

**MINISTRY**

**HUMAN SETTLEMENTS**

 **REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ 2915 (NW3541E)**

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**Ms S A Buthelezi (IFP) to ask the Minister of Human Settlements:**

In view of the fact that the Social Housing Regulatory Authority (SHRA) is mandated to invest in, regulate and transform the social housing sector, and that the authority has also been increasing its capacity to deal with non- compliance, what (a) are the details of the (i) interventions that have been implemented to increase the capacity of the SHRA in order to deal with non-compliance and (ii) cases of non-compliance that SHRA has managed and (b) total amount that has been lost through non-compliance cases thus far?

 **REPLY**

(a)(i) To strengthen the SHRA’s regulatory role and to build a sector that is capable of delivery and management of social housing at the level of scale and form required, the Compliance, Accreditation and Regulation (CAR) Operational Framework was reviewed. Implementation is underway, with the SHRA aiming to increase its internal capacity and reduce the past reliance on consultants. Organisational capacitation of key personnel including resources to provide more in-depth compliance monitoring and a Regulations Manager and to increase in-house capacity when dealing with issues of regulatory enforcement and non-compliance, in line with section 12 provisions contained within the Social Housing Act 16 of 2008 are being implemented.

(a)(ii)Cases of non-compliances which have escalated for enforcement relates to the following institutions:

* Free State Social Housing Company: Placed Under Administration.
* Troyeville Housing Cooperative: Placed under Administration.
* Communicare: Allegations of maladministration have been made against the institution, and the finalisation of a forensic investigation is imminent.
* Housing Association East London (Belgravia): Failure to meet compliance conditions has resulted in a downgrading of accreditation status. There are suspected grounds of maladministration, and a forensic audit has been approved.
* Urban Scape Rentals: Failure to meet compliance conditions has resulted in a downgrading of accreditation status. There are suspected grounds of maladministration, and a forensic audit has been approved.

(b) Irregular expenditure incurred in the past five years pertain to investing in projects that fell outside a restructuring zone, which has since been declared and regularised. The remaining irregular expenditure relates to a single grant recipient (TBGI) amounting to R26.7 million which is being dealt with by implementing the court judgement to recover the funds – a loss cannot be established at this stage.

There have been no funds lost through non-compliance, as most non-compliance has been limited to the submission of documents. Three institutions are about to be taken through regulatory enforcement and forensic investigations are to be conducted. These are Housing Authority of East London (HAEL), Urban Scape and Communicare. The extent of maladministration and if funds have been lost, can only be ascertained when these investigations are concluded.