



**ANNUAL PERFORMANCE
PLAN**

FOR

2021/22

FINAL

**SOCIAL
HOUSING
REGULATORY
AUTHORITY**

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SOCIAL HOUSING REGULATORY AUTHORITY (SHRA)

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EXECUTIVE AUTHORITY STATEMENT

The Social Housing Regulatory Authority (SHRA) plays an important part in our efforts to improve the lives of the people of South Africa, through the provision of quality, affordable social housing in locations that support spatial integration and transformation.

Despite far-reaching efforts over the past 27 years, housing demand has continued to increase as household size has reduced and urbanisation has accelerated. Estimated at 320 000 social housing units, the demand for social housing means that the SHRA needs to substantially increase its rate of delivery, from the average delivery rate of 3 500 social housing units per annum to more than 6 000 units per annum.

MTSF Priority 5: Spatial Transformation, Human Settlements and Local Government focuses on three interrelated outcomes: spatial transformation through multi-programme integration in priority areas; adequate housing and improved quality living environments; and security of tenure.

The MTSF prioritises human settlement and housing developments in 94 Priority Development Areas (PDAs), or Priority Human Settlements and Housing Development Areas (PHSHDAs) as defined in Gazette Notice No. 526 of 15 May 2020. A total of 136 PHSHDAs have been declared by the Gazette, which states, *"PHSHDAs intend to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms"*. Implementation will be through a multi-year development plan for social housing and enabled by the required policy reforms that the SHRA and the Department of Human Settlements is working to finalise.

At the time of developing this 2021/22 APP, we are experiencing the devastating effects of the COVID-19 pandemic on our economy, which has seen a steep decline in economic growth and in excess of 2.2 million people having lost their jobs. On a global scale, the COVID-19 pandemic has led to the sharpest global economic downturn since the Second World War and the biggest decline in per capita income in 150 years. The effects of the pandemic will have a direct impact on this APP in terms of both new social housing projects constructed and the sustainability of the sector as tenants struggle to make their rental payments due to job losses and/or reduced income.

On the back of the pandemic, the SHRA is acknowledged as a key role-player in the infrastructure-led economic growth envisioned by government, and needs to implement programmes and interventions to upscale the completion of new social housing units and to achieve the five-year Medium Term Strategic Framework (MTSF) 2019-2024 delivery target, which is set at 30 000 social housing units delivered in strategically located areas.

To achieve this target, the SHRA must prioritise the implementation of the Social Housing Growth Plan Framework, which outlines the collaborations and partnerships that are needed with developers, social housing institutions, other delivery agents, financiers, national government agencies, and provincial and local government. Critically, as the SHRA delivers so must it drive the transformation agenda. Real, on the ground transformation, particularly aimed at women in all areas of the social housing sector value chain will be monitored very closely over the period of this APP. We want to see significant numbers of women developers, contractors and sub-contractors, material suppliers and women-owned and managed social housing institutions playing an active role in delivering the 30 000 social housing units target and managing the properties after the units have been tenanted. Implementation of the principles and prescripts of preferential procurement to benefit designated groups must be pursued with vigour.

The Department of Human Settlements will work closely with the SHRA to coordinate and facilitate support among the human settlement's agencies – HDA, NHFC (HSDB), NHBRC, for rolling out the healthy project pipeline that the SHRA has established. We will also assist the SHRA in its efforts to participate in the Sustainable Infrastructure Development Symposium (SIDS) projects being facilitated by The Presidency and National Treasury, wherein it is envisaged that the blended financing approach may allow for financing to be linked to projects faster and potentially at a more attractive financing cost.

I endorse this Annual Performance Plan for the 2021/22 financial year, as the second year of the 2020-2025 Strategic Plan. I have full confidence in the Council and management team's ability to achieve the outputs and targets reflected in this plan.

I thank you.



L N SISULU, MP
MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION

ACCOUNTING AUTHORITY STATEMENT

The Council of the SHRA is pleased to present the Social Housing Regulatory Authority (SHRA) Annual Performance Plan (APP) for the 2021/22 financial year, which has been developed in alignment with the five-year Strategic Plan that outlines the SHRA's mandate, strategic focus, priorities, impact and outcomes.

This APP carries the results-based approach forward and presents the outcome-aligned outputs, indicators, annual and quarterly targets for the 2021/22 financial year, as year two of the five-year strategy, on the journey towards achieving the aspirational vision of the SHRA, which is:

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

In striving towards the realisation of this vision, the SHRA committed to achieving the following strategic medium-term results (outcomes):

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

This is the second APP of the MTSF 2019-2024 aligned planning period that the Council is overseeing and based on the learnings from the previous Plan, the learnings from the 25 year review report and the priorities of government, the Council has stressed to management the need to prioritise Outcome 6 – Transformation. Most particularly, to focus on gender equality and empowerment of women in all areas of the social housing sector value chain. The transformation needs to be tangible, and it needs to be real and empowering. We aim to see many more women playing a positive, active role in the sector over the next few years. All designated groups need to benefit from the social housing programme through the dedicated implementation of the preferential procurement regulations by management.

We are also aware of the post COVID-19 opportunities for the social housing market – as a result of people downgrading due to the recessionary economic environment, having to use their limited income responsibly, often resorting to buying or renting smaller homes. The management team has been tasked with working closely with the full range of stakeholders, including developers, social housing institutions, finance institutions, contractors to ensure delivery targets are met, for the betterment of peoples' lives – that is what the SHRA must be about.

We will also continue to drive the implementation of the SHRA's medium to longer-term Growth Plan Framework that seeks to double the production rate of social housing over the five-year period of the 2020-2025 Strategic Plan that this APP aligns with.

We affirm our commitment to providing strategic guidance that will develop the SHRA into a well-resourced entity that is optimally purposed for delivering on its mandate, in a transformational,

developmental and sustainable manner; and realise that this can only be achieved through 100% dedication to the achievement of the strategic intent by the entire SHRA team.

The SHRA Council fully endorses this Annual Performance Plan for 2021/22.

A handwritten signature in black ink, appearing to read 'B O Dlamini', written over a horizontal line.

03.03.21

Ms. B O Dlamini

Chairperson of Council

ACCOUNTING OFFICER STATEMENT

This 2021/22 Annual Performance Plan is year two of the SHRA's 2020-2025 Strategic Plan, which has been crafted to align with the priorities of the 6th Administration.

Carrying forward the work done in the previous term, the SHRA will strive to realise the impact of the Social Housing Programme by contributing significantly to the creation of liveable neighbourhoods through the delivery of adequate, quality and affordable social housing for rental in strategically located areas. This will be achieved through implementation of the three core pillars of our mandate:

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

Across all areas of our business, we commit to the cross-cutting priority of driving the transformation agenda across the social housing sector value chain through interventions that support enterprises owned and managed by black people, women, youth, persons with disabilities and military veterans. We aim to adopt a supportive, handholding approach to institutions and project applicants that demonstrate the potential and the acumen to participate in the social housing programme. In line with the organisational policy and procedures on transformation, each of the four (4) SHRA programme executives will develop and implement a transformation plan that is linked with the delivery outcomes and outputs of their programme. Progress will be monitored and reported at least on a quarterly basis to Exco and the applicable Council committee. In this way we will ensure that delivery and transformation are inextricably linked.

Our bedrock is good administration and governance, which we will continue to strengthen through the implementation of a suitable ICT strategy, one that brings about efficiencies through automation of key business processes. Improved performance means that we need to move with speed in making decisions and taking action. Our leadership team must drive a culture of performance through the organisation. We are looking at key structural changes to optimise our cost of employment to better balance the ratio of administrative to core staff and to reduce the reliance of outsourced services through capacitation of key functions in the areas of risk, due diligence, stakeholder management, regulation and portfolio management.

Considering our journey over the past five years and our proven ability to produce 3 000 to 3 500 new social housing units per annum, we are of the view that by implementing our Growth Plan Framework we are ready to enter the next stage of our growth as an organisation by doubling our production rate. This requires us to be resilient, to be agile and to innovate. It is the message to the team in planning for the 2021/22 financial year as we acknowledge the massive task that lies ahead.

Off the back of our successful online Investment Seminar, which was held at the end of September 2020, and attended by 300 delegates, we are convinced that the interest is there to support the social housing programme. We have demonstrated that we have in place a healthy project pipeline and that we are encouraging developers, financiers, contractors, delivery agents, provincial and local government, as well as our "sister" human settlements' agencies to come on board and work

with us as we strive to achieve the MTSF 2019-2024 target of 30 000 new social housing units delivered.


We commit to the following non-negotiables of our strategy for the 2021/22 financial year:

- 1) To achieve a minimum of 3 500 social housing units completed in 2021/22.

We expect this number to ramp up significantly once key policy reforms are enacted, and other dependencies and interventions of the Social Housing Growth Plan Framework are addressed and implemented;

- 2) To build sector compliance through competent and efficient social housing property owners;
- 3) To continue to empower beneficiary communities that are responsible citizens;
- 4) To make progress towards achieving an unqualified audit outcome with no material findings;
- 5) To ensure we are a public entity at work, with all resources fully deployed;
- 6) To ensure a corruption-free environment; and
- 7) To ensure "real", tangible and empirically verifiable transformation.

On behalf of the management team, we present this 2021/22 APP for approval and tabling by the Minister, as the Executive Authority.



Ms. M Nkopane

Chief Executive Officer (Acting)

OFFICIAL SIGN-OFF

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

- 1) Was developed by the management team under the guidance of the Council and the Executive Authority, the Minister of Human Settlements;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Social Housing Regulatory Authority is responsible;
- 3) Accurately reflects the Outputs and Targets, which the Social Housing Regulatory Authority will endeavour to achieve over the 2021/22 financial year.



Mr. D Koekemoer

Executive: Sector Development and Transformation



Mr. L Letsoalo

Executive: Project Development and Funding



Mr. D Koemoer

Executive: Compliance, Accreditation and Regulation (Acting)



Ms. A Puoane

Corporate Services Manager (Executive)

03/03/2021

Date



Ms. M Nkopane

Chief Executive Officer (Acting)

03/03/2021

Date

APPROVED BY:



Ms. B O Dlamini

Chairperson of Council

03.03.2021

Date

Honourable L N Sisulu, MP

Minister for Human Settlements, Water and Sanitation

Date

ABBREVIATIONS AND ACRONYMS

ANC	African National Congress
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BCA	Building Condition Audit
BNG	Breaking New Ground
CAR	Compliance, Accreditation and Regulation
CCG	Consolidated Capital Grant
CEO	Chief Executive Officer
COVID-19	Corona Virus Disease 2019
CRU	Community Residential Units
CSD	Central Supplier Database
DDM	District Development Model
DFI	Development Finance Institution
DoHS	Department of Human Settlements
DRP	Disaster Recovery Plan
EE	Employment Equity
EOI	Expression of Interest
Exco	Executive Committee
FC	Financial Closure
GDP	Gross Domestic Product
GP	Gauteng Province
GVA	Gross Value Add
HDA	Housing Development Agency
HSDB	Human Settlements Development Bank
HR	Human Resources
ICT	Information and Communication Technology
IGR	Intergovernmental Relations
IIG	Institutional Investment Grant
IMF	International Monetary Fund
KZN	KwaZulu-Natal
M&E	Monitoring and Evaluation

MOA/U	Memorandum of Agreement/Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MV	Military Veteran
NASHO	National Association of Social Housing Organisations
NDoHS	National Department of Human Settlements
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
ODA	Other Delivery Agent
PDA	Priority Development Area
PD&F	Project Development and Funding
PHSHDA	Priority Human Settlements and Housing Development Area
PFMA	Public Finance Management Act
PSC	Provincial Steering Committee
PSCC	Property Sector Charter Council
PWD(s)	People with Disability/ies
RZ	Restructuring Zone
SA	South Africa
SALGA	South African Local Government Association
SARB	South African Reserve Bank
SD&T	Sector Development and Transformation
SHA	Social Housing Act (No. 16 of 2008)
SHL	Social Housing Landlord
SIDSSA	Sustainable Infrastructure Development Symposium South Africa
SHI	Social Housing Institution
SHIP	Social Housing Investment Plan
SHoRP	Social Housing Regulatory Plan
SHRA	Social Housing Regulatory Authority
SONA	State of the Nation Address
SOP	Standard Operating Procedure
TEC	Technical Evaluation Committee
WC	Western Cape
WEO	World Economic Outlook

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PART A: OUR MANDATE

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

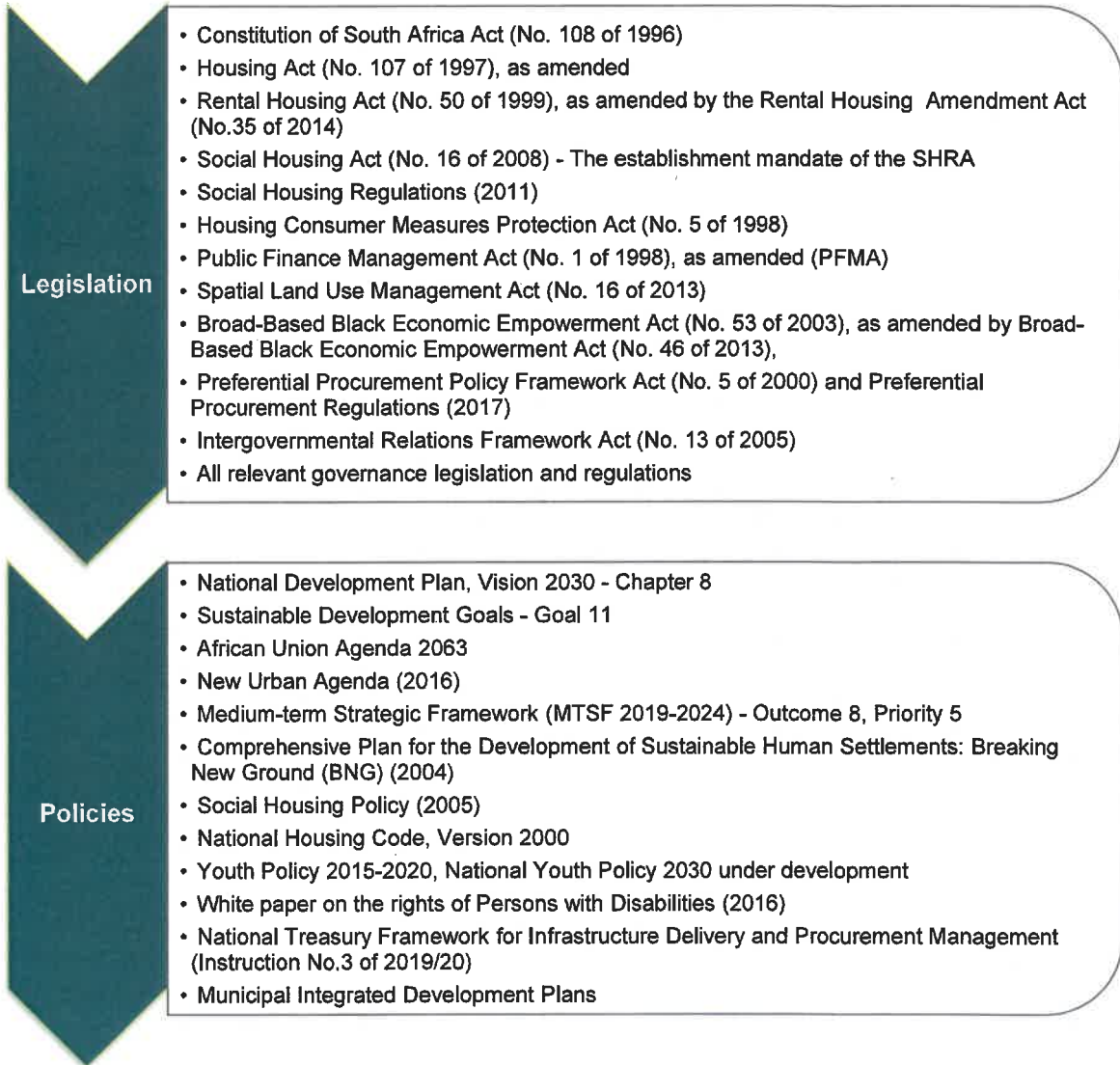
The establishment mandate of the SHRA is informed by the Social Housing Act (No. 16 of 2008) (SHA). The purpose of the Act is to:

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

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

- 1) Promote the development and awareness of social housing and promote an enabling environment for the growth and development of the social housing sector;
- 2) Provide advice and support to the Department of Human Settlements in its development of policy for the social housing sector, and facilitate national social housing programmes;
- 3) Provide best practice information and research on the status of the social housing sector;
- 4) Support provincial governments with the approval of project applications by SHIs and assist, where requested, in the process of the designation of restructuring zones;
- 5) Enter into agreements with provincial governments and the National Housing Finance Corporation to ensure that implementation by these entities is coordinated;
- 6) Provide financial assistance to SHIs through grants to enable them to develop institutional capacity, gain accreditation as SHIs and submit viable project applications;
- 7) Accredite institutions meeting accreditation criteria as SHIs and maintain a register of SHIs. In addition, conduct compliance monitoring through regular inspections and enforce compliance where necessary.
- 8) Approve, administer and disburse institutional investment grants and capital grants and obtain applications for such grants through engagement with provincial governments and municipalities;
- 9) Make rules and regulations in respect of the accreditation of SHIs and the disbursement of government funds to them; and
- 10) The SHRA is empowered to intervene if it is satisfied on reasonable grounds that there has been maladministration by a SHI.

There are no updates to the legislative and policy mandates outlined in the 2020-2025 Strategic Plan, summarised as follows:



The SHRA anticipates to collaborate with the Department of Human Settlements to develop policies in a number of important areas to strengthen the Entity’s ability to serve effectively as both investor and regulator of the sector, and to better align with a shifting and reforming institutional policy and performance delivery environment.

POLICY NAME	PURPOSE
National Affordable Rental Housing Strategy and Policy	The Social Housing Policy that is presently applied and administered was framed and approved in 2005. The Social Housing Act was passed into law in 2008.

2024 Impact	Achieving spatial transformation through improved integrated settlement development, and linking job opportunities and housing opportunities.
Outcome: Interventions/Targets	Adequate housing and improved quality living environments: <ul style="list-style-type: none"> ▪ Deliver 30 000 social housing units in strategically located areas.

The indicative budget allocation from National Treasury is approximately R4 billion over the five-year period. Based on current prices, this will allow for the construction of approximately 15 000 social housing units by end March 2024. Interventions are therefore needed to achieve the set target of social housing units completed over the MTSF period. The SHRA's Growth Plan Framework has been developed to ramp up the delivery production rate and is discussed in a separate section below.

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

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION*
94 area-based integrated multisectoral development plans for priority development areas completed by 2024	<p>In collaboration with NDoHS complete a multi-year development plan for social housing in line with the priority development areas:</p> <ul style="list-style-type: none"> ▪ SHRA to assess the alignment of RZs and PDAs and to focus investments on overlaps/intersections in the short-term and address through the policy reforms in the medium-term; ▪ The SHRA has submitted the Council-approved Social Housing Growth Plan Framework (Development Plan) to the NDoHS. ▪ Implementation is through the Social Housing Investment Plan (SHIP), which is the operational plan of the Project Development and Funding (PD&F) programme.
Long-term land development pipeline for human settlements completed	<p>Use GIS and/or remote sensing to spatially reference the restructuring zones and social housing projects:</p> <ul style="list-style-type: none"> ▪ Spatial referencing is included in the District Development Model (DDM) – Annexure D of the APP; ▪ Applicants are required to provide the coordinates which will be validated through GIS maps and/or SG diagrams for projects; ▪ HDA in conjunction with NDoHS will be requested to provide support for the spatial referencing of Restructuring Zones.
30 000 social housing units delivered	<p>Develop and submit a five-year development plan for the delivery the 30 000 social housing units:</p> <ul style="list-style-type: none"> ▪ The current indicative budget will result in the delivery of 15 000 units – an additional R4.2m in grant funding is needed to deliver 30 000 units; ▪ The Council-approved Social Housing Growth Plan Framework has been submitted to the NDoHS as the SHRA's development plan to deliver the 30 000 (and more) social housing units.

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION*
	<ul style="list-style-type: none"> ▪ It requires endorsement by the NDoHS and support for the systems and multi-stakeholder approach. It further needs to be enabled by essential policy reforms.
	<p>Propose restructuring zones for development of social housing to the Minister:</p> <ul style="list-style-type: none"> ▪ As spatial planning is a municipal function, the SHRA does not have a specific indicator for proposing RZs. ▪ However, in line with section 11(1)(g) of the SHA, the SHRA provides provinces and municipalities with the support needed to fulfil their duties in terms of gazetting restructuring zones and managing functional social housing programmes. Municipal support is included in the APP while provincial support is an operational plan target.
	<p>Manage the delivery of 30 000 social housing units:</p> <ul style="list-style-type: none"> ▪ APP output targets have been set for the number of social housing units completed, and tenanted, per annum. ▪ Other targets, such as the number of units pre-assessed are managed and reported in the operational plan (SHIP). ▪ Implementation is actively monitored/managed through the PD&F project pipeline reporting dashboard.
	<p>Develop a comprehensive database of all social housing developments as well as social housing institutions:</p> <ul style="list-style-type: none"> ▪ Managed and reported in the Social Housing Regulatory Plan (SHoRP), which is the operational plan of the CAR programme. Support is provided through the Admin Plan.
	<p>Regulate Social Housing Institutions, and monitor and report on status of compliance to NDoHS:</p> <ul style="list-style-type: none"> ▪ The APP has an Output indicator on meeting at least 3 of 5 primary benchmarks. The SHRA Indicator and Benchmark framework is under review for applicability across the various delivery agent types (e.g. MOE, ODA and SHI).
	<p>Ensure that social housing development projects are enrolled at the NHBRC:</p> <ul style="list-style-type: none"> ▪ All contracts require NHBRC enrolment as one of the conditions to achieve FC. Enrolment activities will be monitored and reported on in the operational plan (SHIP).
	<p>Ensure that rental agreements have a clause indicating that the status of tenants shall be re-evaluated every five years:</p> <ul style="list-style-type: none"> ▪ Regulation 11(3)(j) – manage applications to amend their lease agreements. Clause could be included for means testing purposes, further supported by annual tenant audits. However,

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION*
	<ul style="list-style-type: none"> ▪ There is concern regarding the implications pertaining to those tenants that are earning beyond the income threshold, options available and cost of regular means testing and/or regularization without a clear policy position on what to do with those falling beyond the target market and those tenants with indefinite lease agreements.
<p>Number of persons in the targeted market exposed to education programmes on various aspects of owning and/ or renting a home</p>	<p>Implement a borrower, homeownership (Zenzeleni - PHP, help me-buy-a-home) and tenant education programme:</p> <ul style="list-style-type: none"> ▪ SHRA focus will be on tenant education in collaboration with other human settlements entities. The initiatives will form part of the SHRA's communication strategy. ▪ The intention is for SHRA compliance officers to provide tenant education during the tenanting phase of projects. Additional regulatory capacity is being sought to increase the SHRA's on-the-ground presence, including during tenanting. ▪ Tenant surveys will be piloted in 2021/22. The findings will influence the content of the tenant education programme. <p>Monitor and report on the number of persons exposed to education programmes on owning or renting a home:</p> <ul style="list-style-type: none"> ▪ The SHRA will plan, monitor and report on tenant education for tenants allocated into SHRA funded units through the SHoRP (operational plan).
<p>Transactional Support Programme implemented</p>	<p>NHBRC; NHFC; SHRA; CSOS to establish a presence in transactional support sites:</p> <ul style="list-style-type: none"> ▪ The SHRA is in the process of building capacity and capability through the MySHRA online portal, allowing for increased reach by using technology for virtual/remote transacting. ▪ The SHRA will collaborate with the Department and key sister entities such as the HDA on initiatives aimed to establish transactional support sites. <p>Monitor and report on transaction support programmes:</p> <ul style="list-style-type: none"> ▪ The SHRA reports on various transaction support programmes, including but not limited to the incubation programme, PSCs, municipal support programme and matters related to disputes and rental tribunals.
<p>Consumer protection programmes implemented</p>	<p>Number of consumer disputes submitted and resolved within 90 days:</p> <ul style="list-style-type: none"> ▪ Rental tribunals are legislated as the dispute resolution function. Disputes brought to the attention of the SHRA will be referred to the respective rental tribunals. ▪ Furthermore, the SHRA will report on the cases that the SHRA is dealing with in conjunction with the rental tribunals.

INDICATOR	MTSF INTERVENTION / SHRA CONTRIBUTION*
Transformation of the residential property market	<p>In collaboration with NDoHS ensure the finalisation of the legislation for the residential sector transformation and develop an implementation strategy with targets for the transformation of the residential property sector:</p> <ul style="list-style-type: none"> ▪ The SHRA is working with the Property Sector Charter Council on developing the Transformation Charter and Scorecards for the Social Housing Sector. ▪ Transformation is included in the impact statement of the SHRA, enabled by a Transformation Outcome indicator. The indicator includes the development of a <u>transformation barometer</u> to measure transformation across the social housing sector value chain. ▪ The SHRA intends to intervene in all touch points of the social housing sector value chain to drive the transformation agenda. The primary focus will be to ensure women-owned and managed enterprises gain full benefit from the capital grant. ▪ Each programme of the SHRA has transformation outputs, indicators and targets for B-BBEE and preferential targets for designated groups.

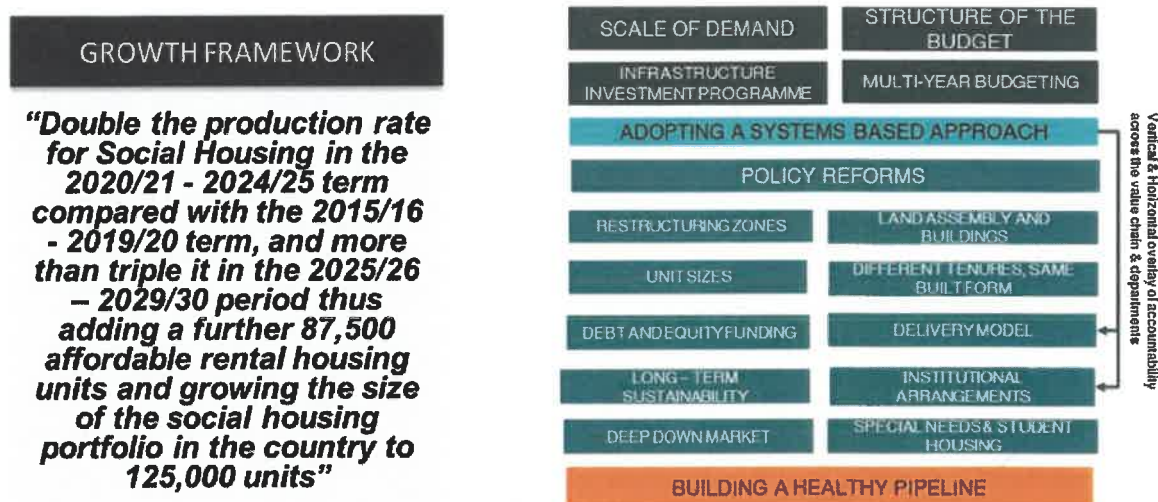
* The SHRA's contribution to the above MTSF interventions will be reported to the Department of Human Settlements on a quarterly basis.

2.2. SHRA GROWTH PLAN FRAMEWORK

The Social Housing Growth Plan Framework was approved by the SHRA Council in March 2020 as the implementation framework of the 2020-2025 Strategic Plan. As such, it is discussed in this APP as the SHRA's institutional strategy, with policy implications, that will guide and inform the performance plans of the SHRA for the 2021/22 financial year and the medium term.

The purpose of the Growth Plan Framework is to outline the factors, interventions and key policy considerations / reforms that are needed for the SHRA to double the production rate for social housing in the 2020/21 – 2024/25 term compared with the previous term, and to triple it in the 2025/26 – 2029/30 period, thus adding a further 87 500 affordable rental housing units and growing the size of the social housing portfolio in the country to 125 000 units by 2030.

The key elements of the Growth Plan Framework are reflected in the figure below:



The Growth Plan Framework is premised on the adoption of a systems approach to human settlements' planning and budgeting, aimed at ensuring both vertical and horizontal coherence in planning and development by the various entities of the Department.

In brief, implementation of the Social Housing Growth Plan Framework requires decisions and prioritised actions in the following areas:

- 1) Implement Progressive Budget Reform by progressively growing the proportion of the Human Settlements Budget invested in the social housing programme to command a greater share (at least 7.5%) of the overall Human Settlements Vote.
- 2) Pull in the established construction sector through proactive invitations to participate with conditions of authentic empowerment deals. This is very important because the established construction sector has a lot of valuable expertise and experience to support the transformation drive, deliver at pace and to create and maintain jobs.
- 3) Sign off on a short list of essential policy reform measures including policy reforms that stipulate “what we build” and that lighten the regulatory burden and the bureaucratic risks that accompany “where we build.” Essentially this means that the minimum norms and standards must accommodate a larger component of smaller but higher density units and the rules governing the process of how Restructuring Zones get gazette should be lightened so that the process can be done more quickly.
- 4) Adopt a bolder expenditure driven policy approach so that Human Settlements and Social Housing can stand out as a strong and reliable contributor to infrastructure spending and job creation.

The following extract from the Growth Plan Framework is relevant:

“3rd Generation (2020 to 2030+) Faced with the deepest economic crisis thus far in the 26 years since the first democratic elections in April 1994, it can possibly be proposed that each and every public investment that contributes toward infrastructure creation should be viewed as a conduit for stimulating economic growth and creating new jobs.

Although some may regard public investment in housing and human settlements as an end in itself, nothing could be further from the truth. It is not the objective of government to create

a dependency on the state for basic shelter. In fact, if the South African economy was stronger and the majority of its working age citizens were in good quality jobs, the need for a publicly sponsored housing programme would be reduced substantially.

The objective that must drive the 3rd generation of post 1994 housing policy from 2020, and which will need to subsist for a consistent and prolonged decade up to 2030 and beyond must see public housing investment as a contributor to infrastructure investment in order to promote economic turnaround; economic stability and economic growth because this is the place where further non-state investment and new job creation is born.”

- 5) Sequence; align; and make coherent the planning targets and key driving accountabilities and mandates of the various public entities. The Growth Plan Framework speaks about adopting a systems approach where NHFC, SHRA, HDA and others are only component parts of an overall system and that targets and timeframes between the public entities need to be mutually reinforcing and need to display equal levels of urgency and anxiety across the system.
- 6) Land assembly must be more directed where land that is desirable is pursued rather than being only responsive where the programme gets to choose from what is readily on offer. The most desirable land to achieve the policy mandate will often be the most difficult to assemble but the pain is necessary if the developmental, restructuring and transformational mandate is to be realised.
- 7) Raise R4.8 billion in debt from a menu of potential financiers, both local and international. Much more energy, drive, leadership and expertise must be directed to achieving the project financing objective of the Growth Plan.
- 8) Proactively speak to the developer and construction market to solicit offers of contributions that serve both their commercial interests and governments development mandate. This links with point 2 above but emphasizes the need to work on levels of trust, reliability, predictability, and levels of service on both sides of the contract.
- 9) A “small big” development strategy may well be more effective than a mega project strategy for numerous reasons, including lowering and spreading risk; achieving richer and more diverse design and built form, making more liveable neighbourhoods with less uniformity; and achieving broader based economic benefits in both job creation and in empowerment and transformation.

It is more beneficial to society (including communities) to have higher volumes of smaller and richer projects spread over more areas than it is to have smaller volumes of huge projects taking many years and spread over less areas. It is better to have 200 “small pots” on the boil, each with slightly different ingredients tasting slightly different than it is to have 20 huge pots on the boil all with similar ingredients and all tasting pretty much similar. This would also empower and create opportunity for more emerging professionals and make it easier for more diverse professionals, developers, and contractors to “break-in” to the industry.

- 10) Position the best capacity in the best places and concentrate the capacity where it will deliver and work on the most important results. The SHRA needs to direct its capacity and resources primarily at problem solving and results and innovation and rely on administrative capacity to support this leadership approach from a process point of view. Sound administrative processes alone are not enough. They are a maintenance function.

What is needed is sharper driven interventionist thinking that leads and is supported by the huge administrative capacity that is in place. Leadership thinking must not be drowned out by administrative compliance thinking.

- 11) Actively manage waste; leakage; inefficiency; bribery; corruption; extortion and inefficiency so that perverse incentives are identified and managed and so that there is less leakage and less public money not sweating hard enough. This is essential if every R1 is going to buy R1 worth of value.
- 12) A medium to high density sectional title ownership programme needs to be developed, not inside the affordable rental housing programme where “rent-to-buy” will confuse and make the rental programme unsustainable by introducing unintended risks; but alongside and next to (but separate from) the affordable rental housing programme.

2.3. GENDER MAINSTREAMING IN SOCIAL HOUSING

In terms of the provisions of section 2(1)(a) of the SHA, the SHRA must ensure that social housing responds to local demand and that special priority must be given to the needs of women, children, child-headed households, persons with disabilities and the elderly.

It is evident that provision for gender mainstreaming has been made in the SHA and the regulations thereto and that this can find further expression in policy as well as rules to be made and directives to be issued by the SHRA, as contemplated in section 4 of the SHA. This will facilitate implementation across social housing programmes and projects.

The SHRA has consulted broadly on the requirements for gender mainstreaming in social housing, including with the Commission for Gender Equality; the African Women’s Movement (AWM); the Black Business Council in the Built Environment (BBCBE); the Health and Welfare Sector Education and Training Authority (HWSETA); and the SA Institute for Black Property Practitioners (SAIBPP). The SHRA is also entering into a Memorandum of Understanding with SA Women in Construction and Built Environment (SAWIC&BE) and an Annual Cooperation Plan for 2021 has been agreed to in consultation with the National Executive of SAWIC&BE. This provides for the implementation of five (5) key projects with detailed actions in the following areas:

- 1) Support to members that have already been accredited and/or with accredited projects.
- 2) Support to members seeking SHI and/or project accreditation.
- 3) Support to members seeking general information on social housing.
- 4) Establishing an online portal to facilitate trade between members and grant recipients.
- 5) Establishing the task team to meet bi-annually to measure performance against the Cooperation Plan.

A Gender Equality Strategy for the social housing sector was developed in 2018. The strategy was developed in partnership with the Equal Spaces Project. This project was a collaboration between the Government of Canada and South Africa where it aimed to address the spatial and economic legacies of apartheid. The outcomes of this work align with the areas outlined by the Commission for Gender Equality, where seven (7) Key Intervention Areas (KIA’s) were identified. The SHRA

KEY INTERVENTION AREA	ACTIONS INFORMING APP AND OPS PLANNING
KIA 6: Gender sensitive building and precinct design, development and management	Implement workplan of functional group established on community development
	Develop and disseminate gender sensitive planning and design guidelines that contribute to improving socio-economic opportunities, health, safety and security and use safety audit lessons learnt
KIA 7: Knowledge management, monitoring and evaluation and support	Improve collection, shared availability, quality, validity and reliability of data collected and that the data is gender disaggregated during analysis
	Develop impact indicators to measure the effectiveness of gender equality interventions such as proxy indicators i.e. children's school performance

Gender mainstreaming outputs have been including the Annual Performance Plan (APP) and business unit operational plans and will be reported on quarterly.

3. UPDATES TO RELEVANT COURT RULINGS

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

PART B: OUR STRATEGIC FOCUS

In giving effect to the legislative and policy mandates outlined in Part A, the 2020-2025 Strategic Plan articulates the SHRA's strategic focus and intent as follows:

VISION

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

MISSION

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

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

SHRA'S IMPACT STATEMENT

A transformed, compliant and sustainable social housing sector, comprising integrated, quality and affordable social housing.

SHRA'S OUTCOMES

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

SHRA'S OUTCOMES

and provinces to deliver social housing		
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1. UPDATED SITUATIONAL ANALYSIS

1.1. EXTERNAL ENVIRONMENT ANALYSIS

Global growth is projected at -4.4 percent in 2020¹, 1.5 percentage points below the April 2020 World Economic Outlook (WEO) forecast but 0.5 percentage points above the June 2020 forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.2 percent. Overall, following the contraction in 2020 and recovery in 2021, the level of global GDP in 2021 is expected to be a modest 0.6 percent above that of 2019.

Figure 1: Global Growth Projections 2019-2021



These growth projections imply wide negative output gaps and elevated unemployment rates across both advanced and emerging market economies². The adverse impact on low-income households is particularly acute, imperilling the significant progress made in reducing extreme poverty in the world since the 1990s³.

DECLINING ECONOMIC GROWTH – PLANNING IMPLICATIONS

As at end June 2020, the key economic trends and outlook was as follows:

- 1) 51% shrinkage in GDP in Q2 2020 when compared with the same period in 2019;
- 2) The IMF forecasts a real GDP growth for SA of -8 percent, the World Bank forecasts -5.8 percent and SARB -7% for 2020. Worst case estimates are for a 16% negative growth rate;
- 3) South African Debt to GDP was already 62.6% in 2019 before GDP shrank, and is expected to reach 81.8% by the end of 2020;
- 4) South African unemployment rate rose to 30.1% in the first three months of the year before the COVID-19 lockdown and the unemployment rate is projected to reach 37% in 2021 according to some economists;

¹ IMF World Economic Outlook, October 2020

² IMF World Economic Outlook, October 2020

³ International Monetary Fund, World Economic Outlook, June 2020

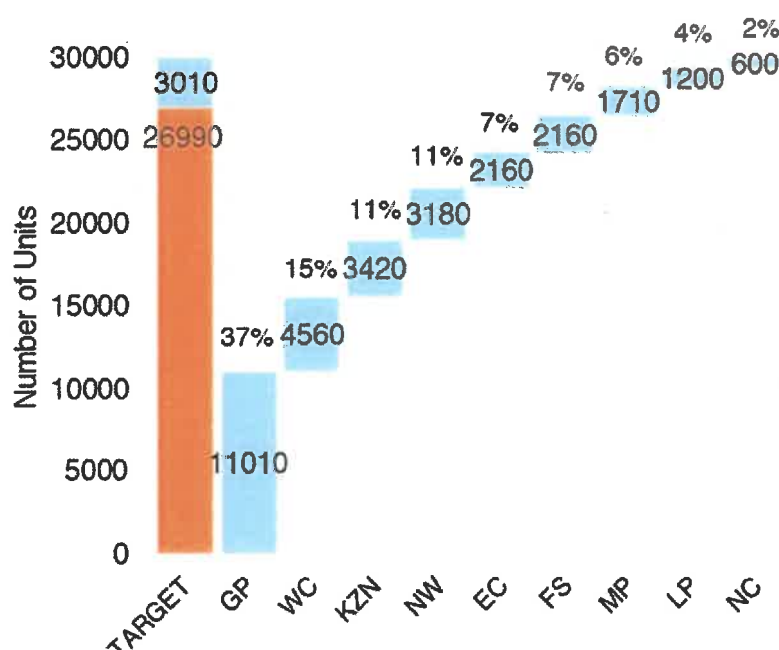
- 5) Businesses closing their doors and many families have experienced layoffs of either one or both bread winners.

The economy is a system and damage this severe can never take place and leave an already inefficient public sector untouched. Along with other private sector and public sector participants, the SHRA must innovate, build resilience and be agile in order to pursue its mandate of improving the quality of life of the communities it serves.

MTSF 2019-2024 PERFORMANCE

The 2018/19 financial year was the final year of the previous 2014-2019 MTSF cycle, in which a total of 13 968 social housing units were completed. The figure below reflects the 2019/20 to 2023/24 plan by province, to achieve the target of 30 000 social housing units completed over the 2019-2024 MTSF.

Figure 2: MTSF 2019-2024 Provincial Allocation of the 30 000 Units Target



A total of 3 010 social housing units were completed in the 2019/20 financial year, comprising 13 projects in four (4) provinces. The implication is that a total of 26 990 units (90% of target), needs to be completed over the remaining four (4) years to achieve the MTSF target.

SOCIAL HOUSING DELIVERY			
Province	N ^o .	Units Completed	% of MTSF
Gauteng	9	2 140	7.1%
Eastern Cape	2	452	1.5%

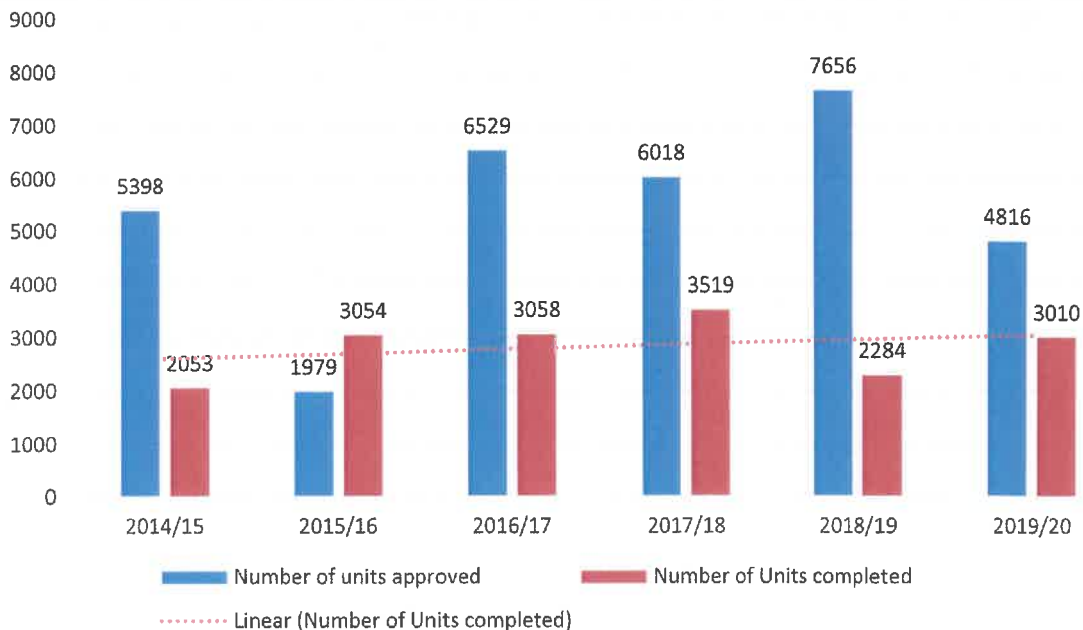
SOCIAL HOUSING DELIVERY			
Western Cape	1	304	1.0%
Mpumalanga	1	114	0.4%
No. of Units Completed in 2019/20	13	3 010	10.0%
Shortfall (2020/21 – 2020/24)	---	26 990	90%
MTSF 2019-2024 Target	---	30 000	100.0%

The figure below reflects that the average annual delivery rate since the 2014/15 financial year has trended marginally upwards, averaged at approximately 3 000 units per annum. An average of 5 400 units per annum have been approved for CCG award over the same period.

COVID-19 has been a major setback. Zero units were completed in Q1 2020/21 due to the loss of ten weeks of construction time under level 5 lockdown conditions. Having resumed under level 3 lockdown conditions at the end of June 2020, it has taken time for the construction sector to gain momentum. Operating under level 1, the construction sector remains under pressure due to the ongoing increases in global cases of COVID-19, which has caused material supply chain disruptions, as well as lower than normal productivity due to a reduced labour force on site. Q3 and Q4 performance for 2020/21 was further affected by the December/January builder’s holiday.

Considering the impact of COVID-19, the SHRA has adjusted the 2020/21 social housing units completed target downwards, from 5 800 to 4 006 social housing units completed.

Figure 3: Social Housing Units Completed 2014/15 to 2019/20



In summary, as per Q3 2020 performance report:

- 1) South Africa's 40 317 regulated social housing units make up 1% of the 4.5 million rental arrangements that exist. (66.1% established private; 13% informal backyard; 10.9% emerging rentals; 6.5% municipal rental).
- 2) 8.5% of units are vacant (<2% benchmark).
- 3) 85.7% of social housing landlords have a turnover rate of <2%.
- 4) Recorded rental increases range mainly between 4% and 6.5% against an average CPI of 4,19%.
- 5) Rent Collection was 72% against a benchmark of >95%.
- 6) Rental Arrears/Bad Debt over 90 days stands at R353 368 817.
- 7) 44% (13/29) of social housing landlords have a total operating cost (excl. utilities) of <R1550.
- 8) 82.8% (24/29) have a Direct Cost to Income Ratio (DCIR) of <60%, and 48,3% (14/29) have DCIR of <40%.
- 9) Only 53.6% of social housing landlords achieve 3 out of the 5 primary performance benchmarks.

Sector compliance and sustainability remains a challenge, requiring of the SHRA to strengthen its role as the Regulator of the sector.

SOCIAL HOUSING PROJECT PIPELINE

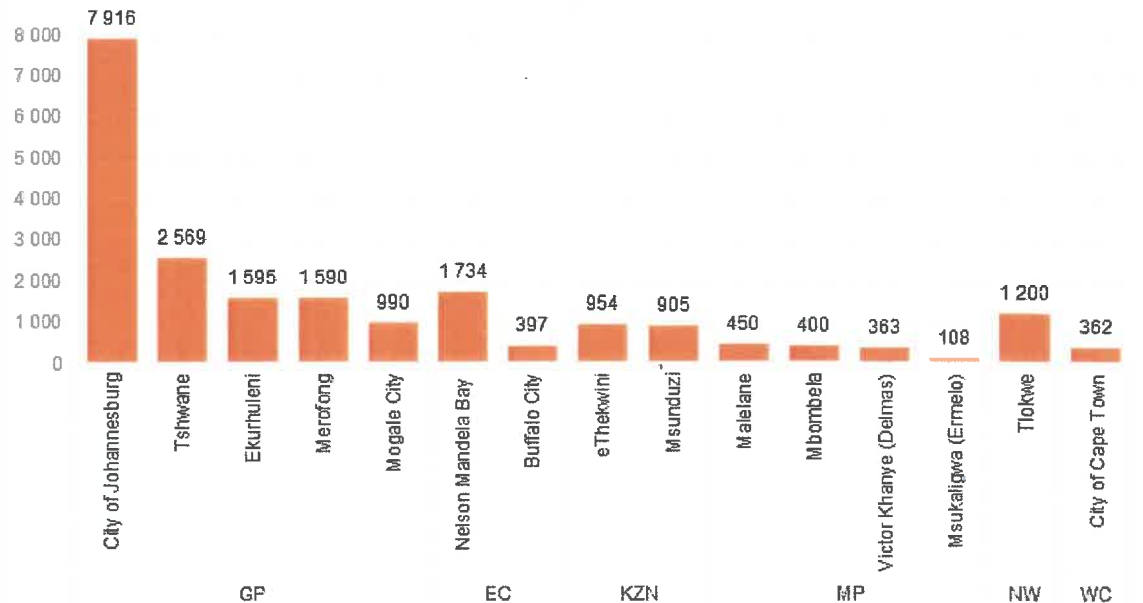
A healthy project pipeline is key to achieving the MTSF targets, as well as to supporting new entries into the sector and driving the transformation agenda.

As at the end of Q3 2020/21, the social housing project pipeline consisted of a total of 52 social housing project applications, with a potential yield of 21 312 units, split across the provinces as follows:

Province	No. Project Applications	Total Units	% of Total
Gauteng	39	14 593	68.1%
Eastern Cape	4	2 031	9.9%
KwaZulu Natal	3	1 859	8.6%
Mpumalanga	4	1 321	6.1%
North West	1	1 200	5.6%
Western Cape	1	362	1.7%
Total	52	21 312	100%

By municipality, the project pipeline distribution was as follows:

Figure 4: Project Pipeline (yet to be Accredited) by Municipality



Once accredited, the projects will require funding investment. This is often the major bottleneck, which the SHRA is addressing through its Growth Plan Framework. The Plan includes securing the support of Development Finance Institutions (DFIs) and the commercial sector to finance the projects.

While the NHFC remains the largest debt funder, there is growing interest by the private sector in financing the bankable projects. The private sector, however, requires further guarantees when assessing the feasibility of providing funding to newly accredited developers that do not have a track record or adequate own equity. Partnering between established developers and new entries has proven to be a feasible option and various innovative approaches to partnering are being explored as a means to drive the transformation agenda.

To further build the project pipeline, the SHRA advertised an Expression of Interest (EOI) in the first quarter of 2020/21. A total of 64 responses have been received, of which 39% (25) are in Gauteng, 17% (11) in KZN, 16% (10) in Mpumalanga, 11% (7) in the Eastern Cape. There was only one response from the Western Cape and zero from the Northern Cape. The submissions are being pre-assessed to ascertain how many of these contain projects that can be added to the pipeline and be assessed for accreditation. It is highly likely that the number of projects in the pipeline will increase substantially during the course of the financial year, into the 2021/22 financial year.

The SHRA submitted a total of 21 projects for consideration by the Infrastructure Investment Office of The Presidency. The 21 projects were presented at the Sustainable Infrastructure Development Symposium of South Africa (SIDDSA), comprising 12 projects that are in the planning phase and 8 projects that are in the feasibility phase. The total projected investment value, inclusive of equity and debt funding is R3.86 billion. In excess of 32 000 employment opportunities would result from the projects.

SOCIAL HOUSING SECTOR TRANSFORMATION

The SHRA has taken steps to assess in detail the extent of control, or participation, of black people and the designated groups as directors in social housing institutions. The consolidated results for 33 SHIs with projects in the pipeline are reflected below:

No. of SHIs with Projects in the Pipeline	Directors	Black Males	Black Females	Youth	PWDs	MVs
33	171	91	39	18	2	0
Percentage of Total No. of Directors	---	53.2%	22.7%	10.5%	1.2%	%
Designated Groups			34.5%			

While 26 of the above SHIs have a B-BBEE status of level 1 or 2, at director level the data reveals that there remain gaps in terms of the participation of black females, persons with disabilities and military veterans in the social housing programme.

As from the 2021/22 financial year the SHRA will measure transformation at the ownership (ODAs) and directorship (SHIs) levels for all organisations seeking grant funding from the public purse. The SHRA will also be implementing measures to meet with grant applicants and confirm their levels of transformation and/or commitment to transformation. B-BBEE certificates will still be required as it provides evidence of the beneficiaries (tenants) that will benefit from the project.

As the bulk of capital grant funding is disbursed through the developer (SHI or ODA) to the main contractor (and on to sub-contractors and material suppliers) and the professional team, the SHRA will commence with measuring the spend of the CCG across the construction value chain. Necessarily, this will include the establishment of a database for measuring the spend at the various touch points.

UPDATE TO THE KEY ENVIRONMENTAL FACTORS TO BE CONSIDERED IN PLANNING

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

ENVIRONMENTAL FACTOR	KEY MESSAGE/S	OPPORTUNITY / THREAT INFORMING PLANNING
1) Scale of Demand vs. Structure of the Human Settlements Budget	<ul style="list-style-type: none"> ▪ The demand for rented accommodation is very high – 26.5% of households live in rented accommodation in the country, with 34.7% in GP and 27.2% in WC⁴. ▪ Demand is estimated at 320 000 units nationally, comprising 235 000 units in metropolitan municipalities 	Considering the scale of demand, the Growth Plan Framework recommends an increase in the CCG to 7.2% of the national housing Capex allocation.

⁴ General Household Survey, 2018

ENVIRONMENTAL FACTOR	KEY MESSAGE/S	OPPORTUNITY / THREAT INFORMING PLANNING
	<p>and 83 000 units in district municipalities⁵. This represents 14% of the total estimated housing backlog.</p> <ul style="list-style-type: none"> ▪ However, Rental and Social Housing only receives between 2.6% (2019/20) and 2.8% (2020/21) of the total budget of Vote 33 – Human Settlements. 	
<p>2) Importance of State Subsidies (Capital Grant Funding) and Collaboration</p> <p>(Vertical and Horizontal Coherence of Human Settlements' Programmes and Projects)</p>	<ul style="list-style-type: none"> ▪ Despite policy and commitment in the sector to increase private participation in social housing, government grant funding remains fundamental to delivery; ▪ Given the challenges experienced in mobilising private sector participation and the target market for social housing, it is anticipated that grant funding will remain critical to the existence of the sector. 	<p>While the SHRA must continue to lobby for a bigger proportion of the Human Settlements budget, the game changer is better (intensive) collaboration among the human settlements' agencies – HDA, NHFC and NHBRC.</p> <p>The possibility exists to bring about a much larger quantum of public risk capital to leverage in the market through a public sector collaboration approach.</p>
<p>3) Multi-year Budgeting</p>	<ul style="list-style-type: none"> ▪ In order to maintain an average production rate of 6 000 units constructed per annum, changes are needed to the budgeting approach, from zero-based to multi-year. ▪ As it is not permissible in terms of the PFMA to commit future funds in excess of the budget indicative, the SHRA seeks to gain permission to contract for an "optimisation factor" of around 70%. 	<p>Multi-year budgeting will overcome the challenge of under-expenditure in a given year, due to not all projects being completed in that year.</p>
<p>4) Infrastructure Investment Office (SIDSSA)⁶</p>	<ul style="list-style-type: none"> ▪ Seeks to create a platform through which private investment can be channelled to deserving infrastructure investment projects. ▪ The proposal is one of blended financing where the risks of the different investing partners can be spread, and where the IIP can 	<p>Inclusion of Social Housing in the national IIP list of supported infrastructure projects brings an opportunity to link financing to projects quicker, and potentially at a more attractive financing cost.</p> <p>SHRA has submitted a total of 19 projects to the value of</p>

⁵ General Household Survey, 2018

⁶ Announced by the Minister of Finance in 2019 and re-emphasized by the President in the SONA on 13 February 2020

ENVIRONMENTAL FACTOR	KEY MESSAGE/S	OPPORTUNITY / THREAT INFORMING PLANNING
	<p>facilitate an attractive rate of borrowing for these projects.</p> <ul style="list-style-type: none"> ▪ Within the Human Settlements space, the basic tenure and shelter provision programmes would not be able to attract non-state investment because of their non-revenue generating nature. ▪ Government's affordable rental housing programme (Social Housing) is however viewed positively due to its revenue generating nature. ▪ Intends to invest in the construction of 37 000 rental apartments as part of the project pipeline supported through the Infrastructure Investment Programme over the next 10 years. 	R3.86 billion for consideration.
5) Re-thinking the Size of Social Housing Units	<ul style="list-style-type: none"> ▪ In 2018 there were 16,67 million households in South Africa⁷, of which 4.42 million (26.5%) households were renting. ▪ Some 45,5% of all households in South Africa are either one (1) or two (2) member households. ▪ An average of 25.7% single member households and 19.8% two person households in the country. 	<p>The opportunity exists to support the provision of smaller-sized social housing units in provinces where the majority of people live in 1 and 2 member households.</p> <p>This will form part of the project to develop qualitative, performance-based and more flexible norms and standards.</p>
6) Supply-side Constraints	<ul style="list-style-type: none"> ▪ Key supply-side constraints that prevent the country meeting social housing delivery targets and demand remain and need to be systematically addressed, such as land and inner city building availability, sustainable social housing financing, institutional capacity and viability, local government support, public sector coordination and SHI participation. 	<p>The SHRA Investment Seminar held on 30 September 2020 made an appeal to developers, funders and other stakeholders, including local government, to invest in the social housing programme through land and property release, debt and equity funding and support mechanisms.</p>
7) ANC Transformation Committee	<ul style="list-style-type: none"> ▪ In its recently launched COVID-19 economic recovery reform discussion document, titled, 	<p>To maximise the developmental impact, it is important that infrastructure</p>

⁷ General Household Survey, 2018

ENVIRONMENTAL FACTOR	KEY MESSAGE/S	OPPORTUNITY / THREAT INFORMING PLANNING
	<ul style="list-style-type: none"> ▪ Programmes are needed to ensure that potential developers (applicants) are nurtured and supported to gain entry into the project pipeline and then to progress through the pipeline timeously. 	with what is happening on the ground.
10) Strengthening Social Housing Institutions	<ul style="list-style-type: none"> ▪ Increasing the participation of SHIs in the sector will require a broad range of support instruments, including seed funding, interest-free capital, the transfer of land and buildings to SHIs, access to discounted land, technical expertise and partnerships; ▪ There is a need to strengthen the role of established SHIs in the sector, as well as facilitate participation by new entrants. 	<p>The focus needs to be on supporting SHIs to gain full accreditation. Partnerships between established SHIs and new entrants could be the key.</p> <p>SHRA needs to leverage the skills and idle capacity of the construction sector for the benefit of small and medium sized developers.</p>
11) The Importance of Local and Provincial Government	<ul style="list-style-type: none"> ▪ Social housing opportunities require informed and capacitated municipalities that drive social housing through effective planning, policy and budgeting. ▪ Strengthening the role and responsibilities of local government in social housing through educating, supporting and monitoring municipalities will have a major impact on the performance of the sector and unlock massive opportunities; 	The SHRA seeks to ensure that all provincial housing departments have functional project steering committees in place, that meet regularly and perform their duties of growing the sector within their regions.

SUMMARY OF EMERGING ISSUES REQUIRING IMMEDIATE ATTENTION

The SHRA has taken into consideration the following highlights, lowlights and emerging issues that require urgent attention in the 2021/22 planning period.

EMERGING EXTERNAL ENVIRONMENTAL ISSUES REQUIRING A PLANNING RESPONSE		
Highlights	Lowlights	Emerging Issues
<ul style="list-style-type: none"> R3.86 billion investment value of projects presented at SIDSSA 64 EOIs received The grant funding allocation over the MTEF period, while not sufficient to meet MTSF delivery target, has not been further reduced in light of fiscal constraints Sustainability from rental revenue stream to repay debt/loan funding and municipal bills A regulated sector with an Act and Regulations to manage post-development Monitoring and Evaluation of the sector 	<ul style="list-style-type: none"> Regulatory requirement for a 20% equity by the ODAs (private entities) No firm criteria/framework for regulation of ODAs Rental escalation not exceeding CPI. Funders expect a market-driven escalation Impact on COVID-19/recessionary environment on rent collection 	<ul style="list-style-type: none"> Construction site disruptions by business forums Municipalities charging commercial rates and taxes to the sector Serviced land parcels being set aside by the municipalities for social housing development Community uprising, due to service delivery issues affecting social housing developments Project delays, due to COVID-19 lockdown restrictions

STAKEHOLDER ANALYSIS

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

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

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

1.2. INTERNAL ENVIRONMENT ANALYSIS

SHRA'S KEY SUCCESSES (STRENGTHS) AND FAILURES (WEAKNESSES)

In planning for the 2021/22 financial year, the SHRA undertook to better understand what is working well and what is not working well in terms of strategy implementation. Inputs were received from various stakeholders, including SHRA staff, management, executives, Council members and external stakeholders. The analysis is summarised in the Strengths and Weaknesses table below, which is an updated version of what is reflected in the SHRA's 2025-2025 Strategic Plan.

SHRA – EVOLVING STRENGTHS AND WEAKNESSES	
Successes/Strengths	Failures/Weaknesses
<ul style="list-style-type: none"> ▪ Inter-business unit synergies – improved teamwork ▪ Revised accreditation policy in place, aimed at improving the quality of accredited institutions and projects ▪ The SHRA seamlessly worked during the COVID-19 lockdown – signs of an agile organisation ▪ Implementation of the case management system – currently being rolled out ▪ Revised Monitoring and Evaluation Framework approved ▪ Training programme implemented, with good feedback from the participants, including provinces, municipal officials and National Department ▪ Municipal support project and Incubation project implementation ▪ Good relations with sector stakeholders, such as NASHO and provinces through PSCs ▪ The SHRA has budget confirmation/ stability – social housing is viewed as a priority ▪ Proven ability to spend the allocated capital grants ▪ Good working relations with construction companies and developers 	<ul style="list-style-type: none"> ▪ SHI accreditation processes and approach not yielding desired results ▪ Culture of trust, teamwork and high-performance not entrenched ▪ Compliance monitoring too paper-based, need capacity on the ground. ▪ Not performing regulatory function effectively, including poor communication of the function ▪ Need for segregation of duties between project application/accreditation processes ▪ Insufficient capacity in key areas - risk, due diligence, shareholder management, regulation ▪ Standardised performance benchmarks not effective for all types of institutions ▪ Not viewed as having a welcoming environment for new entries/applicants (perceived as not supporting transformation) ▪ Reported transformation and reality on the ground misaligned – not yet achieving “real” tangible transformation ▪ Lack of consistency in communicating who the SHRA is – our value proposition ▪ Projects failing at TEC – project packaging concerns ▪ Lack of project alignment with municipal plans ▪ Projects not achieving financial closure, due to lack of debt/equity funding ▪ HR plan needs improvements in the areas of diversity management, ethics management, succession planning, skills audit, optimising the admin:core ratio

SHRA – EVOLVING STRENGTHS AND WEAKNESSES	
Successes/Strengths	Failures/Weaknesses
	<ul style="list-style-type: none"> ▪ Lack of an effective ICT strategy – manual systems inefficient ▪ Quality of financial and performance reports not yet at the right standard, including verification/validation of reported performance

Considering the above strengths and weaknesses, and the opportunities and threats identified in the external environment analysis, the SHRA Council and management team have agreed on the following focus areas in planning for 2021/22. The intention being to build a Resilient, Innovative and Agile SHRA that is purposed to deliver its targets in a transformative manner, particularly for the benefit of women, youth, persons with disability and military veterans.

- 1) **Organisational structure review** - flatter structure, address gaps, including risk, due diligence, stakeholder management, funding (financial, handholding) vs. development (project implementation) functions, enhance regulatory capacity, and explore the possibility of splitting the CSM role into two positions, one that deals with finances and the other to focus solely on corporate support services.
- 2) **Culture of caring, of being part of the solution**, re. real transformation (with the heart/the will to do what must be done). This includes the willingness to handhold and support applicants/new entries:
 - a) Establishment of a supplier development plan (aim - prevent conditionally accredited SHIs from falling off the bus, need to see their progress through the project pipeline);
 - b) Create the right environment and set the right tone - “How can I help/assist”, not about doing favours.
- 3) **Drive “real” on the ground transformation** - unpack into its components, link to the pillars of mandate, develop specific interventions, review the APP and AOP output indicators and means of verification, and monitor and report on performance:
 - a) Push start-ups and drive transformation as a process integrated with delivery, not either or, or separate;
 - b) Council and management need to be in full agreement on the transformation interventions and measures, and clear on the means of verification;
 - c) Each SHRA Programme (Business Unit) must have a transformation plan in place, which links to their delivery outcomes/outputs - must be measurable, with Executives accountable for implementation;
 - d) SHRA must determine how to best use its resources to drive, achieve the transformation outcome and outputs, and keep Council appraised;
 - e) Determine and establish the appropriate instruments, for example, Supplier (Institutional) Development Plan; Revised SOPs for applicant categorisation and vetting with structured pitches and handholding approaches; automated accreditation

tracking and reminder and reporting tool; and communication of success stories, especially from the incubation programme.

- 4) **Implement the Council approved 5-year Stakeholder Management and Communications Strategy** – monitor and report on the achievement of the objectives of the Strategy through the implementation of the annual implementation plan.
- 5) **Strengthen the regulatory function (and capacity) of the SHRA.** SHIs need to comply and manage in a fair and responsible manner. Beneficiaries need to be protected and empowered.
- 6) **Improve SHI accreditation processes** - meet with applicants, build relationships. Cannot assess potential/ heart of applicant using a desk-based approach.
- 7) **Strengthen other human capital, internal systems and processes** - IT strategy; diversity management, talent management, succession planning, and change management.

ORGANISATIONAL CAPACITY CONSIDERATIONS TO SUPPORT THE ANNUAL PERFORMANCE PLAN

The SHRA's approved staff complement is fifty-three (53). As at 31 December 2020 the entity had in its employ thirty-seven (37) permanent staff members, and five (5) 5-year fixed contract staff members, amounting to forty-four (42). The 11 vacant positions translate into a vacancy rate of 20.75%. The employment equity breakdown of the permanent staff complement is reflected in the following table:

EMPLOYMENT EQUITY ANALYSIS				
	African	Coloured	Indian	White
Target	73,58%	5,66%	13,21%	7,55%
Actual	73.81%	4.76%	11.90%	9.53%

The SHRA's current employment equity (EE) distribution is very close to the targets as set in the approved EE plan. EE remains a focus in all recruitment activities.

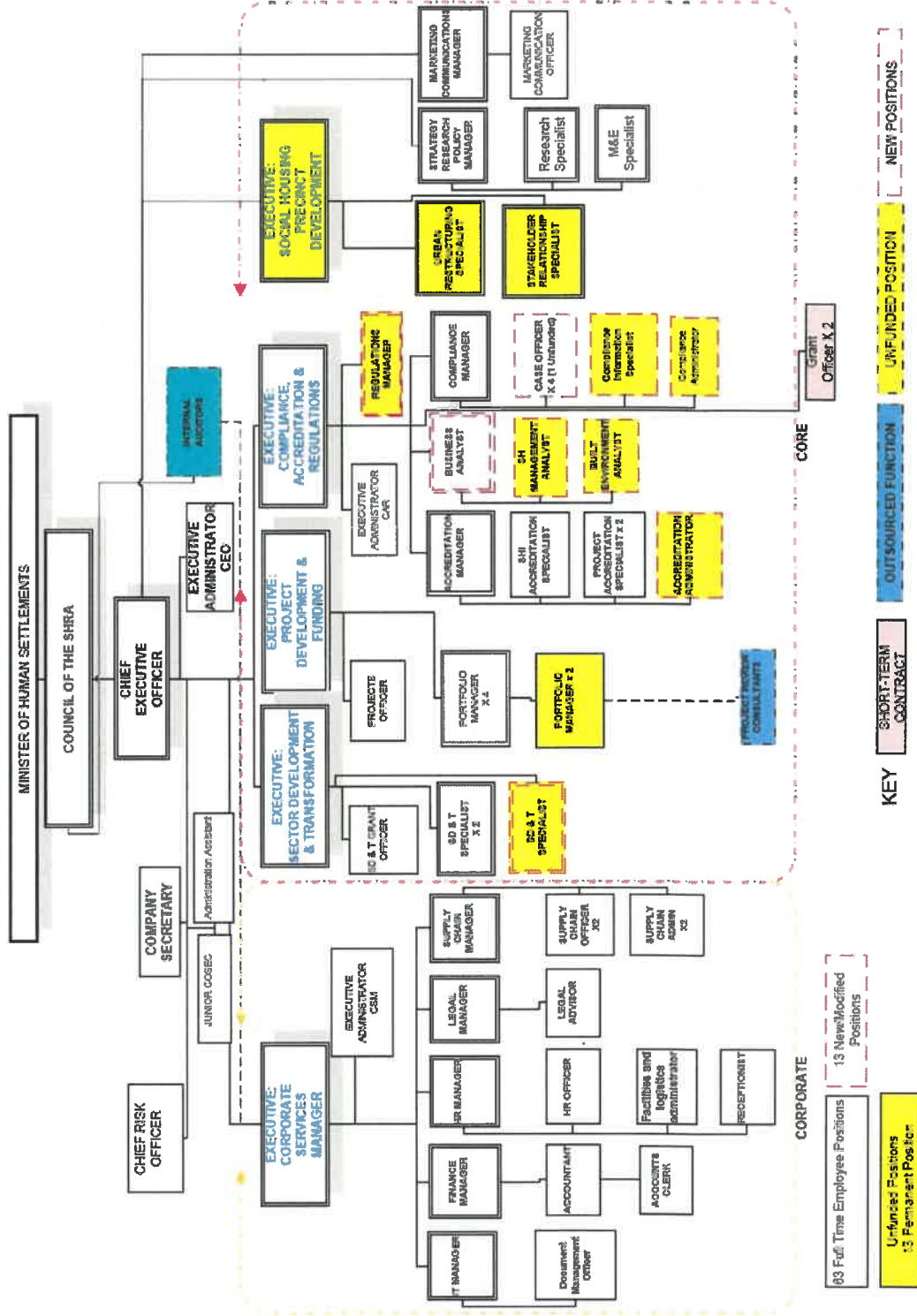
OCCUPATIONAL LEVEL	MALE				FEMALE				FOREIGN NATIONALS		TOTAL	% Black	% Women
	A	C	I	W	A	C	I	W	M	F			
EXECUTIVE MANAGEMENT	0			1	1						2	50%	50%
SENIOR MANAGEMENT	1			1	1						3	67%	33%
PROFESSIONAL/ QUALIFIED AND EXPERIENCED	3			1	4			1			9	78%	56%

OCCUPATIONAL LEVEL	MALE				FEMALE				FOREIGN NATIONALS		TOTAL	% Black	% Women
	A	C	I	W	A	C	I	W	M	F			
SPECIALISTS AND MID-MANAGEMENT													
SKILLED/ TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS JUNIOR MANAGEMENT SUPERVISORS FORMEN AND SUPERINTENDENTS	5		2		11	2	3				23	100%	70%
SEMI-SKILLED AND DECRETIONARY DECISION MAKING	2				3						5	100%	60%
TOTAL PERMANENT	11	0	2	3	20	2	3	1	0	0	42	90%	62%
TEMPORARY EMPLOYEES				1							1	0%	0%
GRAND TOTAL	11	0	2	4	20	2	3	1	0	0	43	88%	60%

Figure 6 below reflects an organisational structure that would be needed to deliver on the MTSF target of 30 000 social housing units and for the SHRA to become a more effective regulator. The SHRA executive team will also ensure the optimal deployment of internal capacity to strengthen key functions before adding additional capacity and incurring additional costs.

The structure includes a Chief Risk Officer that reports directly to the CEO, with due diligence capacity to strengthen the internal risk function and improve the credibility of accreditation; the introduction of two additional portfolio managers to handle project workload; the repositioning of the stakeholder management function under the precinct development business unit, which in turn requires capacitation; the strengthening and reorganisation of the regulatory function through the inclusion of new positions, segregation of duties for improved risk mitigation within accreditation and compliance; and finally short term resources to manage the rent relief fund.

Figure 6: SHRA organisational structure



PART C: MEASURING OUR PERFORMANCE

The SHRA Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2021/22, in the sections below.

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

PROGRAMME N ^o .	PROGRAMME NAME	CORE FUNCTIONS
Programme 1	Administration - Corporate Services	<ul style="list-style-type: none"> ▪ Finance and Supply Chain Management ▪ Legal and Corporate Governance ▪ Risk Management and Audit ▪ Human Resource Management ▪ Information Technology and Information Management
	Administration - Office of the CEO	<ul style="list-style-type: none"> ▪ Strategic Planning, Policy and Research ▪ Performance Information, Monitoring and Evaluation ▪ Public Relations, Stakeholder Management and Marketing and Communications
Programme 2	Compliance, Accreditation and Regulation	<ul style="list-style-type: none"> ▪ Regulation of social housing ▪ Accreditation of SHIs and projects ▪ Compliance monitoring
Programme 3	Sector Development	<ul style="list-style-type: none"> ▪ Promote the growth and development of the social housing sector ▪ Promote the growth and development of SHIs and ODAs ▪ Coordination and Management of Institutional Investment Grants ▪ Sector transformation and empowerment
Programme 4	Project Development and Funding	<ul style="list-style-type: none"> ▪ Project packaging and facilitation ▪ Capital grant contract management and administration (Project Implementation Management) ▪ Building and maintaining partnerships, with provinces and municipalities,

PROGRAMME N ^o .	PROGRAMME NAME	CORE FUNCTIONS
		government departments, funding agencies and the private sector

1.1. PROGRAMME 1: ADMINISTRATION

PROGRAMME 1: PURPOSE

The purpose of Programme 1: Administration is:

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

The Programme comprises two sub-programmes.

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

PROGRAMME 1: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; comprising
- Integrated, quality and affordable social housing

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

Outcome 1: Functional, efficient and integrated government.

Outcome 6: A transformed social housing sector value chain.

The 2021/22 Output-Level Performance Plan for Programme 1 is reflected in the log frame tables below:

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

OUTCOME	OUTCOME INDICATOR	AUDITED ACTUAL PERFORMANCE				ESTIMATED	MEDIUM-TERM TARGETS		
		2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Outcome 1: Functional, efficient and integrated government	Outcome indicator 1.1. External audit outcome	Unqualified audit opinion with material findings	Unqualified audit opinion with material findings	Unqualified audit opinion with material findings	Unqualified audit opinion with material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	

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

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Outcome 1: Functional, efficient and integrated government	1.1. Internal Audit Services	1.1.1. Percentage implementation of the approved Internal Audit Plan	-	-	New indicator	100% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan		
	1.2. Statutory reporting compliance	1.2.1. Percentage compliance with statutory reporting requirements and prescripts	-	-	New indicator	100% compliance with statutory reporting requirements and prescripts	100% compliance with statutory reporting requirements and prescripts	100% compliance with statutory reporting requirements and prescripts		
	1.3. Anti-Fraud and Corruption	1.3.1. Percentage adherence to the Anti-Fraud and Corruption Policy	-	-	New indicator	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy		
	1.4. Risk Management	1.4.1. Percentage implementation of	-	-	New indicator	100% implementation of	100% implementation of	100% implementation of		

SHRA: 2021/22 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS				
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24		
Outcome 6: A transformed Social Housing Sector Value chain	1.5. Stakeholder Management and Communications	the approved Risk Management Plan	-	-	-	the approved Risk Management Plan	Risk Management Plan	Risk Management Plan	Risk Management Plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan
	1.6. Affordable rental housing framework	1.6.1. Affordable rental housing policy position developed	-	-	-	New indicator	Affordable rental housing policy position developed	Affordable rental housing policy approved	Affordable rental housing policy implemented	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan
	6.1. Preferential procurement	6.1.1. Percentage procurement spend to majority black-owned service providers	New indicator	60% procurement spend to majority black-owned or controlled service providers	92.83% procurement spend to majority black-owned or controlled service providers	70% procurement spend to majority black-owned or controlled service providers	75% procurement spend to majority black-owned service providers	80% procurement spend to majority black-owned service providers	85% procurement spend to majority black-owned service providers	80% procurement spend to majority black-owned service providers	80% procurement spend to majority black-owned service providers	85% procurement spend to majority black-owned service providers
		6.1.2. Percentage procurement spend on designated groups	-	New indicator	44.45% procurement spend on designated groups	30% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups

SHRA: 2021/22 Annual Performance Plan

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

OUTCOME INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
Outcome Indicator 1.1. External audit outcome	Unqualified audit opinion with no material findings	-	Unqualified audit opinion with no material findings	-	-

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

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

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
1.1.1. Percentage implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan	25% implementation of the approved Internal Audit Plan	50% implementation of the approved Internal Audit Plan	75% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan
1.2.1. Percentage compliance with statutory reporting requirements	100% compliance with statutory reporting requirements and prescripts	100% compliance with Statutory reporting requirements and prescripts	100% compliance with Statutory reporting requirements and prescripts	100% compliance with Statutory reporting requirements and prescripts	100% compliance with Statutory reporting requirements and prescripts
1.3.1. Percentage adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy	100% adherence to the Anti-Fraud and Corruption Policy
1.4.1. Percentage implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	30% implementation of the approved Risk Management Plan	30% implementation of the approved Risk Management Plan	70% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan
1.5.1. Percentage achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan	80% achievement of the stakeholder management and communications strategy annual implementation plan

SHRA: 2021/22 Annual Performance Plan

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
1.6.1. Affordable rental housing policy position developed	Affordable rental housing policy position developed	Draft Affordable Rental Policy position developed	Council Approved Affordable Rental Policy position developed	-	-
6.1.1. Percentage procurement spend to majority black-owned service providers	75% procurement spend to majority black-owned service providers	75% procurement spend to majority black-owned service providers	75% procurement spend to majority black-owned service providers	75% procurement spend to majority black-owned service providers	75% procurement spend to majority black-owned service providers
6.1.2. Percentage procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups	40% procurement spend on designated groups

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

The primary focus of the Administration Programme over the medium-term will be to lead and support the achievement of the Outcome of the Department of Human Settlements of being a functional, efficient and integration government, as well as contributing to the Outcome of transforming the social housing sector.

Planned performance over the medium term includes:

- 1) Organisational structure review: Review, align and optimise the organisational structure:
 - a) Optimise the ratio of admin:core staff costs and ensure identified structural gaps are addressed, including within the functions of risk, due diligence, stakeholder management, regulation, project accreditation and portfolio management.
 - b) Where possible and beneficial in terms of cost and efficiency, to fund the additional resource requirements through reduced outsourcing.
- 2) Governance and risk management: Implement audit and risk management plans to support the attainment and maintenance of a clean audit outcome:
 - a) Appointment of an internal audit service provider for a contract period of three years.
 - b) Develop and oversee the implementation of the external audit findings action plan, in order to ensure that the SHRA reduces/eliminates all material findings;
 - c) In conjunction with Internal Audit, develop and gain approval for the annual internal audit plan (aligned with the 3-year rolling audit plan) in the 1st quarter for implementation in quarters 2-4;
 - d) Develop and gain approval for the annual Risk Management Plan in the 1st quarter for implementation in quarters 2-4.
- 3) Systems automation: Implement an enterprise-wide automated ICT system:
 - a) Monitor and report on the rollout of the approved ICT strategy (roadmap).
 - b) Conduct user-acceptance testing and training on the new systems.
- 4) Contracts management: Strengthen/improve enterprise-wide contract formulation and management:
 - a) Review and revise standard operating procedures that address identified shortfalls in contract management;
 - b) Monitor and report on improvements in the management of contracts, particularly, CCG contract management.
- 5) Stakeholder relations and partnership management: Implement the Council-approved five-year stakeholder management and communications strategy through the annually approved implementation plan:
 - a) Scope and design an integrated customer relations management system;

- b) Monitor and report on the achievement of the objectives of the implementation plan.
- 6) Strategy, Research and Policy: Drive the policy review process and implement the SHRA's research plan:
- Participate in the legislative and policy reforms process with the NDoHS;
 - Investigate partnerships with research institutions, synergies explored with other entities in terms of Regulation (NHBR, EEAB, CSOS) and Delivery (HDA, NHFC);
 - Assess restructuring zones and alignment with PSHDAs;
 - Investigate alternative and new technologies providing opportunities for lower costs and improved turnaround times;
 - Council to approve the annual 2020/21 State of the Social Housing Sector in the 3rd quarter, for publication in the 4th quarter of the financial year
- 7) HR Plan: Strengthen key areas of Human Capital Management:
- The HR Plan needs to address issues of leadership development, diversity management, performance management, talent management, succession planning, productivity enhancement, culture development and change management.
- 8) Transformation: Develop and implement a Transformation Plan for the Administration Programme:
- Ensure B-BBEE codes and preferential procurement targets are achieved and exceeded – ensure supporting evidence validates the reported performance.
 - Implement strategic sourcing and enforce sub-contracting where applicable. To benchmark good practices and to leverage existing pools of skills through various institutions, including the NHBR, youth brigade.
 - Implementation of internship programmes – target 4 placements in the areas of legal, project packaging administration and project applications, project accreditation, sector development and transformation (in finance).
 - Conduct stakeholder engagements with designated groups, especially women and the youth, to inform and promote service provision opportunities of the SHRA that they may bid on.

PROGRAMME 1: RESOURCE CONSIDERATIONS

Programme 1: ADMINISTRATION	AUDITED			Estimated Expenditure	MTEF EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Economic classification:							
Compensation of employees:	14 469	19 180	22 244	22 721	24 539	26 011	27 572
Goods and Services:	20 524	30 136	36 866	13 547	12 633	11 155	12 443
Total expenses:	34 993	49 316	59 110	36 268	37 172	37 166	40 014

1.1. PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATION

PROGRAMME 2: PURPOSE

The purpose of Programme 2: Compliance, Accreditation and Regulation is to ensure the social housing sector is effectively regulated by:

- 1) monitoring and enforcing compliance to the SHA and its regulations, and other related policies in order to protect the public's investment in social housing and to ensure that the beneficiaries of social housing receive good quality, fair and equitable tenant and property management services;
- 2) accrediting social housing institutions and projects of SHIs and ODAs in support of the delivery of the social housing mandate in a quality, sustainable and transformative manner;
- 3) regularising all subsidised rental housing stock in terms of the SHA (2008), under the SHRA as the Regulatory Authority; and
- 4) administering of the Rental Relief Fund.

PROGRAMME 2: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector, comprising
- Integrated, quality and affordable social housing

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

Outcome 5: An effectively regulated and sustainable social housing sector

Outcome 6: A transformed social housing sector value chain

The 2021/22 Output-Level Performance Plan for Programme 2 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Outcome 5: An effectively regulated and sustainable social housing sector	5.1. SHI and ODA performance monitoring	5.1.1. Percentage of reporting SHIs and ODAs achieving 3 or more performance benchmarks	-	New indicator	61.5% (16/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks <i>Indicator reframed</i>	56% of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks <i>Indicator reframed</i>	61% of reporting SHIs and ODAs meeting 3 or more performance benchmarks	70% of reporting SHIs and ODAs meeting 3 or more performance benchmarks	80% of reporting SHIs and ODAs meeting 3 or more performance benchmarks
	5.2. Accreditation of SHIs	5.2.1. Number of additional fully accredited SHIs	-	-	-	New indicator	2 additional fully accredited SHIs	3 additional fully accredited SHIs	4 additional fully accredited SHIs
		5.2.2. Number of additional conditionally accredited SHIs with accredited projects	-	-	-	New indicator	5 additional conditionally accredited SHIs with accredited projects	5 additional conditionally accredited SHIs with accredited projects	5 additional conditionally accredited SHIs with accredited projects
	5.3. Tenancy compliance and satisfaction monitoring	5.3.1. Number of subsidised housing units' tenancy audits conducted	-	New indicator Baseline = 3 200	3 406 subsidised housing units' tenancy audits conducted	1 650 subsidised housing units' tenancy audits conducted	3 300 subsidised housing units' tenancy audits conducted	3 300 subsidised housing units' tenancy audits conducted	3 300 subsidised housing units' tenancy audits conducted
		5.3.2. Number of subsidised housing projects' tenant satisfaction surveys conducted	-	-	-	New indicator	10 subsidised housing projects' tenant satisfaction surveys conducted (Pilot in year 1)	20 subsidised housing projects' tenant satisfaction surveys conducted	30 subsidised housing projects' tenant satisfaction surveys conducted

SHRA: 2021/22 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	
Outcome 6: A transformed social housing sector value chain	5.4. Safety and security of tenants	5.4.1. Number of subsidised housing projects' safety and security audits conducted	-	-	-	New indicator	15 subsidised housing projects' safety and security audits conducted	30 subsidised housing projects' safety and security audits conducted	45 subsidised housing projects' safety and security audits conducted		
	6.2. Preferential accreditation of capital grant applicants	6.2.1. Percentage of new project accreditation applicants that are black majority owned or controlled	-	-	-	New indicator	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled		
		6.2.2. Percentage of new project accreditation applicants that are majority owned or controlled by the designated groups	-	-	-	New indicator	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups		

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

OUTPUT INDICATORS	2021/22 ANNUAL TARGET				QUARTERLY TARGETS			
	Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022				
5.1.1. Percentage of reporting SHIs and ODAs achieving 3 or more performance benchmarks	54% of reporting SHIs and ODAs meeting 3 or more performance benchmarks	56% of reporting SHIs and ODAs meeting 3 or more performance benchmarks	58% of reporting SHIs and ODAs meeting 3 or more performance benchmarks	61% of reporting SHIs and ODAs meeting 3 or more performance benchmarks				

SHRA: 2021/22 Annual Performance Plan

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
5.2.1. Number of additional fully accredited SHIs	2 additional fully accredited SHIs	-	-	-	2 additional fully accredited SHIs
5.2.2. Number of additional conditionally accredited SHIs with accredited projects	5 additional conditionally accredited SHIs with accredited projects	-	1 additional conditionally accredited SHIs with accredited projects	3 additional conditionally accredited SHIs with accredited projects	5 additional conditionally accredited SHIs with accredited projects
5.3.1. Number of subsidised housing units' tenancy audits conducted	3 300 subsidised housing units' tenancy audits conducted	825 subsidised housing units' tenancy audits conducted	1 650 subsidised housing units' tenancy audits conducted	2 475 subsidised housing units' tenancy audits conducted	3 300 subsidised housing units' tenancy audits conducted
5.3.2. Number of subsidised housing projects' tenant satisfaction surveys conducted	10 subsidised housing projects' tenant satisfaction surveys conducted (Pilot in year 1)	-	3 subsidised housing projects' tenant satisfaction surveys conducted	6 subsidised housing projects' tenant satisfaction surveys conducted	10 subsidised housing projects' tenant satisfaction surveys conducted
5.4.1. Number of subsidised housing projects' safety and security audits conducted	15 subsidised housing projects' safety and security audits conducted	-	5 subsidised housing projects' safety and security audits conducted	10 subsidised housing projects' safety and security audits conducted	15 subsidised housing projects' safety and security audits conducted
6.2.1. Percentage of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled	85% of new project accreditation applicants that are black majority owned or controlled
6.2.2. Percentage of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups	40% of new project accreditation applicants that are majority owned or controlled by the designated groups

PROGRAMME 2: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

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

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

Planned performance over the medium term includes:

- 1) Ensure there is proper alignment between the structure and functions of the CAR unit as a whole by implementing the revised CAR unit organisational structure reflected in the approved CAR operational framework. The structure caters for strengthening the regulation management, business analysis, compliance and administrative functions within the unit.
 - a) This requires the transfer of outsourcing budget to compensation and the re-prioritisation of the SHRA's operational budget to accommodate the additional positions.
- 2) To manage compliance through implementation of the revised M&E system:
 - a) Implementation of the revised M&E Framework (with realigned performance benchmarks) through an automated system;
 - b) Train all reporting Social Housing Landlords (SHLs) and ensure that they are able to use the new reporting system;
 - c) Ensure that rental agreements have a clause indicating that the status of tenants shall be re-evaluated every five years. The clause will be included for means testing (income assessment) purposes only. It will be implemented for new and fixed term agreements that are up for renewal.
 - d) Submission of tenant exit interview analysis reports;
 - e) Ensure that all reporting SHLs undertake and submit reports on annual tenant surveys using the online tool developed by the SHRA – the initiative will be piloted in the 2021/22 financial year at 10 subsidised housing projects.
 - f) As the SHRA has completed all building condition audits (BCAs) in the 2020/21 financial year, the focus in the next year will be on overseeing the implementation of the BCA remedial plans in the SHoRP. Over the medium-term, it is intended that reporting SHLs undertake their own BCAs and submit reports, including remedial plans to the SHRA.
 - g) Ensure that all reporting SHLs develop and submit their long term maintenance plans, with annual aligned and costed maintenance plans with related budgets for review by SHRA.

- h) Provide support to SHLs in terms of all of the above. Where non-compliance has taken place, develop intervention plans and implement timeously. Ensure rigorous follow ups and, where necessary, enforce compliance in terms of legislation and policy.
- i) The SHRA will report on dispute cases being dealt with in conjunction with the rental tribunals.
- 3) In support of the SHRA's gender mainstreaming strategy, safety and security audits will be conducted at 15 subsidised housing projects in the 2021/22 financial year.
- 4) Implement the revised CAR Operational Framework, which includes streamlined processes across the three functions of the business unit. This includes strengthening the support provided at the conditional accreditation stage; the addition of resources required to reduce reliance on outsourced services; strengthened cooperation with SD&T regarding capacity development in the pre-and-conditional accreditation stage; transfer of grant funding applications to the PD&F Unit; and improved processes for SHI and ODA accreditation.
- 5) Stakeholder engagement:
- a) Annually revise and implement the CAR Stakeholder Engagement Plan by taking into consideration all CAR functions and the need to extensively communicate the regulatory function of the SHRA.
- b) Tenant education will be provided by the SHRA during the tenancy stage of implementing social housing projects.
- 6) The SHRA has targeted to increase the number of fully accredited SHIs from 12 to 14 in the 2021/22 financial year, and to ensure that at least 5 additional conditionally accredited SHIs have accredited projects by the end of the financial year.
- a) This requires a combination of CAR "handholding" activities, focused on quick wins, and the provision of formalised institutional support by SD&T. SD&T will receive an annual intervention plan in the first quarter of the financial year.
- 7) CAR Unit Transformation Plan: Focus on ensuring that all new capital grant applicants entering the project pipeline are black majority owned or controlled and from the designated groups (particularly women). The unit will be strengthening its approaches to verifying the board of director-level empowerment status of non-profits (SHIs). In this regard the focus moving forward for NPCs will be on black and designated groups' representation at director-level and not solely based on the rating of the B-BBEE scorecard.

PROGRAMME 2: RESOURCE CONSIDERATIONS

Programme 2: CAR	AUDITED			Estimated Expenditure	MTEF Expenditure Estimates		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Economic classification:							
Compensation of employees:	3 995	5 431	7 200	9 710	10 487	11 116	11 783
Goods and Services:	6 162	10 782	6 278	11 141	12 255	13 481	14 289
Total expenses:	10 157	16 213	13 478	20 851	22 742	24 597	26 072

1.2. PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION

PROGRAMME 3: PURPOSE

The purpose of Programme 3: Sector Development and Transformation is:

“To promote the growth and development of the social housing sector through sector insights that inform, inter alia, product development and investment decisions; to capacitate and support SHIs and ODAs in order to be sustainable and deliver effectively; to capacitate local and provincial spheres of government in the Social Housing Programme; and to coordinate and manage the institutional investment grants”

PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; comprising
- Integrated, quality and affordable social housing.

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

Outcome 3: Enhanced performance of delivery agents and projects.

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

Outcome 6: A transformed social housing sector value chain.

The 2021/22 Output-Level Performance Plan for Programme 3 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Outcome 3: Enhanced performance of delivery agents and projects	3.1. Customised incubation programme	3.1.1. Number of incubation programme participants receiving project accreditation	-	-	-	New indicator	2 incubation programme participants receiving project accreditation	2 incubation programme participants receiving project accreditation	2 incubation programme participants receiving project accreditation	
	3.2. Institutional Investment Grant (IIG) Programme	3.2.1. Percentage achievement of the SHI intervention plan	100% of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation	80% of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation	100% (2/2) of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation	75% of identified SHIs that received an IIG, of which the intervention is completed within the current financial year, at minimum, maintained their level of accreditation <i>Indicator reframed</i>	75% achievement of the SHI intervention plan	75% achievement of the SHI intervention plan	75% achievement of the SHI intervention plan	
		3.2.2. Percentage achievement of the social housing projects' intervention plan	100% of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended	75% of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended	100% (4/4) of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended	75% of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended for capital grant award <i>Indicator reframed.</i>	75% achievement of the social housing projects' intervention plan	75% achievement of the social housing projects' intervention plan	75% achievement of the social housing projects' intervention plan	

SHRA: 2021/22 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Outcome 4: Increased capacity of municipalities and provinces to deliver social housing	4.1. Provincial capacitation	4.1.1. Number of provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	-	-	New indicator for capital grant award	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme		
			-	-	-	New indicator	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	
	4.2. Municipal support programme	4.2.1. Number of municipalities in the municipal support programme accredited	-	-	-	New indicator	2 projects from municipalities in the municipal support programme accredited	2 projects from municipalities in the municipal support programme accredited	2 projects from municipalities in the municipal support programme accredited	
Outcome 6: A transformed social housing sector value chain	6.3. Preferential spend of the Institutional Investment Grant (IIG)	6.3.1. Percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled	-	New indicator	72% (21/29) of IIG recipients that are majority black-owned or controlled	70% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled		
			-	-	-	New Indicator	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	
	6.3.2. Percentage of Institutional Investment Grant (IIG) recipients that are from the designated groups	6.3.3. Percentage of participants in the incubation programme that are	-	-	-	New Indicator	33% (2/6) of participants in the incubation programme that	50% (3/6) of participants in the incubation programme that	50% (3/6) of participants in the incubation programme that	

SHRA: 2021/22 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	
		women or youth owned or controlled					are women or youth owned or controlled				are women or youth owned or controlled

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

OUTPUT INDICATORS	2021/22 ANNUAL TARGET				QUARTERLY TARGETS			
	Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022				
3.1.2. Number of incubation programme participants receiving project accreditation	-	-	-	-	2 incubation programme participants receiving project accreditation			
3.2.1. Percentage achievement of the SHI intervention plan	-	-	-	-	75% achievement of the SHI intervention plan			
3.2.2. Percentage achievement of the social housing projects' intervention plan	-	-	-	-	75% achievement of the social housing projects' intervention plan			
4.1.1. Number of provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	-	-	-	-	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme			
4.2.2. Number of projects from municipalities in the municipal support programme accredited	-	-	-	-	2 projects from municipalities in the municipal support programme accredited			

SHRA: 2021/22 Annual Performance Plan

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2021	Q2 Jul - Sep 2021	Q3 Oct - Dec 2021	Q4 Jan - Mar 2022
6.3.1. Percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled	85% of IIG recipients that are majority black-owned or controlled
6.3.2. Percentage of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups	40% of Institutional Investment Grant (IIG) recipients that are from the designated groups
6.3.3. Percentage of participants in the incubation programme that are women or youth owned or controlled	33% (2/6) of participants in the incubation programme that are women or youth owned or controlled	33% (2/6) of participants in the incubation programme that are women or youth owned or controlled	33% (2/6) of participants in the incubation programme that are women or youth owned or controlled	33% (2/6) of participants in the incubation programme that are women or youth owned or controlled	33% (2/6) of participants in the incubation programme that are women or youth owned or controlled

PROGRAMME 3: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

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

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

Planned performance over the medium term includes:

- 1) Implementation of the incubation programme (in partnership with NASHO) that provides business development support to new SHIs until they have completed their first social housing project, and achieved business sustainability:
 - a) The APP focus for 2021/22 is on graduating at least two incubation participants from having projects on the pipeline to having projects accredited.
 - b) At least 33% of incubation project participants will be women, with the intention to increase the proportion to 50% in the outer years.
- 2) Effective deployment of the IIG to maintain and increase accreditation levels of SHIs and to increase the number of projects that meet the criteria for tabling at the TEC, this will include more proactive interventions through early warning systems in collaboration with the CAR and PDF programmes:
 - a) The early warning system will be activated through the provision of annual intervention plans to SD&T by CAR and PD&F at the beginning of the financial year.
- 3) Establish a panel of accredited, capable and transformed, service providers to support the timeous implementation of institutional support interventions. The panel is to comprise a combination of new and established service providers. Partnerships and a mentorship programme will be put in place to ensure the new entrants are developed and provided with opportunities to grow.
- 4) SD&T Stakeholder Management Plan: Develop partnerships with sector participants to support the SHRA in the delivery of its mandate and strengthening of the capacity building programme.
- 5) Develop and implement a municipal support programme to capacitate municipalities to run effective local social housing programmes:
 - a) Year one focus was on supporting at least three municipalities to have approved land agreements in place;
 - b) From 2021/22 (year 2) onwards, the focus in the APP is on supporting municipalities to have accredited projects in the pipeline.

- 6) Deliver tailor-made training sessions in response to the specific needs for development and capacitation of provincial departments. This would include the development and rollout of an online training product.
- 7) Develop and implement a stakeholder management and communications strategy to raise awareness, knowledge and understanding of the Social Housing Programme and to stimulate increased participation.

8) Social Housing Sector Transformation:

- a) Progressing the sector transformation agenda through the Property Sector Charter Council, including the development of a Social Housing Sector Transformation Barometer.
- b) Develop SHRA transformation plan based on the detailed work that has taken place with The Presidency and support SHRA business units with their programme-level transformation plans and targets. This would include providing support and delegating the following transformation interventions to form part of the applicable programme-level transformation plans:
 - Redrafting of SOPs to strengthen applicant categorisation and vetting through human interaction between SHRA management and accreditation applicants and structured “pitches” being made to the SHRA. The SOP must guide the fast tracking of transformation by moving away from the more compliance and paper-based system. The effectiveness and completeness of the Revised SOP must be audited by Internal Audit.
 - Package, communicate, and publish the success stories from the Incubation Programme. Profile these as examples of the broader underlying management data on transformation.
 - A time stamp automated tracking and reminder and reporting tool must follow applications for accreditation and must red flag delays for management intervention – the effectiveness and completeness of the system needs to be audited by Internal Audit.
 - Taking awareness campaigns one step further through training for service providers:
 - Two panels to be procured where experienced service providers and new service providers are appointed on panels with formalised mentoring and training attached to the panel appointments.
 - Accreditation of service providers to be developed and implemented with compulsory training on social housing as a prerequisite to accreditation as a social housing service provider.
 - Adapt to Technological changes (develop an online pre-qualification assessment for new entrants):
 - Complete work on the MySHRA system and sector toolkits to conceptualise the pre-qualification quick tools.

- o Develop these quick assessment tools for these to then assist prospective applicants to establish their status without following a lengthy process that involves officials, time and costs.
- 9) SD&T will oversee the implementation of the approved Gender Mainstreaming Strategy and Plan. The action plan includes delegations to all SHRA programmes and will be monitored and reporting on quarterly to Exco and the Social and Ethics Committee of Council.
- 10) SD&T Unit Transformation Plan: Develop and implement a SD&T unit transformation plan which entails increasing the percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled (at Director-level) and from the designated groups. Ensure supporting evidence validates the reported performance.

PROGRAMME 3: RESOURCE CONSIDERATIONS

Programme 3: SD&T	AUDITED			Estimated Expenditure	MTEF EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Economic classification:							
Compensation of employees:	2 050	2 718	3 271	3 326	3 592	3 808	4 036
Goods and Services:	945	3 548	2 246	2 027	2 230	2 453	2 698
Institutional Investment Grant	18 746	10 783	13 705	20 401	22 725	23 534	23 623
Total expenses:	21 741	17 049	19 222	25 754	28 547	29 759	30 357

1.3. PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING

PROGRAMME 4: PURPOSE

The purpose of Programme 4: Project Development and Funding is to:

“Facilitate the delivery of social housing units through the optimal investment and management of the consolidated capital grant, effective deal-making, partnerships management and transformation of the construction sector”

PROGRAMME 4: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; comprising
- Integrated, quality and affordable social housing

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

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

Outcome 6: A transformed social housing sector value chain.

The 2021/22 Output-Level Performance Plan for Programme 4 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Outcome 2: Quality affordable social housing for rental delivered in strategically located areas	2.1. Delivery of Social housing units	2.1.1. Number of social housing units completed	3 519 social housing units completed	2 284 social housing units completed	3 010 social housing units completed	3 520 social housing units completed	3 500 social housing units completed	4 000 social housing units completed	5 000 social housing units completed	
		2.1.2. Number of social housing units tenanted	3 856 social housing units delivered	2 471 social housing units delivered	4 012 social housing units delivered	3 264 social housing units delivered	4 000 Social housing units tenanted	4 500 Social housing units tenanted	5 000 Social housing units tenanted	
	2.2. Expenditure of the Consolidated Capital Grant (CCG)	-	-	Indicator reframed	95% expenditure of the approved annual Consolidated Capital Grant cash flow projection	95% expenditure of the approved annual Consolidated Capital Grant cash flow projection	95% expenditure of the approved annual Consolidated Capital Grant cash flow projection	95% expenditure of the approved annual Consolidated Capital Grant cash flow projection		
Outcome 6: A transformed social housing sector value chain	6.4. Preferential award and spend of the Consolidated Capital Grant (CCG)	6.4.1. Percentage of CCG awarded to black majority owned or controlled enterprises	182.7% (R1,555 868 352) against a target of 50%	70% of CCG awarded to black majority owned / controlled enterprises	95.45% of CCG awarded to black majority owned / controlled enterprises	70% of CCG awarded to black majority owned / controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises	80% of CCG awarded to black majority owned or controlled enterprises	85% of CCG awarded to black majority owned or controlled enterprises	
		6.4.2. Percentage spent by grant recipients on black owned main contractors and professional teams	-	-	-	New indicator	50% spent by grant recipients on black owned main contractors and professional teams	55% spent by grant recipients on black owned main contractors and professional teams	60% spent by grant recipients on black owned main contractors and professional teams	
	6.4.3. Percentage of CCG awarded to enterprises that are	-	New indicator	40.26% of CCG allocation	30% of CCG allocation awarded	30% of CCG awarded to enterprises that	35% of CCG awarded to enterprises that	40% of CCG awarded to enterprises that		

SHRA: 2021/22 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
		majority owned or controlled by the designated groups			awarded to the designated groups	to the designated groups <i>Indicator reframed</i>	are majority owned or controlled by the designated groups	are majority owned or controlled by the designated groups	are majority owned or controlled by the designated groups	
		6.4.4. Percentage spent by grant recipients on main contractors and professional teams that are from the designated groups	-	-	-	New indicator	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	25% spent by grant recipients on main contractors and professional teams that are from the designated groups	30% spent by grant recipients on main contractors and professional teams that are from the designated groups	

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

OUTPUT INDICATORS	QUARTERLY TARGETS			
	Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
2021/22 ANNUAL TARGET				
2.1.1. Number of social housing units completed	500 social housing units completed	1 500 social housing units completed	2 500 social housing units completed	3 500 social housing units completed
2.1.2. Number of social housing units tenanted	500 Social housing units tenanted	1 500 Social housing units tenanted	2 500 Social housing units tenanted	4 000 Social housing units tenanted
2.2.1. Percentage expenditure of the approved annual Consolidated Capital Grant cash flow projection	25% expenditure of the approved annual Consolidated Capital Grant cash flow projection	45% expenditure of the approved annual Consolidated Capital Grant cash flow projection	60% expenditure of the approved annual Consolidated Capital Grant cash flow projection	95% expenditure of the approved annual Consolidated Capital Grant cash flow projection

SHRA: 2021/22 Annual Performance Plan

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
6.4.1. Percentage of CCG awarded to black majority owned or controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises	75% of CCG awarded to black majority owned or controlled enterprises
6.4.2. Percentage of spent by grant recipients on black owned main contractors and professional teams	50% spent by grant recipients on black owned main contractors and professional teams	50% spent by grant recipients on black owned main contractors and professional teams	50% spent by grant recipients on black owned main contractors and professional teams	50% spent by grant recipients on black owned main contractors and professional teams	50% spent by grant recipients on black owned main contractors and professional teams
6.4.3. Percentage of CCG awarded to enterprises that are majority owned or controlled by the designated groups	30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups	30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups	30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups	30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups	30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups
6.4.4. Percentage spent by grant recipients on main contractors and professional teams that are from the designated groups	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	20% spent by grant recipients on main contractors and professional teams that are from the designated groups	20% spent by grant recipients on main contractors and professional teams that are from the designated groups

PROGRAMME 4: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

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

The SHRA is challenged to achieve the target considering that the indicative budget for the 2019-2024 MTSF is R4 billion, while approximately R8.2 billion is needed to deliver 30 000 units at current prices. If additional funding is not sourced/received, the possibility exists that only 50% of the targeted 30 000 units will be delivered.

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

Planned performance over the medium term includes:

- 1) Implementation of the Social Housing Growth Plan Framework, which has been approved by the Council of the SHRA and submitted to the Department of the Human Settlements for their endorsement and support. Key initiatives to be implemented include:
 - a) Securing debt and equity funding for projects that will unlock units that are awaiting to meet Financial Closure in order to break ground;
 - b) Investing in well located land through the MOA concluded in 2020/21 (with HDA and municipalities) that supports the assembling of more than 9 000 packaged projects per annum;
 - c) On time receipt of statutory approvals (town planning and building approvals) needs to be addressed via the municipal capacitation programme being facilitated by SD&T to unlock the projects planning phase:
 - Facilitation of a geared approach to statutory approvals by municipalities, through SALGA and PSCs;
 - d) Active and functional PSCs that meet at least quarterly, for pipeline visibility and alignment to provincial plans and targets.
 - e) Involvement of large-scale developers to provide a turnkey solution and on-sell to SHIs for management of completed stock:
 - Implement a call for proposals to developers, to link new entrants with turnkey developers;
- 2) Spend the full capital budget allocation per annum, and spend 100% of the retained surplus planned to be spent for the year, i.e. at least 95% of the approved cash flow projection.
- 3) Strengthen PD&F capacity to improve project implementation and compliance with CCG contractual obligations. Consider insourcing of certain outsourced services in order to enhance portfolio management capacity.
- 4) To spatially reference all social housing projects and to develop and maintain the District Development Model.

- 5) PD&F transformation plan: Develop and implement a PD&F unit transformation plan which entails increasing the percentage of direct and indirect beneficiaries of the CCG that are majority black-owned or controlled (at Director-level for entities without an ownership structure) and from the designated groups – value chain approach.

Spend by grant recipients on developers, main contractors and professional teams will be measured in the APP while a database is established, and capacity sought, for monitoring and reporting on spend across the rest of the construction value chain, i.e., including subcontractors and material suppliers.

PROGRAMME 4: RESOURCE CONSIDERATIONS

Programme 4: PD&F	AUDITED			Estimated Expenditure	MTEF EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Economic classification:							
Compensation of employees:	4 251	5 635	6 781	6 906	7 458	7 906	8 380
Goods and Services:	-	-	4 707				
Consolidated Capital Grant	598 728	774 153	1 202 831	727 774	766 876	794 271	841 309
Total expenses:	602 979	779 788	1 214 319	734 680	774 334	802 177	849 689

2. UPDATED KEY RISKS AND MITIGATION FROM THE STRATEGIC PLAN

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

RISK	SOURCE OF RISK	RISK MITIGATION
Outcome 1: Functional, efficient and integrated organisation		
1. Inadequate or insufficient resources to effectively support optimal organisational performance.	Financial management shortfalls in: <ul style="list-style-type: none"> ▪ Accurate, organisation-wide financial reporting ▪ Budget management ▪ Expense containment 	<ul style="list-style-type: none"> ▪ Cash flow management against projections with monthly recons (per programme) to be presented at, and held accountable by, Exco. ▪ Cost containment practices and culture to be led by Exco (including coaching, monitoring and enforcing). ▪ Develop and implement a formal and standardised contract management process. ▪ Enforce contract management, including but not limited to, evaluation of accreditation assessors, contractors, etc. ▪ Introduce process automation to improve accountability and staff efficiency within the budget management process.

RISK	SOURCE OF RISK	RISK MITIGATION
	Inadequate performance and monitoring management	<ul style="list-style-type: none"> Implement a culture of performance management in alignment with KPI setting. Fully implement real-time performance management system. Create a dynamic portfolio of evidence which is continuously update throughout the fiscal and actively highlight shortfalls independent of the "audit season".
	De-centralised and Ineffective stakeholder management	<ul style="list-style-type: none"> Improve/introduce MOIs and MOUs (assist in creating the portfolio of evidence for audits). Develop and implement a standardised organisational stakeholder management processes (internal communication practices). Develop and implement an automated case management process.
	Inadequate Business Continuity Management and Disaster recovery protocols	<ul style="list-style-type: none"> Finalise, approve, implement and communicate the formal Business Continuity Plan (BCP) (with additional perspective from COVID-19 pandemic learnings). Implement continuous BCP testing with quarterly feedback at Exco. Finalise, approve, implement and communicate the formal IT Disaster Recovery Plan (DRP) with a clear outline of DRP testing schedule with feedback at Exco.
	Inadequate document management protocols	<ul style="list-style-type: none"> Develop, implement and enforce a standardised system of indexing to be used by all members of the SHRA to ensure internal document control (version creep).
	Health and safety management	<ul style="list-style-type: none"> Proactive application of additional safety measures where required and in response to the COVID-19 pandemic.
Outcome 2: Quality affordable social housing for rental delivered in strategically located areas		
Outcome 3: Enhanced performance of delivery agents/ entities and projects		
2, Insufficient resources to meet delivery targets.	Insufficient budgetary allocation	<ul style="list-style-type: none"> Engage and motivate for additional sources of funding (including directly from the Dept. of human settlements). Further develop our programmes to appeal to private sector buy-in. Use of Project Review Consultants to monitor performance during construction.

RISK	SOURCE OF RISK	RISK MITIGATION
	Inability to upscale the delivery of social housing.	<ul style="list-style-type: none"> ▪ Benchmark, review and capacitate organisation structure. ▪ Engage participation of private sector as the developers for social housing, with SHIs coming in at the tenant and property management stages. ▪ Appoint two additional portfolio managers. ▪ Redesign accreditation processes and evaluation tools to improve quality of accredited SHIs and ODAs. ▪ Sector consultation with stakeholders with a view to reform delivery mechanisms to significantly increase delivery capabilities within the sector. ▪ Cost overruns as a result of pandemic will be assessed. ▪ Compliance report to address SHIs performance impacts with mitigations where required, including moratoriums on debt repayment, and reduction in municipal charges. ▪ Policy reform process to develop clear standards for how to handle ODAs.
	Failure to implement social housing policy - public policy is not aligned with economic forces.	<ul style="list-style-type: none"> ▪ Acquire approval for the Top 5 required Policy changes as identified by the SHRA. ▪ Ongoing policy reform efforts.
	Unavailability of strategically located land.	<ul style="list-style-type: none"> ▪ The SHRA to participate in the spatial targeting initiative of the National Department and HDA. ▪ Proactive approach to request proposals to mitigate spatial planning. ▪ Partnership arrangements with municipalities.
Outcome 4: Increased capacity of municipalities and provinces to deliver social housing		
3. Insufficient or ineffective buy-in from Provinces and Municipalities.	Lack of associated support (from political leadership) for social housing initiatives in provinces and municipalities, arising from a lack of knowledge.	<ul style="list-style-type: none"> ▪ Implement the stakeholder and change management plan to ensure engagement with relevant officials at Provincial and Municipal levels. ▪ Provincial Support Project requires work with the Provincial Steering Committee Chairpersons Forum and concluding new MoUs with provinces. ▪ Municipal Support Project raising general awareness phase by way of a session in the next quarter, selecting 6 municipalities to work with in this financial year. ▪ Partnership agreements with municipalities. ▪ Implement the communications strategy.

RISK	SOURCE OF RISK	RISK MITIGATION
	Lack of capacity in provinces and municipalities to drive social housing programmes.	<ul style="list-style-type: none"> ▪ Engage and work with Provincial Steering Committee Chairpersons Forum. ▪ Conclude new MoUs with provinces. ▪ Raising general awareness within municipalities by way of a session in the next quarter - selecting 6 municipalities to work with in this financial year. ▪ Partnership arrangements with municipalities
Outcome 5: An effectively regulated and sustainable social housing sector		
4. Inadequate sectoral regulation.	Delivery agents without requisite capability are accredited.	<ul style="list-style-type: none"> ▪ Redesign accreditation processes and evaluation tools to improve quality of accredited SHIs and ODAs by actively and timeously managing applications in the pipeline ▪ Review of the SOPs to ensure continued current applicability and synergies between PDF and CAR
	Unplanned or uncoordinated involvement by various stakeholders (external to contract or court order) impacts the sustainability of the sector.	<ul style="list-style-type: none"> ▪ Implement the stakeholder management plan and supporting communication strategy.
	Insufficient expertise within the SHRA to perform and enforce its regulatory role as per the Act.	<ul style="list-style-type: none"> ▪ Fast-track the capacitation of the organisational structure. ▪ Roll out programme to upskill the resources within the organisation to ensure the internal capability and capacity to adequately perform regulatory functions. ▪ Appointment of a Regulations Manager (vacant role description has been adapted to include a strong focus on regulation, rather than just compliance).
Outcome 6: A transformed social housing sector value chain		
5. Adverse reputational damage to the SHRA.	Perception by the social housing sector of a failure by the SHRA to support transformation in the sector.	<ul style="list-style-type: none"> ▪ Amend standard reporting protocol for all SHI and project accreditation applications to contain a subsection titled "Transformation profile of the applicant" - summary to be included in final recommendation comments. ▪ Quarterly programme reports to include a section titled: "Transformation" which must include visual representation of transformation within the programmes with high level commentary.

RISK	SOURCE OF RISK	RISK MITIGATION
		<ul style="list-style-type: none"> Proactive campaign to draw in transformation groups which we have not had adequate penetration.
	Insufficient understanding of social housing across the value chain.	<ul style="list-style-type: none"> Monitoring and reporting on the efficacy of the business incubation programme. Expanding the business incubation programme by taking on more companies for incubation. Implement the stakeholder management plan.
	The SHRA's role as the sector regulator being poorly received or rejected by the sector due to legacy issues.	<ul style="list-style-type: none"> Implement the Stakeholder Management Plan. Implement the Brand Management Plan.
	Fraud and corruption	<ul style="list-style-type: none"> Fraud prevention plan. Proactive communications campaign (to communicate the outcomes of the historical bribery or corruption matters and to reaffirm the organisations commitment to running a clean administration). Review SOPs to formally ban unofficial/undocumented meetings between SHRA officials and existing or potential stakeholders and develop clear enforcement guidelines. Review SOPs to ensure they have been updated to ensure their current and ongoing applicability. Increased focus on consequence management for stakeholders involved in practices of fraud and corruption (including cancel accreditation or contracts). Develop and maintain a formal fraud risk register.

3. 2021/22 MTEF BUDGET AND ESTIMATES

3.1. SUMMARY OF REVENUE FOR 2021/22 AND THE MTEF

All Programmes (R'000)	Audited Outcome				Approved Budget Estimate	MTEF Budget Estimates		
	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24
Revenue:								
Operational Grant	46 815	51 980	55 201	57 945	60 848	63 738	66 573	

All Programmes (R'000)	Audited Outcome			Approved Budget Estimate	MTEF Budget Estimates		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Consolidated Capital Grant	851 658	743 640	723 706	725 747	764 646	791 144	825 958
Institutional Investment Grant	20 490	20 132	21 259	22 428	22 725	23 534	23 623
Regulations	8 000	10 000	10 560	11 400	9 400	9 000	6 500
Rent Relief Grant				300 000	-	-	-
Total revenue:	926 963	825 752	810 726	1 117 520	857 619	887 416	922 654

The operational grant has increased from R46.8m to R58m, representing an average annual growth rate from 2017/18 to 2020/21 of 7.4%, with the outer years of the MTEF reflecting an annual growth rate of 4.7% to R66.6m in 2023/24.

Consolidated capital grant allocations indicate a 5.2% decrease from 2017/18 to 2020/21 and growth of 4.4% (R826m) in 2023/24. The Institutional Investment Grant is also shown to increase from R22.4m in 2020/21 to R23.6m in 2023/24 or a 1.7% annual growth for the period.

QUARTERLY REVENUE ALLOCATIONS FOR THE 2021/22 FINANCIAL YEAR

The quarterly revenue budget breakdown for the 2021/22 financial year is as follows:

Revenue All Programmes (R'000)	Approved Budget Estimate	Quarterly Budget Breakdown (2021/22 Financial Year)			
	Annual 2021/22	Quarter 1 (Apr-Jun 2021)	Quarter 2 (Jul-Sept 2021)	Quarter 3 (Oct-Dec 2021)	Quarter 4 (Jan-Mar 2022)
Operational Grant	60 848	14 959	15 867	16 431	13 590
Consolidated Capital Grant	764 646	191 161	300 000	160 000	113 485
Institutional Investment Grant	22 725	4 538	6 000	5 921	6 266
Regulations	9 400	1 800	1 600	3 000	3 000
Total revenue:	857 619	212 458	323 467	185 352	136 341

3.2. SUMMARY OF ACTUAL AND BUDGETED EXPENDITURE

Rand thousand	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Unaudited 2019/20	Budget	Budget	Budget	Budget
Current payments							
Compensation of employees	27 777	38 143	40 960	45 475	48 003	50 883	53 936
Salaries and wages	26 068	36 249	38 933	43 307	45 683	48 424	51 329
Social contributions	1 709	1 894	2 027	2 168	2 320	2 459	2 607

Rand thousand	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Unaudited 2019/20	Budget	Budget	Budget	Budget
Goods and services	24 619	39 287	26 362	25 232	23 366	23 032	20 373
Of which:							
Communication	275	1 075	1 000	1 500	1 590	1 685	1 787
Computer services	553	1 122	962	1 021	1 077	1 142	1 210
Lease payments	2 235	3 910	3 208	3 769	3 976	4 215	4 467
Legal fees	1 977	3 437	3 286	3 483	3 692	3 342	2 542
Professional fees	9 043	15 903	5 837	6 452	5 036	5 338	3 572
Repairs and maintenance	64	68	102	157	166	176	187
Research and development	473	56	1 200	1 500	2 177	2 308	1 446
Training and staff development	885	2 018	1 772	1 828	1 929	1 500	1 590
Travel and subsistence	2 621	3 921	4 916	3 736	2 602	2 376	2 519
Other	6 493	7 777	4 079	1 786	1 121	951	1 053
Transfers and subsidies	623 244	789 057	743 404	746 813	786 250	813 501	848 345
Institutional Investment Grant	18 746	10 784	19 698	21 066	21 604	22 357	22 387
Consolidated Capital Grant	604 498	778 273	723 706	725 747	764 646	791 144	825 958
Rent Relief Grant				300 000			
Total Expenditure	675 640	866 487	810 726	1 117 520	857 619	887 416	922 654

Comparing the trend that has been emerging from financial year 2018 to 2020, it is clear that there is an upward trajectory in the current payments line item. This is mainly attributable to stabilised and maturity levels experienced by the SHRA. For 2020/21 to 2023/24, due to inadequate budget, expenditure has been reduced to fit within the budget envelope.

In addition, an average of R794m CCG is allocated to the SHRA per annum for the MTEF. Therefore, with a capital grant allocation of R271 867 per unit, only 2 920 social housing units can be delivered annually. At this rate of delivering 2 857 units annually, as permitted by the available and allocated funds, only 11 798 units can be funded from 2020/21-2023/24. However, the SHRA is expected to deliver 30 000 social units over the MTSF period.

Non-compliance to the CCG contracts and breaching of some clauses has resulted in arresting legal fees. The effect over years was that 2021 amount of R9.4 was seriously reduced to an average of R2m annually, which is not sufficient given all the pending cases and strengthened regulatory function.

In addition, professional fees have been drastically reduced as a result of insufficient funding, and the impact is adverse on the SHRA's core operations. The accreditation process, tenancy audits and building condition assessments require the services of professional firms who possess the required competencies. It is the intention that the cost of outsourced services be reduced to offset the reduction in the availability of budget for compensation of employees and fund positions within the structure.

Marketing and communications have similarly been affected, leading to the possibility of an unrealised communication strategy. While the NDoHS communication platform will be used for

general communications, those pertaining to creating awareness of the SHRA and Social Housing specific offerings require independent platforms that would be diluted when utilising a shared platform.

Challenges highlighted above and experienced in the previous MTSF term would be further exacerbated by the success factors noted in the strategy to deliver the target of 30,000 units (from a capital funding perspective) and implications of additional resources at an operational level linked to the delivery.

The challenge of an inadequate operational budget allocation:

The SHRA began experiencing OPEX budget constraints as it was implementing the final phase of the Organisational Development that was approved during the financial year 2016. This process led the SHRA to its business maturity level with the MTSF 2019 targets being the basis of operations.

During the financial year ending 31 March 2019, an amount of R47,584m comprising of both OPEX and CAPEX, was reported as over expenditure. Out of the aforementioned amount, R31.016m was attributable to CAPEX expenditure whilst the balance R16.568m was for the operating expenditure. The significant cost drivers, which will now be recurring expenses, were professional fees outsourced to perform statutory audits and building conditions assessments. The institutions and projects accreditation assessment fees saw an increase as the number of applications were submitted. The other cost driver was legal fees as the entity strengthened enforcement of contracts and regulations and safeguarding of a liquidated project.

The same trend of inadequate OPEX budget continued to present itself during the financial year 2019/2020, as a result an amount of R10m was reallocated from interest earned to fund the expenditure. Cost cutting measures were considered however they did not yield the desired results, leaving the entity to rely on the interest until a new adequate OPEX baseline is approved.

The implication of the 2021/22 budget allocation is that certain resources, identified as critical success factors in the strategy, that have not been budgeted for include the following key items for consideration;

- 1) Additional human resources identified in the emerging revised organisational structure, including, *inter alia*, a Chief Risk Officer with due diligence capabilities, an additional two portfolio managers to assist with delivery of the 30 000 units, inclusion of a Social Housing Management Analyst, Built Environment Analyst, Business Analyst, Compliance Administrator, Project Accreditation Administrator, Regulations Manager, an additional SD&T specialist and capacitation of the precinct development function.
- 2) Deployment of an automated and integrated IT system (per ICT Strategy);
- 3) Driving the SHRA's communications strategy and brand awareness through implementation of the approved Communications and Stakeholder Management Strategy; and
- 4) Carrying out building condition assessments.

QUARTERLY BUDGETED EXPENDITURE FOR THE 2021/22 FINANCIAL YEAR

The quarterly expenditure budget breakdown for the 2021/22 financial year is as follows:

Expenditure item (R'000)	Approved Budget	Quarterly Budget Breakdown (2020/21 Financial Year)			
	Annual 2021/22	Quarter 1 (Apr-Jun 2021)	Quarter 2 (Jul-Sept 2021)	Quarter 3 (Oct-Dec 2021)	Quarter 4 (Jan-Mar 2022)
Current payments					
Compensation of employees:	48 003	11 001	11 001	14 406	11 595
Salaries and wages	45 683	10 421	10 421	13 826	11 015
Social contributions	2 320	580	580	580	580
Goods and services:	23 366	5 758	6 466	5 146	5 995
Communication	1 060	265	370	-	425
Computer services	1 077	269	269	269	269
Lease payments	3 976	994	994	994	994
Legal fees	3 692	709	1 200	912	871
Professional fees	5 036	1 072	1 072	1 279	1 613
Repairs and maintenance	166	42	46	39	39
Research and development	1 862	700	500	300	362
Training and staff development	1 929	482	533	457	457
Travel and subsistence	2 602	734	900	450	518
Other	1 966	492	582	446	447
Transfers and Subsidies:	786 250	195 699	306 000	165 800	118 751
Institutional Investment Grant	21 604	4 538	6 000	5 800	5 266
Consolidated Capital Grant	764 646	191 161	300 000	160 000	113 485
Total Expenditure	857 619	212 458	323 467	185 352	136 341

4. PUBLIC ENTITIES

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

5. INFRASTRUCTURE PROJECTS

Not applicable to the Social Housing Regulatory Authority.

6. PUBLIC / PRIVATE PARTNERSHIPS

Not applicable to the Social Housing Regulatory Authority.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: ADMINISTRATION – TECHNICAL INDICATOR DESCRIPTIONS

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

2	Indicator Title 1.1.1.	Percentage implementation of the approved Internal Audit Plan
	Definition	To monitor and report on the implementation of the annually approved internal Audit Plan
	Source of data	Information provided by the business units sourced to undertake the work
	Method of Calculation/ Assessment	Number of audits completed as per the approved Internal Audit Plan for the year-to-date divided by the number of planned audits for the year, expressed as a percentage
	Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Approved 3-year rolling plan and 1-year operational audit plan ▪ Status/Progress Report on the implementation of the Internal Audit Plan ▪ Internal Audit reports issued
	Assumptions	<ul style="list-style-type: none"> ▪ Unrestricted access to records ▪ Availability of personnel ▪ Cooperation and support from business units

	<ul style="list-style-type: none"> ▪ Accurate information and records
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (Year to date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the approved Internal Audit Plan
Indicator Responsibility	Corporate Services Manager (Executive)

3	Indicator Title 1.2.1.	Percentage compliance with Statutory reporting requirements and prescripts
Definition	The indicator measures the level of compliance by the SHRA to key requirements as outlined in legislation, regulations and other corporate governance guidelines/regulations (Social Housing Act & Regulations, PFMA, Treasury Regulations and Guidelines etc.).	
Source of data	<ul style="list-style-type: none"> ▪ Annual statutory reporting schedule informed by the SHRA compliance framework ▪ Annual reports ▪ Previous annual reports ▪ Quarterly performance reports ▪ Emails confirming annual and quarterly report submissions to the National Department and National Treasury ▪ Proof of tabling (agendas / attendance registers) ▪ Interim and annual financial statements ▪ Compliance, Accreditation and Regulation Reports noting the regulation of SHIs ▪ Email correspondence and supporting documents 	
Method of Calculation/ Assessment	<p>Number of statutory reporting milestones successfully achieved for the period / quarter divided by the number of scheduled reporting submissions for the period / quarter</p> <p>Annual target is measured as the aggregation of quarterly achievements</p>	
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Quarterly Performance Report ▪ Proof of submission 	
Assumptions	<ul style="list-style-type: none"> ▪ Non-cancellation or postponement of dates ▪ Timely receipt of draft replies and submissions ▪ On time submissions to meet reporting timelines ▪ Annual performance plans and quarterly reports are submitted on time and the information contained therein is reliable ▪ Availability of data 	
Disaggregation of Beneficiaries (where applicable)	Not applicable	

Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative Year-End
Reporting Cycle	Quarterly
Desired Performance	100% compliance with Statutory reporting requirements
Indicator Responsibility	Corporate Services Manager (Executive)

4 Indicator Title 1.3.1.	Percentage adherence to the Anti-Fraud and Corruption Policy
Definition	<p>Adherence to the fraud and corruption control strategies outlined in the approved Fraud and Corruption Prevention Policy. The control strategies fall into three areas:</p> <ol style="list-style-type: none"> 1. Structural Strategies; 2. Operational Strategies; and 3. Maintenance Strategies. <p>Each of the above strategies have specific provisions that the SHRA needs to implement or adhere to.</p>
Source of data	<ul style="list-style-type: none"> ▪ Fraud and Corruption Report reflecting adherence to the fraud and corruption control strategies outlined in the Policy. ▪ Recommendations contained in investigation reports or internal audit recommendations ▪ Resolution of the Fraud and Corruption Report presented to Council and/or relevant sub-committee meetings
Method of Calculation/ Assessment	Actual number of provisions of the fraud and corruption control strategies adhered to for the quarter divided by the total number of provisions of the fraud and corruption control strategies outlined in the approved fraud and corruption prevention policy, expressed as a percentage
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Fraud and Corruption Prevention Policy that reflects the provisions for adherence to the fraud and corruption control strategies within the following three areas: <ul style="list-style-type: none"> ○ Structural Strategies; ○ Operational Strategies; and ○ Maintenance Strategies. ▪ Agenda(s) showing that the Fraud and Corruption Report presented to the Council and/or relevant sub-committee meetings (dependant on nature and findings of the recommendations) ▪ Resolutions of the Fraud and Corruption Report presented to Council and/or relevant sub-committee meetings
Assumptions	<p>Unrestricted Access to records</p> <p>Availability of personnel</p> <p>Sensitivity of reports and implications</p>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative

Reporting Cycle	Quarterly
Desired Performance	100% of the approved Anti-Fraud and Corruption Policy implemented
Indicator Responsibility	CEO

5	Indicator Title 1.4.1.	Percentage implementation of the approved Risk Management Plan
Definition	Risk management plan details the specific risk mitigation activities that will be implemented for the particular year, including responsible persons, resources required and targets.	
Source of data	Exco-approved annual risk management plan Quarterly updated risk management plan submitted to Exco. Supporting evidence for mitigation activities undertaken	
Method of Calculation/ Assessment	Total number of planned risk mitigation activities implemented for the year to date divided by the total number of planned risk mitigation activities for the year, expressed as a percentage (i.e. x100%)	
Means of verification / Evidence	Risk Management Plan Report to EXCO	
Assumptions	Complete, accurate, timeous risk information and co-operation from internal stakeholders (Risk Champions and Risk Owners)	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	100% implementation of the approved Risk Management Plan	
Indicator Responsibility	Corporate Services Manager (Executive)	

6	Indicator Title 1.5.1.	Percentage achievement of the targets set out in the stakeholder management and communications strategy annual implementation plan
Definition	Measures the achievement of the targets set out in the annual implementation plan of the 5-year Stakeholder Management and Communications Strategy.	
Source of data	<ul style="list-style-type: none"> ▪ Approved 5-year SHRA Stakeholder Management and Communications Strategy. ▪ EXCO approval of the Stakeholder Management and Communication Implementation Plan, reflecting performance indicators and quarterly targets. ▪ Quarterly report reflecting achievement against the planned quarterly milestones of communications strategy annual implementation plan. ▪ Relevant portfolios of evidence to verify achievement of the targets. ▪ Revised plan, if applicable and when necessary, noted and minuted by Exco 	

Method of Calculation/Assessment	Number of performance targets achieved divided by the number of planned performance targets for the year to date period expressed as a percentage (i.e. x100%)
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes (in Q1) reflecting approval of the annual Stakeholder Management and Communications Implementation Plan, which sets out the targets to be achieved in the financial year. ▪ Exco minutes confirming the tabling of the annual performance report, which reflects the achievement of the targets set out in the annually approved Stakeholder Management and Communications Implementation Plan. ▪ Verify the supporting data (portfolio of evidence) of the reported performance
Assumptions	<p>Council-approved 5-year Stakeholder Management and Communications Strategy.</p> <p>Exco approval, in of the Stakeholder Management and Communications Strategy Implementation Plan.</p>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 80% achievement of the targets set out in the stakeholder management and communications strategy annual implementation plan
Indicator Responsibility	Corporate Services Manager (Executive)

7 Indicator Title 1.6.1.	Affordable rental housing policy position developed
Definition	Timeline for submission of affordable rental housing policy position
Source of data	<p>Draft Affordable Rental Policy and proof of EXCO adoption thereof</p> <p>Council approved Affordable rental housing policy position and proof of adoption thereof</p>
Method of Calculation/Assessment	Achievement of milestone within the specified timeframe
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Council Resolution confirming the tabling and approval of the policy recommendation
Assumptions	Availability of information, personnel and stakeholder inputs
Disaggregation of Beneficiaries (where applicable)	Not applicable

Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Affordable rental housing policy position developed by the second quarter
Indicator Responsibility	CEO

8	Indicator Title 6.1.1.	Percentage procurement spend to majority black-owned service providers
Definition	The total Rand value of procurement spend on service providers that are majority black-owned (>50% black as defined by the B-BBEE codes), as a percentage of the total procurement spend on all service providers regardless of B-BBEE status.	
Source of data	<ul style="list-style-type: none"> ▪ Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information. ▪ Quarterly Supply Chain Report tabled at Exco 	
Method of Calculation/Assessment	Sum of the Rand value of procurement spend on service providers that are >50% black-owned divided by the total Rand value of procurement spend on all service providers (regardless of B-BBEE status) over the same cumulative (year-to-date) period, expressed as a percentage (i.e. x 100)	
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes confirming the tabling of the Supply Chain Management Report ▪ Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates or sworn affidavits. 	
Assumptions	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 75% procurement spend to majority black-owned service providers 	
Indicator Responsibility	Corporate Services Manager (Executive)	

9	Indicator Title 6.1.2.	Percentage procurement spend on designated groups
Definition	The total combined Rand value of procurement spend on service providers that are majority owned by women, youth, persons with disabilities and military	

	veterans, as a percentage of the total procurement spend on all service providers regardless of designated group status
Source of data	<ul style="list-style-type: none"> ▪ Consolidated and validated quarterly procurement records generated by the finance division, using data from the supply chain management system, reflecting cumulative (year-to date) information. ▪ Quarterly Supply Chain Management Report tabled at Exco.
Method of Calculation/Assessment	Combined sum of the Rand value of procurement spend on service providers that are majority owned or controlled by women, youth, persons with disabilities and military veterans divided by the total Rand value of procurement spend on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period, expressed as a percentage (i.e. x 100)
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes confirming the tabling of the Supply Chain Management report ▪ Verify the supporting data of the reported results, including the existence and validity of B-BBEE certificates and other supporting documents such as affidavits to confirm designated group status
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Target Women: 35%; Youth: 5%, Disabilities: N/A; Target for MVs: N/A
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 40% procurement spend on designated groups
Indicator Responsibility	Corporate Services Manager (Executive)

PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATION – TECHNICAL INDICATOR DESCRIPTIONS

10	Indicator Title 5.1.1.	Percentage of reporting SHIs and ODAs meeting 3 or more performance benchmarks
	Definition	<p>A compliant sector comprises Social Housing Institutions (SHIs) and Other Delivery Agents (ODAs) with stock under management that are in compliance with applicable performance benchmarks as outlined in the approved SHRA indicator and benchmark framework.</p> <p>The nature and type of registration of the organisation will determine which performance benchmarks are applicable.</p>
	Source of data	Data from SHI and ODA quarterly reports interpreted and populated into a summary of target and actual benchmark performance included in the Compliance Report tabled at Exco on a quarterly basis.

	The report will clearly highlight the performance benchmarks that are applicable to each reporting institution or delivery agent.
Method of Calculation/ Assessment	<p>On a quarterly basis to measure the performance of all reporting SHIs and ODAs against the applicable performance benchmarks reflected in the approved SHRA Indicator and Benchmark Framework</p> <p>The template for calculating the consolidated performance is as follows:</p> <ul style="list-style-type: none"> Number of reporting SHIs/ODAs that have achieved any 3 or more of the performance benchmark targets / number of reporting SHIs/ODAs, expressed as a percentage (i.e. x 100).
Means of verification / Evidence	<ul style="list-style-type: none"> Verification by way of the Quarterly Compliance Report tabled at Exco, reflecting the number of delivery agents that manage stock meeting 3 or more of the applicable performance benchmarks Exco minutes confirming the tabling of the report within 30 days of the quarter end.
Assumptions	<ul style="list-style-type: none"> Reported data from institutions/delivery agents is accurate, consistent and made available timeously; Systems to process data are available. Implementation of SHRA Indicator and Benchmark framework
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> 61% of reporting SHIs and ODAs meeting 3 or more performance benchmarks
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

11	Indicator Title 5.2.1.	Number of additional fully accredited SHIs
Definition	The number of conditionally accredited SHIs with stock that are successfully supported to gain full accreditation.	
Source of data	Accreditation reports tabled at EXCO on a quarterly basis and showing the number of additionally accredited SHIs for that quarter, supported by a Council resolution approving the new accreditation.	
Method of Calculation/ Assessment	Straight count of the number of fully accredited SHIs (with stock) that were supported to gain full accreditation for the year-to-date period.	
Means of verification / Evidence	<p>Verification of the quarterly accreditation report tabled at EXCO (within 30 days of the following quarter) reflecting the number of SHIs that have been accredited subsequent to receiving support from the SD&T programme.</p> <p>This will be evidenced in the Council resolution for each full accreditation.</p> <p>EXCO minutes confirming the tabling of the report.</p>	
Assumptions	None	

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Within strategically located areas allowed by legislation and policy.
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 2 additional fully accredited SHIs
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

12	Indicator Title 5.2.2.	Number of additional conditionally accredited SHIs with accredited projects
Definition	The number of conditionally accredited SHIs that do not have accredited projects at the beginning of the financial year that are supported to have accredited projects by the end of the financial year.	
Source of data	Project accreditation reports tabled at TEC at the end of each quarter that indicate the number of projects from conditionally accredited SHIs that have projects accredited.	
Method of Calculation/ Assessment	Straight count of the number of conditionally accredited SHIs that did not have projects at the beginning of the financial year, that have projects in the pipeline for the year-to-date period	
Means of verification / Evidence	Report tabled at TEC providing a recommendation for project accreditation, supported by a Council resolution	
Assumptions	SHIs that are taken through the SD&T support programme will manage to access land for project development. Projects from SHIs that are supported will obtain Municipal and Provincial support.	
Disaggregation of Beneficiaries (where applicable)	Not Applicable	
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 5 additional conditionally accredited SHIs with accredited projects 	
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation	

13	Indicator Title 5.3.1.	Number of subsidised housing units' tenancy audits conducted
Definition	To undertake tenancy, income and occupancy audits in order to build up a profile of rentals and compliance with income bands.	

Source of data	Final tenancy audit reports submitted to the SHRA by appointed service providers – clearly marked final, with results consolidated and reported in the quarterly compliance report tabled at Exco on a quarterly basis.
Method of Calculation/ Assessment	Straight count of the number of social housing units' tenancy audits completed for the year-to-date period, as reflected in the final tenancy audit reports
Means of verification / Evidence	Verification of numbers reported in compliance report against actual completed tenancy audit reports, that are marked and confirmed by the SHRA as FINAL
Assumptions	Only count units in the Final Tenancy Audit Reports, not in the Draft Reports
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<u>On target performance is desirable:</u> <ul style="list-style-type: none"> ▪ 3 300 subsidised social housing units' tenancy audits conducted
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

14	Indicator Title 5.3.2.	Number of subsidised housing projects' tenant satisfaction surveys conducted
Definition	To facilitate the conducting of tenant satisfaction surveys by SHIs at subsidised housing projects using the SHRA online survey system and methodology.	
Source of data	Web-Based Survey Platform	
Method of Calculation/ Assessment	Straight count of the number of subsidised housing projects with completed tenant satisfaction surveys for the year-to-date period.	
Means of verification / Evidence	Verification of surveys undertaken per project and reported in the Quarterly Performance Report tabled at EXCO. Verification that minimum survey sample rate has been achieved.	
Assumptions	Supported by SHI / ODA policies Appropriate methodologies and sampling procedures. SHIs cooperation and tenant participation	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<u>Higher than targeted performance is desirable:</u>	

	<ul style="list-style-type: none"> ▪ 10 subsidised housing projects' tenant satisfaction surveys conducted
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

15	Indicator Title 5.4.1.	Number of subsidised housing projects' safety and security audits conducted
Definition	The number of subsidised housing projects for which safety and security audits based on pre-determined (benchmarked) criteria have been conducted.	
Source of data	Final safety and security reports submitted to SHRA by appointed service providers – marked final, with results consolidated and reported in the Q4 Safety and Security Audits Report	
Method of Calculation/ Assessment	Straight count of the number of projects where safety and security audits have been completed for the period, as reflected in the safety and security audit reports for the year-to-date period.	
Means of verification / Evidence	Safety and security audit reports that are marked final and confirmed by SHRA as final.	
Assumptions	Only count number of projects in the final Safety and Security Audit reports and not in the draft reports.	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 15 subsidised housing projects' safety and security audits conducted 	
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation	

16	Indicator Title 6.2.1.	Percentage of <u>new</u> project accreditation applicants that are black majority owned or controlled
Definition	<p>The percentage of new project accreditation applications received within the financial year that are from majority black owned or controlled applicants.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p> <p>The indicator measures director-level (board) composition for NPCs and black ownership for other delivery agents.</p>	
Source of data	<p>Compulsory minimum requirement section in the accreditation application forms, with supporting documents.</p> <p>Quarterly CAR reports, submitted to Exco.</p>	
Method of Calculation/ Assessment	Sum of the number of project accreditation applicants over the year to date period that are majority black-owned or controlled (>50% black) divided by all applicants for the same period regardless of B-BBEE status, expressed as a percentage (i.e. x100)	

Means of verification / Evidence	<p>Verification of information provided in the accreditation application forms, with supporting documents. This includes:</p> <ul style="list-style-type: none"> ▪ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents. ▪ Minutes of meetings with owners/directors to verify ownership or control in conjunction with MOI/company founding documents. ▪ Identity documents of owners/directors.
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy.
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 85% of <u>new</u> project accreditation applicants that are black majority owned or controlled
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

17	Indicator Title 6.2.2.	Percentage of <u>new</u> project applicants that are from the designated groups
Definition	<p>The percentage of project applications received within the financial year that are from applicants that are owned or controlled by the designated groups, namely, women, youth, persons with disabilities and military veterans.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p> <p>The indicator measures director-level (board) composition for NPCs and designated group ownership for other delivery agents.</p>	
Source of data	<p>Compulsory minimum requirement section in the accreditation application forms, with supporting documents.</p> <p>Quarterly CAR reports, submitted to Exco.</p>	
Method of Calculation/ Assessment	<p>Sum of the number of project accreditation applicants over the year to date period that are majority owned or controlled by the designated groups divided by all project accreditation applicants for the same period regardless of designated group status, expressed as a percentage (i.e. x100)</p>	
Means of verification / Evidence	<p>Verification of information provided in the accreditation application forms, with supporting documents. This includes:</p> <ul style="list-style-type: none"> ▪ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents. ▪ Minutes of meetings with owners/directors to verify ownership or control in conjunction with MOI/company founding documents. ▪ Identity documents of owners/directors. 	
Assumptions	None	

Disaggregation of Beneficiaries (where applicable)	Target Women: 30%; Youth: 10%, Disabilities: N/A; Target for MVs: N/A
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy.
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 40% of capital grant applicants that are from the designated groups
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION – TECHNICAL INDICATOR DESCRIPTIONS

18	Indicator Title 3.1.1.	Number of incubation programme participants receiving project accreditation
Definition	To support conditionally accredited SHIs and other delivery agents with projects in the pipeline to have accredited projects by the end of the financial year.	
Source of data	<p>Quarterly progress reports on the implementation of the incubation programme and annual analytical report on the outcome of the programme for the year.</p> <p>The outcome of the programme is evidenced by approved project accreditations.</p> <ul style="list-style-type: none"> ▪ Q1: no target ▪ Q2: no target ▪ Q3: no target ▪ Q4: Final analytical report tabled to Exco, providing full detail of the incubation programme, the selected participants and the outcome of the programme in terms of approved project accreditations for the full financial year. 	
Method of Calculation/Assessment	Number of annual incubation programme participating SHIs and ODAs that started the financial year with project/s in the pipeline and concluded the financial year with at least one accredited project	
Means of verification / Evidence	Verification of the approved project accreditations of the incubation programme participants	
Assumptions	None	
Disaggregation of Beneficiaries (where applicable)	33% of incubation participants from the enterprises owned or controlled by women and youth	
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy	
Calculation Type	Cumulative (year-end)	
Reporting Cycle	Annual for performance assessment	

Desired Performance	Higher than targeted performance is desirable: <ul style="list-style-type: none"> ▪ 2 incubation programme participants receiving project accreditation
Indicator Responsibility	Executive: Sector Development and Transformation

19 Indicator Title 3.2.1.	Percentage achievement of the SHI intervention plan
Definition	<ul style="list-style-type: none"> ▪ The CAR Programme will review the SHIs and identify risks that may affect their accreditation status, and will then table a Compliance Report and associated SHI Intervention Plan to assist the identified SHIs. ▪ The SHI Intervention Plan should be submitted to the SD&T Programme early in the 1st quarter of the financial year, reviewed regularly based on need. ▪ If applicable, the identified SHI's may be assisted through an Institutional Investment Grant ▪ The SD&T programme will liaise with the affected SHIs to gain support for the intervention and, if agreed upon, then a service provider will be procured, and the Institutional Investment Grant issued ▪ Once this work has been completed, the close out report will be handed back to the CAR Programme ▪ Following this, the SHI will be reassessed by this programme and an accreditation status recommended ▪ This indicator implies that should the intervention proceed (i.e. the SHI may not agree to the intervention, or for whatever reason the work should not be proceed) and be completed that the SHI will either maintain or improve their level of accreditation
Source of data	<p>Annually approved Intervention Plan received from the CAR Programme at the beginning of the financial year, with quarterly Exco approved updates as and when required.</p> <p>Applicable Exco resolution, grant agreements, close out reports and accreditation resolution taken by Council following the completion of approved interventions:</p> <p>Q1: no target Q2: no target Q3: no target</p> <p>Q4: Final report and portfolio of evidence tabled to Exco, comprising:</p> <ul style="list-style-type: none"> ▪ Minutes of Exco meeting approving intervention action plans ▪ Minutes of Exco meeting approving grant award ▪ Signed grant agreement ▪ Approved Terms of Reference ▪ Letter of appointment of service provider ▪ Close out report from service provider; and ▪ Council Resolution approving accreditation status of SHI
Method of Calculation/ Assessment	Number of SHIs on the annually approved SHI Intervention Plan that are assisted through the award of an IIG that upon completion of the intervention either maintains or improves their level of accreditation divided by

	the total number of SHIs on the annually approved SHI Intervention Plan that are assisted through the award of an IIG, for which the intervention is completed in the financial year, expressed as a percentage (i.e. x 100)
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Verification of Q4 evidence above ▪ Review the accreditation recommendation status reports to identify the factors involved in consideration of the SHIs status
Assumptions	<ul style="list-style-type: none"> ▪ The intervention is not the sole contributing factor towards an SHIs accreditation status ▪ The intervention plan developed by the CAR Programme may not prove to address the risk factor appropriately
Disaggregation of Beneficiaries (where applicable)	Preference given to the collective of enterprises owned by women, youth, PWDs and MVs
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 75% achievement of the SHI intervention plan
Indicator Responsibility	Executive: Sector Development and Transformation

20	Indicator Title 3.2.2.	Percentage achievement of the social housing projects' intervention plan
Definition	<ul style="list-style-type: none"> ▪ The PD&F Programme will identify projects that would benefit from assistance through the IIG, these will then be recommended to the SD&T Programme through provision of an annually approved Social Housing Projects' Intervention Plan. ▪ The Social Housing Projects' Intervention Plan should be submitted to the SD&T Programme early in the 1st quarter of the financial year, reviewed regularly based on need. ▪ The SD&T Programme will proceed with the process of grant approval and award. If the grant is awarded, a service provider will be procured ▪ At completion of the service provider's work, the close out report will be submitted back to the PD&F Programme ▪ The indicator measures the percentage of these projects that are later recommended to the Technical Evaluation Committee of the SHRA for capital grant award 	
Source of data	<p>Annually approved SH Projects' Intervention Plan received from the PD&F Programme at the beginning of the financial year, with quarterly Exco approved updates as and when required.</p> <p>Applicable Exco resolution, grant agreements, close out reports and TEC pack and minutes:</p> <p>Q1: no target</p> <p>Q2: no target</p> <p>Q3: no target</p> <p>Q4: Final report and portfolio of evidence tabled to Exco within 30 days of the following quarter, comprising:</p>	

	<ul style="list-style-type: none"> ▪ Exco Minutes or Provincial Steering Committee meeting approving feasibility request from Project Development or province ▪ Exco minutes reflecting approved grant award. signed grant agreement ▪ Letter of retraction from SHI/ODA if applicable ▪ Approved Terms of Reference ▪ Letter of appointment of service provider ▪ Close out report from service provider ▪ Recommendation to the TEC (pack and minutes)
Method of Calculation/Assessment	<p>Number of Social Housing Projects on the annually approved Social Housing Projects' Intervention Plan that are assisted through the award of an IIG and upon completion of the intervention are subsequently recommended to the TEC for capital grant award</p> <p>divided by</p> <p>the total number of Social Housing Projects on the annually approved Social Housing Projects' Intervention Plan that are assisted through the award of an IIG, for which the intervention is completed in the financial year, expressed as a percentage (i.e. x 100)</p>
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Verification of Q4 evidence above ▪ Review the TEC recommendation to identify the factors involved in consideration of the project for grant award
Assumptions	<p>The grant is not the sole contributing factor towards the project qualifying for capital grant award</p> <p>The intervention plan developed by the PD&F Programme may not prove to address the risk factor appropriately</p>
Disaggregation of Beneficiaries (where applicable)	Preference given to the collective of enterprises owned by women, youth, PWDs and MVs
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 75% achievement of the social housing projects' intervention plan
Indicator Responsibility	Executive: Sector Development and Transformation

21	Indicator Title 4.1.1.	Number of provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme
Definition	<p>The minimum criteria for a province to support a functional Social Housing Programme are:</p> <ol style="list-style-type: none"> 1) Provincial Project Steering Committee (PSC) established 2) PSC Chairperson appointed 3) PSC TOR approved 4) PSC meets at least 2 x per annum 5) PSC recommends at least 2 x projects for approval per annum 	

	The SHRAs provincial capacitation programme is aimed at ensuring provinces are achieving at least 4 out of 5 of the above criteria per annum
Source of data	Minutes of PSCs, agendas, attendance registers and sign-offs on project applications informing the provincial functional criteria compliance framework <ul style="list-style-type: none"> ▪ Q1: n/a ▪ Q2: n/a ▪ Q3: n/a ▪ Q4: Final year-end report tabled at Exco, including provincial functional criteria compliance framework
Method of Calculation/Assessment	Straight count of the number of provinces that have achieved any 4 out of the 5 functional criteria targets
Means of verification / Evidence	Verification of minutes of PSCs, agendas, attendance registers and sign-offs on project applications
Assumptions	<ul style="list-style-type: none"> ▪ Annual PSC Chairpersons Forum functional and effective ▪ Regular attendance of National Rental Housing Task Team (NRHTT) by PSC Chairpersons
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Recommended projects are within strategically located areas allowed for by legislation and policy
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme
Indicator Responsibility	Executive: Sector Development and Transformation

22	Indicator Title 4.2.1.	Number of projects from municipalities in the municipal support programme accredited
Definition	Having secured land availability (phase one of the municipal support programme), the next critical milestone is to gain project accreditation towards capital grant award. The indicator measures the number of projects accredited through the municipal support programme.	
Source of data	Approved project accreditation. Quarterly progress reports on the implementation of the municipal support programme. Annual report on the number of projects accredited as a result of the implementation of the municipal support programme.	
Method of Calculation/ Assessment	Straight count of the number of projects from municipalities in the municipal support programme accredited	
Means of verification	Verification of project accreditation and that the project is in a municipality participating in the municipal support programme.	

Assumptions	<ul style="list-style-type: none"> ▪ Budget availability to partner with sector specialists to implement the municipal support programme ▪ Municipality will build the institutional capacity to deliver social housing ▪ Province and municipality aligned to deliver (work together)
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy
Calculation Type	Cumulative (year-end)
Reporting Cycle	Annually
Desired Performance	2 projects from municipalities in the municipal support programme accredited
Indicator Responsibility	Executive: Sector Development and Transformation

23	Indicator Title 6.3.1	Percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled
Definition	<p>The number of Institutional Investment Grant (IIG) recipients that are >50% black-owned or controlled, as a percentage of all IIG recipients regardless of B-BBEE status.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p>	
Source of data	<ul style="list-style-type: none"> ▪ SD&T quarterly reports tabled at Exco. ▪ Exco resolution at which these reports were tabled. ▪ Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the IIG recipients. 	
Method of Calculation/Assessment	Number of IIG recipients for the cumulative period to date that are majority black-owned or controlled (>50% black) divided by all IIG recipients regardless of B-BBEE for the same period, expressed as a percentage (i.e. x100)	
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents. ▪ Company founding documents (MOI) ▪ Identity documents of owners/directors 	
Assumptions	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<u>Higher than targeted performance is desirable:</u>	

	<ul style="list-style-type: none"> 85% of IIG recipients are majority black-owned or controlled
Indicator Responsibility	Executive: Sector Development and Transformation

24	Indicator Title 6.3.2.	Percentage of Institutional Investment Grant (IIG) recipients that are from the designated groups
Definition	<p>The percentage of IIG recipients within the financial year that are from capital grant applicants that are owned or controlled by the designated groups, namely, women, youth, persons with disabilities and military veterans.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p> <p>The indicator measures director-level (board) composition for NPCs and designated group ownership for other delivery agents.</p>	
Source of data	<ul style="list-style-type: none"> SD&T quarterly reports tabled at Exco. Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the IIG recipients. 	
Method of Calculation/Assessment	Sum of the number of IIG recipients over the year to date period that are majority owned or controlled by the designated groups divided by all IIG recipients for the same period regardless of designated group status, expressed as a percentage (i.e. x100)	
Means of verification	<ul style="list-style-type: none"> B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents. Company founding documents (MOI) Identity documents of owners/directors 	
Assumptions	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.	
Disaggregation of Beneficiaries (where applicable)	Not applicable	
Spatial Transformation (where applicable)	Not applicable	
Calculation Type	Cumulative (year-to-date)	
Reporting Cycle	Quarterly	
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> 40% of Institutional Investment Grant (IIG) recipients that are from the designated groups 	
Indicator Responsibility	Executive: Sector Development and Transformation	

25	Indicator Title 6.3.3.	Percentage of participants in the incubation programme that are women or youth owned or controlled
Definition	<p>The percentage of incubation programme participants that are from enterprises that are owned or controlled by women or youth.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p>	

	The indicator measures director-level (board) composition for NPCs and designated group ownership for other delivery agents.
Source of data	<ul style="list-style-type: none"> ▪ SD&T quarterly reports tabled at Exco. ▪ Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the IIG recipients.
Method of Calculation/Assessment	Sum of the number of incubation programme participants over the year to date period that are majority owned or controlled by women or youth divided by all incubation programme participants for the same period regardless of women or youth status, expressed as a percentage (i.e. x100)
Means of verification	<ul style="list-style-type: none"> ▪ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents. ▪ Company founding documents (MOI) ▪ Identity documents of owners/directors
Assumptions	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 33% of participants in the incubation programme that are women or youth owned or controlled
Indicator Responsibility	Executive: Sector Development and Transformation

PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING – TECHNICAL INDICATOR DESCRIPTIONS

26	Indicator Title 2.1.1.	Number of social housing units completed
Definition	A measure of the progress that the SHRA has made in delivering social housing units at scale and pace in line with the delivery target of the Medium-Term Strategic Framework. To be counted as completed, a social housing unit must have in place a practical completion certificate.	
Source of data	<p>Quarterly PD&F report reflecting the total number of units completed for the period.</p> <p>Practical completion certificates for each project, clearly reflecting the number of social housing units completed.</p>	
Method of Calculation/Assessment	Straight cumulative count of the number of social housing units that have reached practical completion as designated by the practical completion certificate the end of each quarterly reporting period of 2021/22 (i.e. Q1, Q2, Q3 and Q4)	

Means of verification / Evidence	<ul style="list-style-type: none"> PD&F Exco Quarterly Report Verification that each social housing unit reported as completed is supported by a practical completion certificate for greenfield projects; and Practical completion certificate for brownfield/acquisition dated in the year a project was completed
Assumptions	<ul style="list-style-type: none"> Full availability of required grant funding 100% spend of annual CCG budget allocations and approved retained surpluses (per, annual cash flow projections).
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> 3 500 social housing units completed
Indicator Responsibility	Executive: Project Development and Funding

27	Indicator Title 2.1.2.	Number of social housing units tenanted
Definition	<p>Number of social housing units that have been <u>tenanted</u> after completion of construction.</p> <p>Tenanted is based on the approved tenant list submitted to the SHRA by the social housing grant recipient. The tenant list is supported by lease agreements concluded between the grant recipient and social housing beneficiaries.</p>	
Source of data	<ul style="list-style-type: none"> Tenant list submitted by the grant recipient against the final milestone. Sample of Lease agreements. PD&F Exco Quarterly Reports detailing the number of social housing units delivered (tenanted) for the quarter. 	
Method of Calculation/ Assessment	Sum of the number of units on each tenant list, for the year to date period. The annual total is calculated by adding together the year to date achievement	
Means of verification / Evidence	<ul style="list-style-type: none"> PD&F Exco Quarterly Report CAR verification that each social housing unit reported as delivered is supported by the approved tenant list Sample of lease agreements as per the provisions of the CCG contract 	
Assumptions	<ul style="list-style-type: none"> Full availability of required grant funding 100% spend of annual CCG budget allocations and approved retained surpluses (per, annual cash flow projections) 	
Disaggregation of Beneficiaries (where applicable)	Social Housing Act: Special priority given to the needs of women, children, child-headed households, persons with disabilities and the elderly	
Spatial Transformation (where applicable)	Within strategically located areas allowed for by legislation and policy	

Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> 4 000 social housing units delivered in the 2021/22 financial year
Indicator Responsibility	Executive: Project Development and Funding

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

29	Indicator Title 6.4.1.	Percentage of Consolidated Capital Grant (CCG) awarded to black majority owned or controlled enterprises
Definition	Rand value of the Consolidated Capital Grant (CCG) awarded to grant recipients that are >50% black-owned or controlled, as a percentage of the total CCG awarded over the period.	

	<p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p> <p>The indicator measures director-level (board) composition for NPCs and black ownership for other delivery agents.</p>
Source of data	PD&F Quarterly Report, including a report on the allocation of the CCG to black majority owned or controlled CCG recipient enterprises.
Method of Calculation/Assessment	Cumulative year to-date CCG awarded to black majority owned/controlled grant recipients (>50% black) divided by the total CCG awarded for the financial year to-date, expressed as percentage.
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes verifying the tabling of PD&F Quarterly Report that reflects the allocation of the CCG to black majority owned or controlled grant recipients, for the financial year to-date. <ul style="list-style-type: none"> ○ Council resolution indicating the value of an approved CCG contract to black majority owned and/or controlled grant recipients ○ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents ○ Joint venture registration documents ○ Company founding documents - MOI / CIPC /Share certificates ○ Identity documents of owners/directors
Assumptions	<p>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.</p> <p>Valid CIPC registration confirming ownership and/or control.</p>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 75% of CCG allocation awarded to black majority owned of controlled enterprises
Indicator Responsibility	Executive: Project Development and Funding

30	Indicator Title 6.4.2.	Percentage spend by grant recipients on black owned main contractors and professional teams
Definition	<p>The indicator measures the spend by grant recipients on black owned main contractors and professional teams that comprise the next level of the construction value chain.</p> <p>Black owned means a minimum B-BBEE Level 1 or 2 rating on the verified B-BBEE scorecard.</p>	
Source of data	PD&F Quarterly Report, including the breakdown of spend on black owned contractors and professional teams.	

Method of Calculation/ Assessment	Rand value of spend by grant recipients on black owned main contractors and professional teams divided by the rand value of spend on all main contractors and professional teams regardless of B-BBEE, for the financial year-to-date, expressed as a percentage.
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes verifying the tabling of PD&F Quarterly Report <ul style="list-style-type: none"> ○ Contracts with appointed contractors and professional teams ○ B-BBEE certificates/sworn affidavits of the main contractors and /or professional teams ○ Company and Joint venture registration documents
Assumptions	Requirements and targets set out in CCG contract. B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 50% spend by grant recipients on black owned main contractors and professional teams
Indicator Responsibility	Executive: Project Development and Funding

31	Indicator Title 6.4.3.	Percentage of CCG awarded to enterprises that are majority owned or controlled by the designated groups
Definition	<p>Percentage of the rand value of the CCG allocation that is awarded to the collective of SHIs and ODAs that are majority owned or controlled by women, youth, persons with disabilities and military veterans.</p> <p>Controlled refers to Non-Profit Companies (NPCs) that do not have Share Capital but are controlled by the Board of Directors.</p> <p>The indicator measures director-level (board) composition for NPCs and black ownership for other delivery agents.</p>	
Source of data	<p>PD&F Quarterly Report, detailing the allocation of the CCG to designated groups.</p> <p>Availability of supporting documents such as, B-BBEE certificates/sworn affidavits of the CCG recipients and CIPC documents.</p>	
Method of Calculation/Assessment	Rand value of the CCG that is awarded to enterprises that are majority owned or controlled by designated groups divided by the total rand value of the CCG awarded to all grant beneficiaries regardless of B-BBEE status, cumulative to year-to-date, expressed as a percentage.	

Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes verifying the tabling of PD&F Quarterly Report that reflects the allocation of the CCG to black majority owned or controlled grant recipients, for the financial year to-date. ▪ Verification that the reported results are supported by <ul style="list-style-type: none"> ○ Council Resolution indicating the value of an approved CCG contract to grant recipients from designated groups ○ B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting director-level control in the case of NPCs and Shareholding in the case of other delivery agents ○ Joint venture registration documents ○ Company founding documents - MOI / CIPC /Share certificates ○ Identity documents of owners/directors
Assumptions	<p>B-BBEE certificates and/or sworn affidavits, and other supporting documentation i.e., ID documents, CIPC documents and shareholder certificates are available and legally valid.</p> <p>Availability of designated groups that meet criteria for CCG Award.</p> <p>Disaggregation of beneficiary's targets will not limit the contribution and achievement the overall target</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target is to achieve the 30% with an intention towards a breakdown of 20% women, 6% youth, 2% PWDs and 2% MVs.</p> <p>Disaggregation will be reported on but does not affect performance in terms of the consolidated output indicator target.</p>
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 30% of CCG allocation awarded to the designated groups
Indicator Responsibility	Executive: Project Development and Funding

32	Indicator Title 6.4.4.	Percentage spend by grant recipients on main contractors and professional teams that are from the designated groups
Definition	The indicator measures the spend by CCG grant recipients on main contractors and professional teams that are from the designated groups, namely, women, youth, persons with disabilities and military veterans.	
Source of data	PD&F Quarterly Report, including the breakdown of spend on contractors and professional teams that are from designated groups.	
Method of Calculation/Assessment	Rand value of spend by grant recipients spent on main contractors and professional teams that are from the designated groups divided by the rand value of spend by grant recipients on all main contractors and professional teams regardless of designated group status, for the financial year to date, expressed as a percentage.	
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Exco minutes verifying the tabling of PD&F Quarterly Report <ul style="list-style-type: none"> ○ Contracts with appointed contractors and professional teams 	

	<ul style="list-style-type: none"> ○ B-BBEE certificates/sworn affidavits of the main contractors and /or professional teams ○ Company and Joint venture registration documents
Assumptions	<p>Requirements and targets set out in CCG contract.</p> <p>B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid</p>
Disaggregation of Beneficiaries (where applicable)	<p>The target is to achieve 20% spend by the consolidation of all designated groups, with the intention to disaggregate as follows: 10% women, 5% youth, 1% PWDs and 1% MVs.</p> <p>Disaggregation will be reported on but does not affect performance in terms of the consolidated output indicator target.</p>
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 20% spend by grant recipients on main contractors and professional teams that are from the designated groups
Indicator Responsibility	Executive: Project Development and Funding

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

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

Note: The amendments and updates are not considered material enough to warrant the development and tabling of a Revised Strategic Plan.

1) The SHRA Impact Statement:

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

2) Outcome Indicator 1.2. Stakeholder Satisfaction Index:

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

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

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

3) Outcome Indicator 6.1. Social Housing Sector Transformation Index

Based on further research and benchmarking, as well as inputs from the SHRA Council, the outcome 6.1. indicator changes from "Social housing sector transformation index to

social housing sector transformation barometer". The TID has also been amended, to include reference to the State of the Transformation Report and Scorecard, as source data for developing the barometer.

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Social Housing Regulatory Authority.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Social Housing Regulatory Authority.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL (DDM)

No	SHIP	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
1	2	Brandweg Ph 2	495	Greenfield	On hold	FS	Mangaung	-29.104359	26.189805
2	3	Hampsons	430	Greenfield	Tenanting	KZN	eThekweni	-29.886123	30.94843
3	3	Aloe Ridge (Westgate Grange)	952	Greenfield	Completed with Issues	KZN	Amajuba	-29.66118723	30.37789492
4	3	City Deep 3	328	Greenfield	Under Construction	GP	City of Johannesburg	-26.224564	28.073309
5	4	Dobsonville	502	Greenfield	Under Construction	GP	City of Johannesburg	-26.227944	27.855397
6	5	Steve Biko Mumford	220	Brownfield	Tenanting & Construction	EC	Nelson Mandela Bay	-33.959218	25.62213
7	5	Ocean View	603	Greenfield	On hold	EC	Buffalo City	-33.0553	27.8229
8	5	Matlosana Gardens	1188	Greenfield	Tenanting	NW	Matlosana	-26.845181	26.702192
9	5	Devland Gardens	870	Greenfield	Under Construction	GP	City of Johannesburg	-26.278528	27.937598
10	5	The Block	512	Greenfield	Tenanting & Construction	WC	City of Cape Town	-33.920016	18.652714
11	5	Brandweg Ph 3	154	Greenfield	Completed with Issues	FS	Mangaung	-29.104431	26.190316
12	6	Devland/Golden Highway	444	Greenfield	Tenanting & Construction	GP	City of Johannesburg	-26.264124	27.977468
13	6	Plein Street	210	Brownfield	Completed with Issues	GP	City of Johannesburg	-26.199884	28.047537
14	6	Frischgewaagd Farm (NW)	801	Greenfield	In Planning/Under Construction	NW	Bonjala	-25.370428	27.081538
15	7	Walmer Cosmo	630	Greenfield	Tenanting	EC	Nelson Mandela Bay	-33.968639	25.553317
16	7	Westonaria Borwa	582	Greenfield	Under Construction	GP	West Rand	-26.33631	27.672854
17	7	Townlands Ph 1	691	Greenfield	Under Construction	GP	City of Tshwane	-25.744316	28.173568
18	7	Townlands Ph 2	509	Greenfield	Under Construction	GP	City of Tshwane	-25.744316	28.173568
19	7	301 Marshalltown	42	Brownfield	Tenanting	GP	City of Johannesburg	-26.204855	28.061324

SHRA: 2021/22 Annual Performance Plan

N°	SHIP	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
20	7	Germiston Ext. 4	201	Greenfield	In planning	GP	Ekurhuleni	-26.212086	28.154834
21	7	Mogale Junction	1590	Greenfield	Tenancing & Construction	GP	Mogale City	-26.151079	27.729643
22	8	Hillside View	839	Greenfield	On hold	FS	Mangaung	-29.1847	26.2173
23	8	Carnival Gardens	888	Greenfield	Tenancing and Construction	GP	Ekurhuleni	-26.269021	28.294362
24	8	Heideveld	180	Greenfield	In Planning	WC	City of Cape Town	-33.97001	18.561833
25	8	Goodwood Station	1055	Greenfield	In Planning	WC	City of Cape Town	-33.914852	18.547145
26	8	Garankuwa	1592	Greenfield	In Planning	GP	City of Tshwane	-25.573931	28.010661
27	8	Regent Villas Ph1	104	Greenfield	Under Construction	WC	City of Cape Town	-34.027342	18.578273
28	9	Kempton Village	312	Greenfield	Tenancing	GP	Ekurhuleni	-26.103312	28.22743
29	9	Mohlakeng	1080	Greenfield	Under Construction	GP	West Rand	-26.225691	27.661517
30	9	Clayville (EKHC)	452	Greenfield	Under Construction	GP	Ekurhuleni	-25.981124	28.192886
31	9	Turfontein Gardens	504	Greenfield	Completed with Issues	GP	City of Johannesburg	-26.250773	28.034486
32	9	Sondela Village Phase 1	246	Acquisition	Under Construction	GP	Ekurhuleni	-26.294319	28.473284
33	9	Hope City Ph2	114	Greenfield	Tenancing	MP	Nkangala	-25.796145	29.466576
34	9	John Street	385	Greenfield	Under Construction	EC	Nelson Mandela Bay	-33.765957	25.395737
35	9	Bothasig Gardens P3	314	Greenfield	Under Construction	WC	City of Cape Town	-33.864614	18.534014
36	9	Ga Rena (Annandale)	494	Greenfield	Under Construction	LP	Capricorn	-23.882472	29.445493
37	9	Little Manhattan Heights	708	Acquisition	Tenancing	GP	City of Tshwane	-25.755394	28.09743
38	9	Bridge City (Instrain)	1130	Greenfield	In Planning	KZN	eThekweni	-29.726074	30.989224
39	9	Madison Loft	100	Acquisition	Under Construction	GP	Ekurhuleni	-26.254819	28.440819
40	10	Hospital Street	1056	Greenfield	In planning	KZN	Majuba	-27.770628	29.92964

SHRA: 2021/22 Annual Performance Plan

N°	SHIP	Project Name	Number of Units	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
41	10	Joes Place	43	Acquisition	Tenancing	GP	City of Tshwane	-25.749311	28.186557
42	10	Clayville (M)	85	Greenfield	In planning	GP	Ekurhuleni	-25.942106	28.205666
43	10	Unity House	95	Brownfield	In planning	GP	City of Johannesburg	-26.204494	28.060747
44	10	Regent Villas Ph2	60	Greenfield	In planning	WC	City of Cape Town	-34.026896	18.578621
45	10	Sondela Village Phase 2	177	Greenfield	Tenancing	GP	Ekurhuleni	-26.295054	28.474528
46	10	Phola Heights	688	Greenfield	In planning	GP	Ekurhuleni	-26.026722	28.203025
47	10	Hull Street	372	Greenfield	In planning	NC	Frances Baard District Municipality	-28.730875	24.776566
48	10	Fochville Ext 11	258	Greenfield	Under Construction	GP	West Rand	-26.491022	27.470125
49	10	Conradie Park	432	Greenfield	In planning	WC	City of Cape Town	-33.924022	18.519446
50	10	Pineroads	243	Greenfield	In Planning	WC	City of Cape Town	-33.929152	18.444906
51	10	Kwandokuhle	492	Greenfield	In planning	MP	Gert Sibande	-26.489232	29.201058
52	10	Willow Creek	360	Greenfield	In planning	MP	Gert Sibande	-26.530706	29.982286
53	11	56 Main Street	125	Brownfield	In planning	GP	City of Johannesburg	-26.20737	28.03716
54	11	Thlabane West	700	Greenfield	In planning	NW	Bonjala	-25.65096	27.20294
55	11	Fochville Ext 8	256	Greenfield	In planning	GP	West Rand	-26.49231	27.47090
56	11	Maitland Mews	204	Greenfield	In planning	WC	City of Cape Town	-33.92383	18.48170
57	11	Kempton Towers	250	Greenfield	In planning	GP	Ekurhuleni	-26.10837	28.23502
		TOTAL No. of Units	28 327						

Notes: Table above includes 57 contracted projects totalling 28 327 units.

ANNEXURE E: SHRA MATERIALITY FRAMEWORK

1) OVERVIEW

- 1.1. In terms of Section 28.3.1 of the Treasury Regulations to the Finance Management Act, 1999 (Act No.1 of 1999) (PFMA), the Social Housing Regulatory Authority (SHRA) is required to develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant executive authority.
- 1.2. In addition, section 55(1) (d) of the Public PFMA requires the accounting authority of a public entity to submit:
 - 1.2.1. an annual report on the activities of that public entity during the financial year, and
 - 1.2.2. the financial statements for that financial year after the statements have been audited to the relevant treasury and the executive authority responsible for that public entity.
- 1.3. The executive authority may decide to conduct further investigations into the activities of the public entity, if it is deemed necessary.
- 1.4. Public entities are required to include the Materiality and Significance Framework in the Strategic Plan to be submitted to its Executive Authority. [TR 30.1.3] Further, the Materiality and Significance Framework must be detailed in the public entity's annual report. [TR 28.2.1]

2) PURPOSE

- 2.1. To ensure that the SHRA's Council annually, maintains an agreed framework of acceptable levels of Materiality and Significance with the Minister of Human Settlements, Water and Sanitation.
- 2.2. To guide the entity on the disclosure and report of all material/significant information in the annual report.
- 2.3. To set at the appropriate materiality level in order to ensure that the correct information is included in the annual report and communicated to the National Treasury and the Minister of Human Settlements, Water and Sanitation.

3) METHODOLOGY

- 3.1. The South African Institute of Chartered Accountants defined materiality as follows, which the SHRA will make reference to:

"Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular 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"
- 3.2. Materiality will be considered for the following major categories:
 - 3.1.1. Quantitative level: financial, and
 - 3.1.2. Qualitative: non-financial such as fraud and misrepresentation.

4) QUANTITATIVE MATERIALITY

- 4.1 In determining materiality for the preparation of financial statements, consideration is given to the nature of the activities of the SHRA and the areas where significant judgement is exercised.
- 4.2 The following factors have been considered in determining the revised overall materiality level of 0.5% applicable for the financial year ending 31 March 2021:
- 4.2.1 The SHRA is a Statutory Body receiving grants that are both OPEX and CAPEX in nature;
 - 4.2.2 The CAPEX grants allocations are invested back to the social housing sector through disbursement to approved grant recipients;
 - 4.2.3 An unqualified audit opinion has been expressed for the past five years consecutively;
 - 4.2.4 The financial misstatement for the past two years, was as a result misinterpretation of policies and standards and not a weakness in internal controls;
 - 4.2.5 In assessing the control risk, the set materiality level can be used due to the current effective control environment recognising amongst others:
 - 4.2.6 Proper and appropriate governance structures have been established and are effective;
 - 4.2.7 An audit and risk committee that closely monitors the internal control environment;
 - 4.2.8 The function of internal audit is outsourced to a competent service provider;
 - 4.2.9 A three-year internal audit plan, based on annual risk assessments being performed, is annually reviewed and agreed upon by the ARC;
 - 4.2.10 The finance and supply management units together with their deployed systems are fully functional and effective;
 - 4.2.11 The recent results of the internal auditors did not highlight any deficiency in the internal control environment that are not being addressed.

	CLASSIFICATIONS			TOTAL
	OPEX	CCG	IIG	
MTEF Allocation:	70 740 000	725 747 000	21 066 000	817 553 000
Materiality : % level	0.50%	0.50%	0.50%	
Expenditure: Materiality amount	353 700	3 628 735	105 330	

5) QUALITATIVE MATERIALITY

- 5.1 Misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:
- 5.1.1 New ventures that the SHRA may enter into.

- 5.1.2 Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof affecting the decision making of the user of the financial statements.
- 5.1.3 Transactions entered into that could result in reputational risk to the SHRA.
- 5.1.4 Any fraudulent or dishonest behaviour of an officer or staff member of the SHRA.
- 5.1.5 Any infringement of the SHRA's agreed performance levels.
- 5.1.6 Procedures/processes required by relevant and prevailing legislation(s) or regulation(s) (e.g. PFMA, Treasury Regulations, Social Housing Act).
- 5.1.7 Unauthorised, irregular or fruitless and wasteful expenditure.
- 5.1.8 Items of a non-financial nature, which would impact on the continued operation and deliverables of the SHRA.

6) ETHICS STATEMENT

- 6.1 The SHRA upholds the highest ethical behaviour in executing the mandate for which it has been established in terms of the SH Act.
- 6.2 The SHRA Ethics Policy has been adopted for the purpose of maintaining such ethical behaviour and its provisions apply in all respects to this policy.

7) NON-COMPLIANCE

- 6.1. Non-compliance with the provisions of this policy shall constitute grounds for initiating disciplinary proceedings against the representative concerned, without prejudice to any other rights that the SHRA may have at law to recover any damages suffered as a result of such non-compliance.

8) EFFECTIVE DATE

- 8.1. The effective date of this policy is 01 March 2020.

9) REVIEW

- 9.1. This policy shall be reviewed annually.

10) APPROVAL

Honourable L N Sisulu, MP

Date

Minister of Human Settlements, Water and Sanitation

ANNEXURE F: STATEMENT OF FINANCIAL PERFORMANCE (MTEF)

Rand thousand	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Audited Outcome	Estimated	Budget	Budget	Budget
Objective/Activity							
Operational grant	46 815	51 980	55 201	57 945	60 848	63 738	66 573
Consolidated Capital Grant	851 658	743 640	723 706	725 747	764 646	791 144	825 958
Institutional Investment Grant	20 490	20 132	21 259	22 428	22 725	23 534	23 623
Regulations	8 000	10 000	10 560	11 400	9 400	9 000	6 500
Rent Relief Grant				300 000			
Total Grant Allocation	926 963	825 752	810 726	1 117 520	857 619	887 416	922 654
Other Income		11 197	54 948				
Interest earned	44 031	51 144	20 892				
Total Revenue	970 994	888 093	886 566	1 117 520	857 619	887 416	922 654
Economic classification							
Current payments	52 395	76 453	82 939	72 647	73 269	75 815	76 209
Compensation of employees	27 777	38 143	41 693	45 575	48 003	50 883	53 936
Goods and services	24 042	37 125	39 559	25 132	23 366	23 032	20 373
Of which							
Advertising	2 503	2 254	2 283	1 500	1 590	1 685	1 787
Audit costs	1 517	1 720	965	1 559	1 765	1 800	1 890
Bank charges	42	47	49	51	53	55	58
Computer services	553	1 122	576	1 120	1 140	1 208	1 281
Consultants	9 403	15 903	12 414	6 452	5 036	5 338	3 572
Lease Payments	2 235	3 911	4 202	3 769	3 976	4 215	4 467
Legal fees	1 977	3 437	7 738	3 483	3 692	3 342	2 542
Non-life insurance	185	109	104	127	135	143	150
Repairs and maintenance	64	68	28	157	166	176	187
Research and development	-	-	-	1 500	2 177	2 308	1 446
Training and staff development	885	2 018	3 778	1 828	1 929	1 500	1 590
Travel and subsistence	2 650	3 921	3 899	3 685	1 770	1 329	1 474
Other unclassified expenditure							
Operational costs	2 029	3 592	3 524	2 845	1 927	2042	2165
Losses from Impairments and Adjustments to Fair Value	-	-	-	9 800	-	-	-
Depreciation (Note 1)	576	1 185	1 687	1 940	1 900	1 900	1 900
Adjustment to fair value financial assets (Note 2)	-	4 164	542	9 800	-	-	-

Rand thousand	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Audited Outcome	Estimated	Budget	Budget	Budget
Transfers and subsidies	623 244	784 937	1 216 473	876 813	1 246 250	973 501	848 345
Grants:							
Social Housing Grants	623 244	784 937	1 216 473	746 813	786 250	813 501	848 345
CCG - Surplus Funds				130 000	160 000	160 000	
Rent Relief Fund					300 000		
Total Expenditure	675 639	865 554	1 299 954	959 260	1 319 519	1 049 316	924 554
Surplus / (Deficit)	295 355	22 539	(413 388)	158 260	(461 900)	(161 900)	(1 900)
Notes:							
1) The deficit reflected from FY 2020 is as a result of Depreciation and utilization of accumulated surplus over the financial year							
2) Adjustment to financial assets is as a result of impaired debtors from cancelled CCG contracts							

ANNEXURE G: STATEMENT OF FINANCIAL POSITION (MTEF)

Statement of Financial Position	2017/18	2018/19	2019/20	2020/21	2012/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Audited Outcome	Estimated	Budget	Budget	Budget
ASSETS							
Current assets	1 088 710	1 123 380	721 167	895 902	391 107	236 680	222 175
Current investments	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	221	7 038	61 622	69 570	42 000	122	124
Rent Relief Fund	-	-	-	300 000	-	-	-
Prepayments	635	1 069	1 069	1 069	1 069	1 069	1 069
Cash and cash equivalents	1 087	1 115	-	-	-	-	-
	854	273	658 476	525 263	348 038	235 489	220 982
Non-current assets	2 068	10 186	10 743	10 966	9 066	7 166	5 266
Property, plant and equipment	1 818	8 185	7 468	6 091	4 741	3 391	2 041
Intangible assets	250	2 001	3 275	4 875	4 325	3 775	3 225
Total assets	1 090 778	1 133 566	731 910	906 868	400 173	243 846	227 441
LIABILITIES							
Current liabilities	124 051	143 973	155 667	172 366	127 570	133 143	118 638
Payments received in advance	-	-	-	-	-	-	-
Trade and other payables from exchange transactions	13 251	43 826	35 102	48 004	54 022	54 000	46 885
Current provisions	58 070	64 515	86 225	94 848	78 912	80 929	74 638
<i>Performance Bonus</i>	1 567	3 040	3 171	3 488	3 907	4 375	4 638
<i>Interest capitalisation</i>	56 503	61 475	83 054	89 440	75 005	76 554	70 000
Current portion of unspent conditional grants and receipts (Note 1)	51 277	35 246	33 412	33 412	4 000	2 000	-
Current portion of operating lease liability	107	386	871	606	658	714	250
Total liabilities	124 051	143 973	155 667	172 366	127 570	133 143	118 638
NET ASSETS	966 727	989 632	576 243	734 503	272 603	110 703	108 803
Accumulated surplus / (deficit) (Note 2)	966 727	989 632	576 243	734 503	272 603	110 703	108 803
Total net assets and liabilities	1 090 777	1 126 188	702 229	587 226	584 229	519 504	565 503

Notes:

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

Accumulated Surplus	2019/20	2020/21	2021/22	2022/23
Opening Balance	576 243	734 503	272 603	110 703
Current	158 260	(461 900)	(161 900)	(1 900)
Closing Balance	734 503	272 603	110 703	108 803

ANNEXURE H: CASH FLOW STATEMENT (MTEF)

Cash flow data R Thousand	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Audited Outcome	Estimated	Budget	Budget	Budget
Cash receipts from stakeholders	970 519	882 747	858 330	817 553	1 116 502	892 512	946 063
Transfers received	926 963	825 752	810 726	817 553	1 116 502	892 512	946 063
Other government units	926 963	825 752	810 726	817 553	1 116 502	892 512	946 063
Departmental transfers	926 963	825 752	810 726	817 553	1 116 502	892 512	946 063
Department of Human Settlements	926 963	825 752	810 726	817 553	1 116 502	892 512	946 063
Interest and rent on land	43 556	56 995	47 604	-	-	-	-
Interest	43 556	56 995	47 604	-	-	-	-
Cash paid to stakeholders	717 489	845 791	1 312 851	950 766	1 293 727	1 005 061	960 570
Current payments							
Compensation of employees	28 400	35 288	41 839	45 575	48 003	50 883	53 936
Goods and services	20 077	43 816	46 325	48 378	28 041	46 677	58 289
Recalled grant funds	6 344	2 490	-	-	-	-	-
Programme Costs – Grants	662 668	764 197	1 224 687	856 813	1 217 683	907 501	848 345
Cash flow from investing activities	803	9 536	2 277	-	-	-	-
Acquisition of property, plant, equipment & intangible assets	803	9 778	2 277	-	-	-	-
Other fixed structures	596	7 832	928	-	-	-	-
Furniture and office equipment	207	1 946	1 349	-	-	-	-
Software and other intangible assets	803	9 778	2 277	-	-	-	-
Other flows from Investing Activities	-	(242)	-	-	-	-	-
Domestic	-	(242)	-	-	-	-	-
Proceeds from sale of property, plant, equipment & intangible assets	-	(242)	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	252 227	27 420	(456 798)	(133 213)	(177 225)	(112 549)	(14 507)
Cash and cash equivalent - opening	835 627	1 087 854	1 115 274	658 476	525 263	348 038	235 489
Cash and cash equivalent - closing	1 087 854	1 115 274	658 476	525 263	348 038	235 489	220 982