
- Tap into the Bulk catalytic infra Fund and the IF facility
- Sector agreement on the dual mandate, role and functions of the Agency
- Set-aside of percentage of the Agency's project management fees for HDA driven HS developments
- Redefining HSDG and other HS grants indicators and outputs through DORA
- Media management and build positive sentiment on the brand with key stakeholders, by developing an updated digital library of project/programme information
- Implement a stakeholder satisfaction survey, including media, provinces, municipalities, beneficiaries, contractors and develop an engagement strategy
- Revision of HDA agreements to include penalty clauses

THREATS

- Insufficient budget for HDA driven HS projects
- Continued dependencies on provinces and municipalities for IPs and MTOPs.
- Liquidity of the HDA (Provinces not paying on time)
- Sustainability of the HDA
- Provinces establishing their own development entities preferring to utilise the services of their own entities and not of the HDA
- Construction Mafia negatively impact service delivery

ANNEXURE 3

Table on Key functions associated with a Property Developer Role

Key Function	Associated Tasks
Capital Raising	<ul style="list-style-type: none"> • Mobilise funding or manage project funding sources [Public (DORA conditions) & Private (ISA) funding] requirements, including capital raising (SIDS). • Establish and maintain strategic partnership with ISA. • confirm financial feasibility, identifying sources of, and mobilising the funding required.
Contract Management	<ul style="list-style-type: none"> • Appointment and drafting of appointment contracts for the professional teams & ensuring that all deliverables are met timeously (professional to be sourced internally from the HDA or externally where skills may not be readily available from within the HDA). • Prepare the construction and procurement documentation (Subsidy Quantum Stage 5) as well as reviewing tender.
Marketing and Sales	<ul style="list-style-type: none"> • Identify primary off takers. • Sales & Marketing of the developments. • Ensuring that a feasible marketing strategy is formulated and implemented (including Beneficiary Administration).
Land Acquisition and Assembly	<ul style="list-style-type: none"> • Legal and conveyancing i.r.o. transfer of title deeds and/or land agreement transfers and/ or development agreement and/or Power of Attorney agreements to enable development. • Obtain land development rights including environmental and township establishment approvals and identify infrastructure services availability (by the municipality) in accordance with all statutory and regulatory requirements. • Ensure the development is located within a PHSHDA and any other declared and adopted HS master plans.
Land and Project Preparation	<ul style="list-style-type: none"> • Pre-planning, land surveying, contour mappings, Geotech studies and reports, market studies, water use licenses and township layout. It also includes township establishment as a sub-section of land preparation and pre-liminary engineering designs (PED) for water, sanitation, electricity, roads and stormwater. • Physical site suitability i.r.o. confirmation of geotechnical conditions, exclusion of flood risk and environmentally sensitive areas. • Determine the type of development/housing programme, the housing typologies and the income group/s targeted as beneficiaries.
Project Viability and Business Case	<ul style="list-style-type: none"> • Establish project viability and conduct market research investigations in order to justify a business case. • Establish concept development and project financial feasibility - Project Packaging and Readiness Assessment (Subsidy Quantum Stages 1 to 3).
Project Design	<ul style="list-style-type: none"> • coordinate & develop the detailed designs and secure Municipal and all other required statutory approvals (Subsidy Quantum Stage 4) and cost plans. • completion of social surveys leading to beneficiary screening and administration.

Key Function	Associated Tasks
Project Implementation	<ul style="list-style-type: none"> • Finalising all SLA's/contracts/work-breakdown structures and project implementation plans including milestones and timeframes with contractors. • Securing bulk Infrastructure i.r.o. water, sanitation, electricity, access roads. • Management of service providers/professional teams. • Monitor, report and account to HDA Head Office i.r.o. project implementation and status quo. • Establish and sustain all strategic project related IGR and private sector partnerships. • Ensure overall legal compliance of the development (Municipal regulations, Environmental, Occupational Health & Safety, Insurances etc.) • Manage the overall development in terms of scope, time, cost and quality controls (Subsidy Quantum Stages 5 and 6). • Fulfil and complete the project close-out, by ensuring that the primary objectives of the client were met. • Site handover, project closure and issuing of Title Deeds.
Property Management	<ul style="list-style-type: none"> • Directly managing the developed properties and/or contracting strategic property management partners/the developer to manage the properties for a period of time e.g. 10 years. • Managing the common/public spaces in human settlement developments primarily funded with public sector grants.

ANNEXURE 4

MTSF Table 2019/2024

Target: Implement housing & human settlements transformation, social justice, and spatial justice programme in 94 priority development areas		
INDICATORS	2024 TARGETS	HDA TARGETS
Priority development areas targeted for achieving spatial transformation through multi-programme integration are declared	94 priority development areas declared for human settlements development	94 PHSFDA's declared
An integrated implementation programme for the 94 priority development areas completed	Development Plans for all 94 priority developed areas, categorised and prioritised with budgets & finance options	94 Development Plans developed
Number of houses and serviced sites delivered through a range of programmes in the housing code	470 000 housing units	25 420 housing units
	300 000 serviced sites	23 586 serviced sites
	Rezone 100% of acquired land within the priority development areas	100% hectares rezoned
	6000 hectares of well-located land acquired within PDAs	6000 of hectares of well-located land acquired within PDAs
Number of informal settlements	1 500 informal settlements upgraded / formalised between Phase 1 and Phase 3 (in terms of the HS Code)	1500 informal settlements upgraded between Phase 1 and Phase 3

ANNEXURE 5

District Development Model

Areas of Intervention	Medium Term Expenditure Framework (MTEF Period)			
	Project description	District Municipality	Location: GPS coordinates	Project Managers
		Top Structure		
1)	BCMM Military Veterans - Top Structure	Buffalo City	-32.990565, 27.872245	Malik Kashe
2)	BCMM Military Veterans 179	Buffalo City	-32.99080493, 27.87208597	Malik Kashe
3)	Bethelsdorp	Nelson Mandela Bay	-33.83405911, 25.50566752	Malik Kashe
4)	Chatty 1060	Nelson Mandela Bay	-33.84649994, 25.44527761	Malik Kashe
5)	Chatty 491	Nelson Mandela Bay	-33.8569966, 25.44697217	Malik Kashe
6)	Illitha Housing Project - Top Structure	Buffalo City	-32.89399, 27.53134	Malik Kashe
7)	Joe Slovo West Phase 2	Nelson Mandela Bay	-33.82830538, 25.48934797	Malik Kashe
8)	Khayamnandi 289 - Despatch	Nelson Mandela Bay	-33.82123, 25.45769	Malik Kashe
9)	Khayamnandi 479	Nelson Mandela Bay	-33.82123, 25.45769	Malik Kashe
10)	Majaratiyeni - Top Structure	Buffalo City	-32.8700987, 27.58118052	Malik Kashe
11)	Mandelaville	Nelson Mandela Bay	-33.7417075, 25.39201097	Malik Kashe
12)	Mzamomhle Housing 500 - Top Structure	Buffalo City	-32.95699027, 27.99010326	Malik Kashe
13)	Mdantsane Zone 18 cc (500) & Mdantsane Zone 18cc (1000) - Top Structure	Buffalo City	-32.96325522, 27.66480052	Malik Kashe
14)	Motherwell NU12	Nelson Mandela Bay	-33.77449965, 25.58489533	Malik Kashe
15)	Peelton 598 & Tyutyu 100 - Top Structure	Buffalo City	-32.76742606, 27.48896093	Malik Kashe
16)	Queenstown New Rathwick			
17)	Reeston Phase 3 Stage 2 - Top structures	Buffalo City	-32.97661308, 27.75934434	Malik Kashe
18)	Tyutyu 100 - Top Structure	Buffalo City	-32.76742606, 27.48896093	Malik Kashe

Areas of Intervention	Medium Term Expenditure Framework (MTEF Period)			
	Project description	District Municipality	Location: GPS coordinates	Project Managers
	Top Structure			
19)	Mtsofso (Mdantsane East) TRU's	Buffalo City	-32.93893, 27.78528	Malik Kashe
20)	De Aar 353	Pixley ka Seme	-30.65043372, 24.01084293	Motabang Matsela
21)	Prieska 364	Pixley ka Seme	-29.6708687, 22.72339735	Motabang Matsela
22)	Greenpoint Diamond Park	Frances Baard	-28.77140667, 24.77770424	Motabang Matsela
23)	Wrenchville 244	John Taolo Gaetsewe	-27.44974975, 23.45917056	Motabang Matsela
24)	Forest Village - top structure	City of Cape Town	-34.0117347, 18.70624362	Mfundo Mkhwanazi
25)	Nyanga Masiphathisane	City of Cape Town	-33.99506341, 18.58830744	Warren Marrior
26)	Nyanga Masiphathisane - Lusaka	City of Cape Town	-33.99506341, 18.58830744	Warren Marrior
27)	Nyanga Masizakhe Infills	City of Cape Town	-33.99506341, 18.58830744	Warren Marrior
28)	Philippi Nompumelelo	City of Cape Town	-34.00607874, 18.57749877	Warren Marrior
29)	Sheffield Road - top structure	City of Cape Town	-34.00480718, 18.62192435	Bruce Malagas
30)	Farm 694 (Not on APP)	City of Cape Town	-34.00937392, 18.71225676	Shuaib January
31)	Transhex (Not on APP)	Cape Winelands	-33.65610019, 19.48650015	Mfundo Mkhwanazi
32)	Alexandra Ext 52 - Top structure	City of Johannesburg	-26.10556829, 28.08833371	Abongile Lavisa
33)	Kagiso Ext 13	West Rand	-26.17574404, 27.79647066	Abongile Lavisa
34)	Kwazenzele Ext 1	Sedibeng	-26.27995463, 28.57137662	Abongile Lavisa
35)	Munsieville Ext 9 - top structure	West Rand	-26.06826703, 27.76029267	Sello Tshoane
36)	Nellmapius Ext 24	City of Tshwane	-25.72389179, 28.3675048	Abongile Lavisa
37)	Nellmapius Remedial	City of Tshwane	-25.72849304, 28.38096853	Sello Tshoane

Areas of Intervention	Medium Term Expenditure Framework (MTEF Period)			
	Project description	District Municipality	Location: GPS coordinates	Project Managers
	Top Structure			
38)	Palmridge Ext 9	Ekurhuleni	-26.40929156, 28.13714708	Malik Kashe
39)	Military Veterans Rural & Urban Housing	Capricorn	-23.49839759, 29.1567587	Malik Kashe
40)	Rural and Urban Housing - Capricorn District Municipality	Capricorn	-23.89945695, 29.45052709	Malik Kashe
41)	Rural Housing - Greater Sekhukhune District Municipality	Sekhukhune	-24.66869907, 30.3191791	Malik Kashe
42)	Vingerkraal ISU	Waterberg	-24.72743, 27.98637	Malik Kashe
43)	Meloding Unit 3 & 7 Top Structures	Lejweleputswa District Municipality	-28.14041, 26.894838	Malik Kashe
1)	Mzamomhle Housing 500 - Services	Buffalo City	-32.95689691, 27.99005353	Malik Kashe
2)	BCMM - Gompo Military Veterans	Buffalo City	-33.01337086, 27.85738394	Malik Kashe
3)	BCMM Military Veterans - Serviced Sites	Buffalo City	-32.990565, 27.872245	Malik Kashe
4)	Elliot 1000	Chris Hani	-31.33484947, 27.85420871	Malik Kashe
5)	Engcobo (Chris Hani)	Chris Hani	-31.67731916, 27.97861929	Malik Kashe
6)	Heaven Hills (Duncan Village)	Buffalo City	-33.00267059, 27.84812302	Malik Kashe
7)	Indwe Middle Income Housing - 160	Chris Hani	-31.46727, 27.3388	Malik Kashe
8)	Mdantsane Zone 18 cc (500) & Mdantsane Zone 18cc (1000) - Serviced Sites	Buffalo City	-32.96307518, 27.66570174	Malik Kashe
9)	Nelson Mandela ePHP - Top Structure	Buffalo City	-32.97441173, 27.85297333	Malik Kashe
10)	Queenstown-Polar-Park-143	Chris Hani	-31.91434049, 26.84278909	Malik Kashe
11)	Reeston Phase 3 Stage 2 - Serviced Sites	Buffalo City	-32.9771002, 27.75981886	Malik Kashe
12)	Sterkstroom 164	Chris Hani	-31.55583774, 26.56260178	Malik Kashe
13)	Summerpride (Duncan Village)	Buffalo City	-32.96426851, 27.84192318	Malik Kashe

Areas of Intervention	Medium Term Expenditure Framework (MTEF Period)				
	Project description	District Municipality	Location: GPS coordinates	Project Managers	
	Top Structure				
14)	West Bank Restitution Project	Buffalo City	-32.87378957, 27.37849522	Malik Kashe	
15)	Whittlesea Sada - 1000	Chris Hani	-32.16824065, 26.82484579	Malik Kashe	
16)	Bakenpark Ext. 6&7	Thabo Mofutsanyana	-28.20910239, 28.34353457	Gloria Taunyane	
17)	Botharnia 9 Phase 2 - Serviced Sites	Lejweleputswa	-27.38363764, 26.62812277	Gloria Taunyane	
18)	Meloding Unit 3 & 7 Serviced Sites	Lejweleputswa	-28.13807543, 26.89394853	Gloria Taunyane	To be completed 2022/23 FY
19)	Vista Park II	Mangaung Metro	-29.16812003, 26.2055121	Mokhele Machongoane	
20)	Vista Park III	Mangaung Metro	-29.17452778, 26.19984727	Mokhele Machongoane	
21)	KZN Serviced Sites Projects			Mpho Motumi	
22)	Sesheng 1265	John Taolo Gaetsewe	-27.69415818, 23.00152778	Motebang Matsela	Legal Proceedings (Blocked)
23)	Lerato Park	Frances Baard	-28.67470369, 24.71927806	Motebang Matsela	Completed 2022/23
24)	Sheffield Road - serviced sites	City of Cape Town	-34.00413443, 18.62250051	Bruce Malagas	
25)	Valhalla Park	City of Cape Town	-33.95174413, 18.56757993	Mabuse oshoman / Mfundo Mkhwanazi	
26)	Airport Precinct	City of Cape Town	-33.96916957, 18.57323817	Kamal Naidoo / Mfundo Mkhwanazi	
27)	Zandspruit Serviced Sites	City of Johannesburg	-26.04703998, 27.90789283	Sello Tshoane	
28)	Coligny CBD 60 sites	Ngaka Modiri Molema	-26.32182167, 26.30357173	Thamsanqa Naphakade	
29)	Stella - Serviced Sites	Dr Ruth Sekgomotse Mompoti	-26.55494704, 24.85205593	Thamsanqa Naphakade	
30)	Vingerkraal ISU	Waterberg	-24.76503594, 27.94914538	Moloko Maila / Jefta Mavata	

Areas of Intervention	Medium Term Expenditure Framework (MTEF Period)				
	Project description	District Municipality	Location: GPS coordinates	Project Managers	
	Top Structure				
1)	Seshego B, F&H & Dendron - Title Deeds	Capricorn		Tryphina Diphoko & Jonathan Sebulele	Dendron to be completed in 2022/23 FY, Seshego to continue
2)	Kagiso Ext 13 Title Deeds			Tamara Mazana	
3)	Palmridge Ext 9 - Title Deeds			Tamara Mazana	
4)	Western Cape Title Deeds			Tersia Muller	
5)	Title Deeds Programme - Land Legal (Support)				Not planned for 2023/24 FY
6)	uMshwati and eDumbe title deeds registration				Not planned for 2023/24 FY
7)	Extended Enhanced Discount Benefits Scheme (Support)				Not planned for 2023/24 FY
1)	Seshego Asbestos Roofs	Capricorn		Moloko Maila/Maria Makhubedu	Next FY 2023/24 possible projects for asbestos roofs – undergoing assessments

ANNEXURE 6

Budget Deductions

1 Budget Deductions

1.1 Significance and Materiality Framework

In terms of Treasury Regulations 28.3.1 of the Public Finance Management Act (PFMA) of 1999, the HDA is required to develop and agree a framework of acceptable levels of materiality and significance with the relevant Executive Authority. The approved materiality and significance framework should be included in the Annual Performance Plan of the organisation.

Background

The Risk Unit is responsible for conducting an annual review and making recommendations to Management and the Board regarding the materiality and significance framework. The review considers the following:

- Guidelines issued by National Treasury
- The nature of HDA's business
- The control and risk environment in which HDA operates.
- HDA materiality levels determined by External Auditors (if available).

Further, to comply with Section 54 (2) of the Public Finance Management Act (PFMA), the Board is expected to report on:

- The acquisition and disposal of a significant asset and /or
- The beginning of a significant business activity.

Determining the HDA Materiality Levels

The HDA's materiality is based on the practice note issued by National Treasury on 20 July 2006, and the principles applied by the auditing profession in their quantification of risk. The statement of Generally Accepted Accounting Practice AC000 defines materiality as follows: "Information is material if its omission or misstatement could influence the economic decisions of users on the basis of the financial statements. Materiality depends on the size of the item or error, judged in the circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful."

This definition is generally used to describe audit materiality; however, it can also be used to derive a definition for materiality in general. Materiality should be considered for financial as well as non-financial matters such as fraud and misrepresentation.

Materiality Framework in Terms of PFMA and National Treasury Practice Note

The National Treasury Practice Note provides parameters for calculating materiality using the latest audited financial statements, considering judgment, consistency, and qualitative factors. The parameters provided for in the National Treasury Practice Note are as follows in the next page:

Element	Percentage (%) range to be applied against R value
Total Assets	1% - 2%
Total Revenue	0.5% - 1%
Profit after tax	2% - 5%

The Practice Note recommends that materiality be calculated based on the ranges shown above. Profit after tax is not applicable to the HDA as the organisation does not generate profit. This report uses the 2021-2022 financial figures as audited by Rakoma & Associates Inc.

Non-Financial Materiality

In terms of Section 54.2 of the PFMA, the Board for the HDA must inform National Treasury and submit relevant particulars to its executive authority for approval in respect of: establishment or participation in the establishment of a company; participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; acquisition or disposal of a significant asset; commencement or cessation of a significant business activity; and a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.

Should the HDA wish to enter into any one of the above transactions, it would be incorporated into the HDA legislative mandate as derived from the HDA Act, No 23 of 2008. Should the entity decide to enter into any one of the transactions under Section 54.2, the Board, as the Accounting Authority must inform the National Treasury of the transaction and relevant particulars of the transaction submitted to the executive authority for the approval of such transactions.

Section 55.2 (b) (i) of the PFMA states that the annual report and financial statements must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.

The level of non-financial materiality for the HDA would be:

all losses in respect of criminal conduct;

- any criminal or disciplinary steps taken as a consequence of such losses;
- any irregular, fruitless and wasteful expenditure involving gross negligence; and
- any other irregular, fruitless and wasteful expenditure.

The non-financial materiality has been defined in the next page:

Section	Requirement	Material/Significant
Section 51(1)(g)	An Accounting Authority for a public entity must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative.	HDA will inform the National Treasury of individual transactions covered by this section irrespective of the materiality or significance of the transaction.
Section 54(2)	Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:	
	(a) establishment or participation in the establishment of a company.	All transactions of the nature will require application except where the HDA will not have an interest in the company to be established.
	(b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement.	All transactions involving establishment or participation in the establishment of a company require an application. All transactions involving the establishment (or participation in the establishment) by HDA of any company that is domiciled outside the Republic of South Africa require an application.
	(c) acquisition or disposal of a significant shareholding in a company.	The following require an application <ul style="list-style-type: none"> Acquisition or disposal of any percentage of shareholding in a company domiciled outside the Republic of South Africa The voluntary winding- up, liquidation or deregistration of any company. Size of shareholding >10%
	(d) acquisition or disposal of a significant asset.	<ul style="list-style-type: none"> All core business transactions to obtain blanket Ministerial approval. Impact or potential impact on non-core assets to be assessed by the Accounting Authority.
	(e) commencement or cessation of a significant business activity; and	Any business activity outside the HDA's core business will require an application.
	(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Any change in interest in the rand value >2% (upper limit of National Treasury guideline) of the HDA total assets based on 2021-2022 audited financial statements of R 52 757 940.00 .
Section 55(2)	The annual report and financial statements referred to in subsection 55(1)(d) must – (b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.	2.2 Any losses arising from criminal conduct are considered to be material and will be reported in accordance with the provisions of section 55(2) of the PFMA. Any individual transaction arising from irregular expenditure and fruitless & wasteful expenditure will be considered to be material and will be dealt with in accordance with the provisions of section 55(2) of the PFMA irrespective of the rand amount involved.

Financial Materiality

The materiality levels have been calculated and determine based on National Treasury Practice Note as shown in the table below.

Element	Percentage	Calculated Materiality
Total Assets: R 2 637 897 000	1.0%	R 26 378 970
	2.0%	R 52 757 940
Total Revenue: R 380 917 000	0.5%	R 1 904 585
	1.0%	R 3 809 170
2021/2022 External Audit Materiality	n/a	R XXX
HDA's Proposed Financial Materiality for 2023-2024 Financial Year		
Total Revenue: R 380 917 000	0.5%	R 1 904 585

The approved financial materiality of the HDA for the period commencing 2020-2021 financial year until 2022-2023 was set at Nil.

Conclusion

The materiality level based on the National Treasury practice note, at 1% of total assets is R26 378 970.00 and at 1% of total revenue is R3 809 170.00. The current External Auditors (Rakoma & Associates Inc.) do not share materiality figures with the client so as to allow for an element of unpredictability in the conducting of audit procedures.

Based on the current internal control and risk profile of the HDA, the entity has set its materiality level to a limit of 0.5% of the revenue. The HDA obtained a qualified audit outcome for the past four (4) consecutive financial years due to material misstatement identified during the external audit. The intention is to report materiality at lower levels and prevent unnecessary risks to the entity.

Therefore:

- The recommended financial materiality for the 2023-2024 financial year is R1 904 585 based on 0.5% of total revenue.



The Housing Development Agency (HDA)

6 - 10 Riviera Road
Riviera Office Park, Block A
Killarney
Johannesburg, 2193

PO Box 3209
Houghton, South Africa, 2041

Phone: +27 11 544 1000

Fax: +27 11 544 1006/7

Website: www.thehda.co.za

