

 **MINISTRY:**

**HUMAN SETTLEMENTS, WATER AND SANITATION**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1666**

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**Ms E L Powell (DA) to ask the Minister of Human Settlements, Water and Sanitation:**

(1) What (a) percentage of its budget did the Social Housing Regulatory Authority (SHRA) spend against the 51,2% of its target that it met for social housing units for the 2018-19 financial year, (b) were the material reasons that the SHRA did not meet its target of social housing units and (c) remedial actions are being taken to ensure that the situation improves in the current financial year;

(2) whether she can provide the performance contract and the performance outcomes for the Chief Executive Officer (CEO) of the SHRA for the 2018-19 and 2019-20 financial years to Ms E L Powell;

(3) how does she and the SHRA Council justify the more than 12% increase in salary of the CEO of the SAHRA? NW3061E

 **REPLY:**

(1) (a) The Social Housing Regulatory Authority (SHRA) spent 105% of its R743,64 million budget in the 2018-19 financial year on the development of social housing units, thus representing a total expenditure of R778 273 327.

(b) Yes, there were material reasons why SHRA missed some of its targets. Those reasons have been summarized on page 129 of the Social Housing Regulatory Authority (SHRA) 2018-19 Annual Report in the column entitled *“Variance and comments.”* Further explanations were provided by the SHRA on page 35 of the 2018-19 Annual Report in section 4.3.4 of the report entitled *“Project Development & Funding (PD&F) Programme”*.  For a more detailed explanation of the reasons at a project level, this can be found in Table 4 on pages 17 through 20 of the 2018-19 Annual Report. The table is entitled *“Project Challenges and Solutions.”*

 (c) The remedial actions being taken to ensure that the situation improves are also documented on the same pages of the SHRA 2018-19 Annual Report as has been stated under (b) above. Further to this, the following remedial actions are being implemented by the SHRA:

* Non-performing contracts are terminated within the provisions of the contracts and law;
* Improvements have been introduced in the project accreditation process to curtail delays in planning and projects meeting financial closure;
* The SHRA has engaged with financiers to provide debt/ loan and equity funding to projects toward meeting financial closure;
* The SHRA has employed additional resources to improve the project approval by the provinces in order to ensure contract compliance earlier in the process;
* The SHRA is intervening in the non-performing contracts with a bespoke approach according to the needs per contract.

(2) Conditions of employment such as salaries and qualifications of staff are confidential. Laws such as the Protection of Personal Information Act and the Basic Conditions of Employment, amongst others, protects the confidentiality of such information.

(3) The salary increase of the CEO resolved upon by the SHRA Council was 6% and not 12%. The increase comprises of a 5,5% inflation linked cost of living increase plus an additional 0,5% performance linked increase arising from the 2017 – 18 performance result. This is in accordance with the SHRA remuneration policy and the terms of the employment contract.