



ANNUAL PERFORMANCE PLAN 2020/21

**Revised
28 September 2020**

**SOCIAL
HOUSING
REGULATORY
AUTHORITY**

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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 25 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 the baseline of 13 698 social housing units delivered in the previous term.

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*". It is therefore imperative that the multi-year development plan for social housing, in line with the PHSHDAs and supported by the required policy reforms, is completed with urgency.

However, since tabling the 2020/21 APP in parliament, the COVID-19 pandemic has come to the fore and is expected to lead to the sharpest global economic downturn since the Second World War and the biggest decline in per capita income in 150 years. The output of developing economies is expected to contract for the first time in at least 60 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. For this reason, the SHRA is presenting this Revised APP for the 2020/21 financial year.

Through the special adjustments budget that sets out government's economic and fiscal response to COVID-19, the Department has been allocated a total of R600 million of which R300m is to be administered by the SHRA as a Rent Relief Grant for tenants who have lost income as a consequence of COVID-19. The SHRA also needs to implement programmes and interventions to upscale the completion of new social housing units and to achieve the five-year MTSF delivery target.

The target set by the 2019-2024 Medium Term Strategic Framework (MTSF) is for 30 000 social housing units delivered in strategically located areas. The target for the period of this Revised Annual Performance Plan (APP), for the 2020/21 financial year, has been revised downwards from 5 800 to 4 006 social housing units completed. The downward revision is mainly due to the lost time during lockdown levels 5 and 4 in the first quarter of the financial year.

Critically, while dealing with the challenges of COVID-19 and growing, the SHRA must continue to focus the Social Housing Programme on contributing to the transformation of the residential property sector, and the increased participation of women, youth and persons with disabilities in the social housing sector value chain.

To this end, the Department will work closely with the SHRA to ensure that the opportunity of participating in the Infrastructure Investment Fund of The Presidency is realised, and that much needed private sector investment in the programme is leveraged.

I endorse this Revised Annual Performance Plan for the 2020/21 financial year, as the first 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.



Honourable L N Sisulu, MP
Minister for 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 2020/21 financial year, which has been developed in

ACCOUNTING AUTHORITY STATEMENT

The Council of the SHRA is pleased to present the Social Housing Regulatory Authority (SHRA) Annual Performance Plan (APP) for the 2020/21 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 2020/21 financial year, as year one of the new 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.

The Council will ensure that the organisation puts in place effective annual performance plans - of which this is the first; which, in turn, will be supported by aligned annual operational plans informing the performance contracts of management and staff.

Considering the deeply adverse economic and social effects of COVID-19, the SHRA further commits through this Revised APP to oversee the implementation of the various COVID-19 sector response initiatives including the effective administration of the R300 million rental relief grant fund on behalf of the Department. We will also continue to drive the implementation of the SHRA's medium to longer term Growth Plan 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 positioned for delivering on its mandate and effectively growing and sustaining the social housing programme; 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 Revised Annual Performance Plan for 2020/21.

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

Ms. B O Dlamini

Chairperson of Council

ACCOUNTING OFFICER STATEMENT

This 2020/21 Annual Performance Plan is year one 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 3 pillars that inform our mandate.

- 1) INVEST: stimulate and ensure delivery of quality, affordable social housing;
- 2) ENABLE: fund and ensure delivery of quality, affordable social housing; and
- 3) REGULATE: ensure a stable, compliant and well-governed sector.

Transformation of the property sector impacting on all role-players in the social housing value chain will also receive targeted focus, and importantly, we will ensure that our work is carried out on a solid foundation of sound governance, ethical leadership and high-performance.

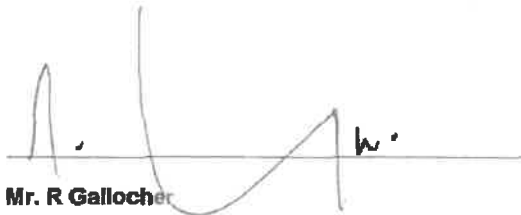
We commit to the following non-negotiables of our strategy for the 2020/21 financial year:

- 1) To achieve our revised annual target of 4 006 social housing units completed in 2020/21, towards the MTSF 2019-2024 target of 30 000 social housing units delivered by March 2024;
- 2) To build sector compliance through competent and efficient social housing property owners;
- 3) To continue to empowering beneficiary communities that are responsible citizens;
- 4) To make progress towards achieving a clean audit outcome;
- 5) A public entity at work, with all resources fully deployed;
- 6) To ensuring a corruption-free environment; and
- 7) To ensuring empirically verifiable transformation.

To strengthen our support for the MTSF we will collaborate with the Department of Human Settlements, Water and Sanitation to develop a multi-year development plan for social housing in line with the PSHDAs and supported by the required policy reforms. We will also proceed with the development of a Social Housing Growth Fund for consideration by the Minister.

Since finalising our 2020/21 APP in March 2020, the COVID-19 pandemic and the emergency health response has brought about a severe global recession, with real GDP in South Africa expected to plummet by 7.2 percent in 2020, mainly due to restrictions on economic activity to contain the spread of the virus. While a new social compact and decisive economic policy reforms will be required for South Africa in a post-pandemic world, the immediate priority for the SHRA, is to implement measures that, (1) support social housing beneficiaries with rental relief grant funding, and (2) to grow the sector in a recessionary / low economic and fiscal-constrained environment. These are the two areas of focus of this Revised APP for the 2020/21 financial year, which has been developed in compliance with the DPME Revised Framework for Strategic Plans and Annual Performance Plans, and the applicable COVID-19 response notices from Department of Planning Monitoring and Evaluation (DPME) and National Treasury.

On behalf of the management team, we commit to doing all we can to achieve our target of constructing 4 006 new social housing units in the 2020/21 financial year, leading the growth plan initiatives and achieving at least 80% of the performance targets of this APP.

A handwritten signature in black ink, appearing to read 'R. Gallocher', is written over a horizontal line. The signature is fluid and cursive, with a large initial 'R' and a distinct 'G'.

Mr. R Gallocher

Chief Executive Officer



OFFICIAL SIGN-OFF

It is hereby confirmed that this Revised 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 2020/21 financial year.

Mr. D Koekemoer
Executive: Sector Development and Transformation

Mr. L Letsoalo
Executive: Project Development and Funding

Ms. M Nkopane
Executive: Compliance, Accreditation and Regulation

Ms. A Puoane
Corporate Services Manager

28 September 2020

Date

Mr. R Gallocher
Chief Executive Officer

28/09/2020

Date

APPROVED BY:

Ms. B O Dlamini
Chairperson of Council

28/09/2020

Date

Honourable L N Sisulu, MP
Minister for Human Settlements, Water and Sanitation

Date

ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
CAR	Compliance, Accreditation and Regulation
CBD	Central Business District
CCG	Consolidated Capital Grant
CEO	Chief Executive Officer
COVID-19	Corona Virus Disease 2019
CRM	Customer Relationship Management
CRU	Community Residential Units
CTCHC	Cape Town Community Housing Company (Pty) Ltd
DDM	District Development Model
DFI	Development Finance Institution
DHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
EC	Eastern Cape
EU	European Union
Exco	Executive Committee / Executive Council
FC	Financial Closure
FFC	Financial and Fiscal Commission
FIPDM	Framework for Infrastructure Delivery and Procurement Management
FRESHCO	Free State Social Housing Company
FS	Free State
FY	Financial Year
GDP	Gross Domestic Product
GP	Gauteng Province
HDA	Housing Development Agency
HSDG	Human Settlements Development Grant
ICT	Information and Communication Technology

IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IIG	Institutional Investment Grant
IMF	International Monetary Fund
ISA	Instalment Sale Agreement
KZN	KwaZulu-Natal
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MINMEC	Ministers and Members of Executive Council
MoA/U	Memorandum of Agreement/Understanding
MP	Mpumalanga
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MV	Military Veteran
NASHO	National Association of Social Housing Organisations
NCA	National Credit Act
NDoHS	National Department of Human Settlement
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NSDF	National Spatial Development Framework
NT	National Treasury
NW	North West
ODA	Other Delivery Agent
PBO	Public Benefit Organisation
PDA	Priority Development Area
PD&F	Project Development and Funding
PHSHDAs	Priority Human Settlements and Housing Development Areas
PFMA	Public Finance Management Act
PIE	Prevention of Illegal Eviction
POE	Portfolio(s) of Evidence
PRC	Project Review Consultant

PSC	Property Sector Charter
PSC	Provincial Steering Committee
PwD(s)	People With Disability/ies
RCG	Restructuring Capital Grant
RMB	Rand Merchant Bank
RZ	Restructuring Zone
SDG	Sustainable Development Goal
SD&T	Sector Development and Transformation
SHA	Social Housing Act
SHI	Social Housing Institution
SHIP	Social Housing Investment Plan
SHoRP	Social Housing Regulatory Plan
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SOC	State-Owned Company
SONA	State of the Nation Address
SoSR	State of the Social Housing Sector Report
SP	Strategic Plan
TEC	Technical Evaluation Committee
TID	Technical Indicator Description
TVET	Technical and Vocational Education and Training
USDG	Urban Settlements Development Grant
WC	Western Cape

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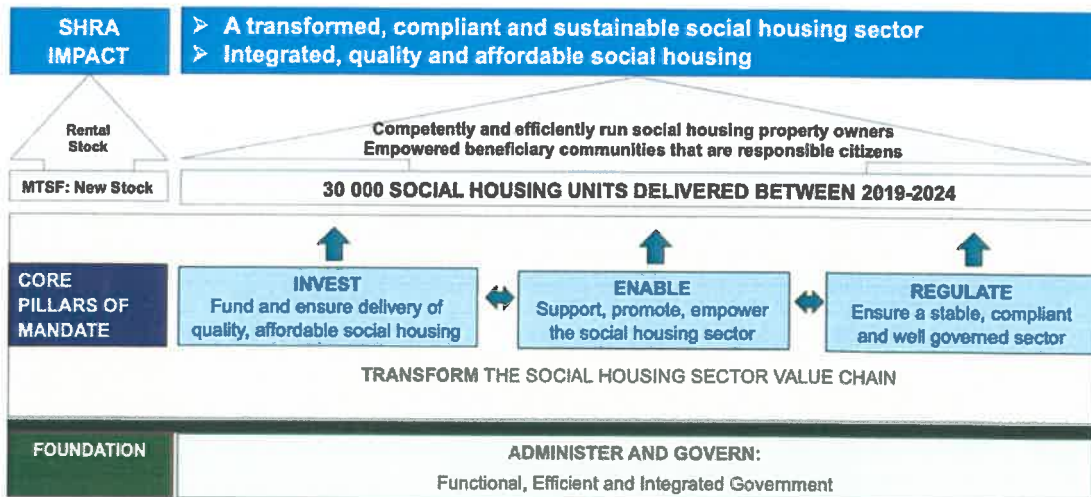
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PART A: OUR MANDATE

Informed by legislative and policy mandates, and in support of the MTSF 2019-2024 impact of achieving spatial transformation through improved, integrated settlement development and linking job opportunities and housing opportunities, **SHRA defines its mandate and impact for the 2020-2025 planning period as follows:**



Derived from its establishment legislation, the core pillars of the SHRA mandate are:

- 1) **INVEST:** To fund and ensure delivery of quality, affordable social housing;
- 2) **REGULATE:** To ensure a stable, compliant and well-governed sector;
- 3) **ENABLE:** To support, promote and empower the social housing sector;

The cross-cutting pillar is:

- 4) **TRANSFORM:** To support transformation of the social housing sector value chain.

The headline deliverables are:

- **NEW STOCK:** Deliver 30 000 new social housing units over the MTSF 2019-2024 period;
- **REGULATED RENTAL STOCK:** As the Regulator of the social housing sector, to ensure rental stock under regulation is managed by competent and efficient property owners servicing empowered and responsible tenants.

The desired impact is two-fold:

- 1) A transformed, compliant and sustainable social housing sector; and
- 2) Integrated, quality and affordable social housing.

The foundation (and enabler) of the mandate is:

- A functional, efficient and integrated government.

Aligned to this mandate understanding, the 2020/21–2024/25 Strategic Plan outlines the high-level strategic framework of the SHRA 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
- 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 and provinces to deliver social housing	Outcome 5: An effectively regulated and sustainable social housing sector	Outcome 6: A transformed Social Housing Sector value chain

In turn, the above strategic framework and the six outcomes inform the alignment to the delivery structure of the SHRA, and the development of the output-level performance information as outlined in the rolling annual performance plans over the period of the Strategic Plan.

Reflected in this Annual Performance Plan are the 2020/21 planning priorities, outputs, output indicators, annual and quarterly targets and budget allocations for performance against the Impact and Outcomes of the Strategic Plan. This Revised APP includes the SHRA's response to the effects on the social housing sector of the COVID-19 pandemic and elaborates on the growth plan initiatives that the SHRA will be leading to enable the achievement of the MTSF delivery target.

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1. UPDATED LEGISLATIVE MANDATES

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



The establishment mandate of the SHRA is informed by the Social Housing Act (No. 16 of 2008). 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. In addition, intervene in the affairs of SHIs in cases of maladministration;
- 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 have been no significant changes to the legislative mandate, and it is recognised that the SHRA must comply with all national and provincial legislation and regulations, and all municipal bylaws, applicable to its functions.

1.2. UPDATED POLICY MANDATES

The SHRA anticipates 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	<p>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.</p> <p>Sufficient experience has been built up to inform adjustments and enhancements to policy that, if made, would speed up the production rate of the programme and strengthen sector compliance.</p> <p>It is the intention of the SHRA, in cooperation with the policy unit of the DHS to conduct a detailed review of the policy regime and to develop a comprehensive Affordable Rental Housing Strategy and Policy that would serve as a foundation for legislative and regulatory amendments:</p> <ul style="list-style-type: none"> ▪ This must support the delivery of social housing projects within any of the declared Priority Human Settlements and Housing Development Areas (PHSHDAs), regardless of whether the PHSHDA overlaps with a RZ; ▪ To review the gazetting of RZs as a minimum investment criteria and explore a less administratively cumbersome approach driven by demand and in support of spatial integration; ▪ Provide for more flexibility in the size and type of units, to suite household sizes in different locations; and ▪ Be clear on the roles and responsibilities for developing student accommodation and the CRU Programme, as the basis for determining the legislative and policy requirements.
Social Housing norms and standards	<p>To provide regulations that will enable high-quality social housing. These regulations would address, inter alia, safety, health and hygiene; basic living conditions, including access to basic services; size; overcrowding; and affordability through the development of a norms and standards policy framework, that is:</p> <ul style="list-style-type: none"> ▪ informed by industry best practices; ▪ a departure from the often restrictive and inflexible specifications-based approach; ▪ qualitative and performance-based; and ▪ supportive of change and innovation through the dissemination of practice notes that are developed collaboratively with the sector.
Students in Social Housing	<p>The intention is to initiate a pilot programme that would accommodate students from public universities and TVET colleges in off-campus developments on publicly-owned land.</p> <p>Through this approach modalities in accommodating students within a Social Housing Programme, as well as the parameters for a dedicated purpose-built student housing policy would be informed.</p>

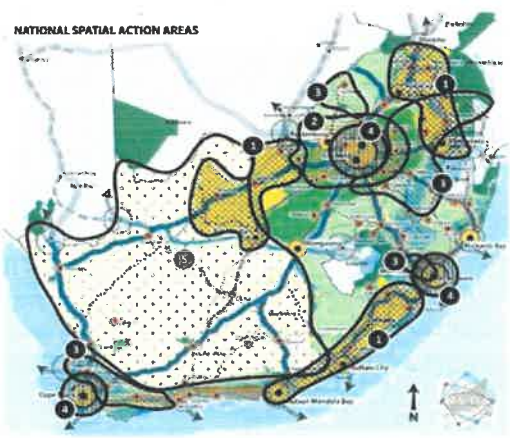
2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1. MEDIUM-TERM PLANNING PRIORITIES OF THE 6TH ADMINISTRATION

The seven MTSF 2019-2024 priorities are:

- Priority 1: A capable, ethical and developmental State;
- Priority 2: Economic transformation and job creation;
- Priority 3: Education, skills and health;
- Priority 4: Consolidating the social wage through reliable and quality basic services;
- Priority 5: Spatial integration, human settlements and local government;
- Priority 6: Social cohesion and safe communities;
- Priority 7: A better Africa and World.

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

MTSF PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT	
2024 Impact	Achieving spatial transformation through improved integrated settlement development, and linking job opportunities and housing opportunities.
Outcome:	Adequate housing and improved quality living environments:
<ul style="list-style-type: none"> ▪ Interventions / Targets 	<ul style="list-style-type: none"> ▪ Deliver 30 000 social housing units in strategically located areas.
	<p>Priorities of this Outcome are aligned with the National Spatial Action Areas of the National Spatial Development Framework (NSDF).</p> <p>The focus of developments will be on:</p> <ul style="list-style-type: none"> ▪ 3 x National Transformation Corridors; ▪ Central Innovation Belt; ▪ 5 x Critical Water Resource Risk Areas; ▪ 3 x Urban City Regions; and ▪ Arid Innovation Region. <p><i>Source: Draft National Spatial Development Framework 2019</i></p>



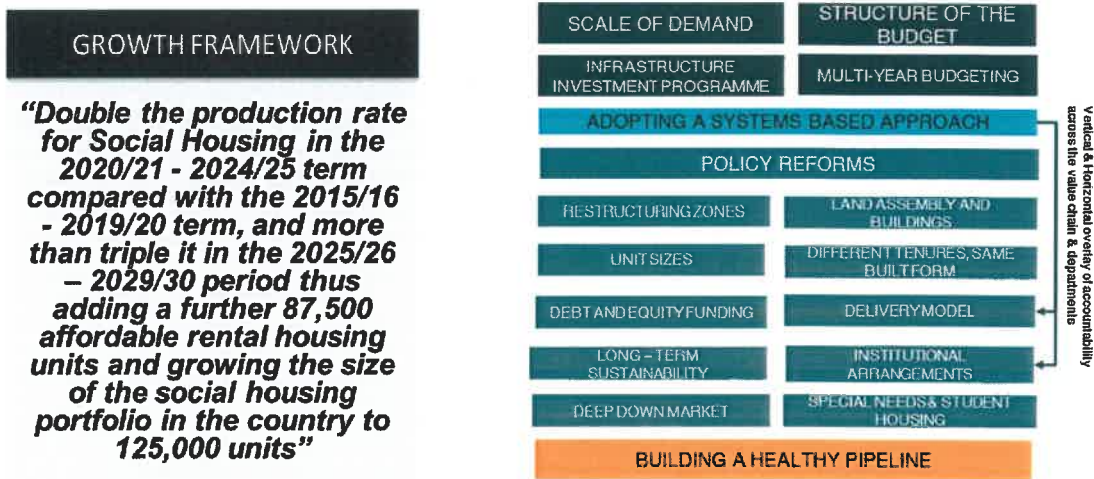
The National Department of Human Settlements has provided the SHRA with a target to deliver a total of 30 000 social housing units over the MTSF period. The President of South Africa, Mr Cyril Ramaphosa, in his State of the Nation Address (SONA) on 13 February 2020, stated that “the Social Housing Programme to build rental housing for low-income families is at implementation stage, which could leverage as much as R9 billion of private investment in the construction of 37 000 rental apartments”. He further confirmed that the Infrastructure Fund had finalised the list of “shovel-ready” projects and that social housing is included in the Fund through the Infrastructure Investment Office housed within the presidency, with a total of 19 social housing projects to the value of R3.8 million under consideration.

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, and to upscale delivery through to 2030.

SHRA’s response to upscale the social housing programme – “Growth Plan Framework”:

The SHRA has developed and gained Council approval for a “Social Housing Programme Growth Plan Framework for the 2020/21 to 2024/25 Term”. The purpose of the Growth Plan Framework is to outline the factors and considerations 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:



In brief, the Growth Plan Framework considers the following:

- 1) The scale of demand, which was determined through an independent research study in 2016/17 to be approximately 320 000 units. As at the end of the 2019/20 financial year, the SHRA had a total of 39 407 units under regulation. Demand therefore significantly outweighs supply of housing for household incomes below R15 000 per month;

- 2) Restructuring of the Human Settlements Budget, for a larger allocation to social housing (2.6% in 2020/21) to meet the demand for social housing units and assist in reducing the housing backlog;
- 3) 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;
- 4) Policy reforms, including one urgent change, which proposed a move away with the minimum 30m² unit size requirement, which is undesirable in certain locations, such as inner-city developments where the demand is for smaller units. This is a trend confirmed in the most recent General Household Survey 2018 where household sizes have decreased;
- 5) Taking advantage of the opportunities of being included in the Infrastructure Investment Programme being spearheaded by The Presidency;
- 6) To achieve the 30 000 units construction target over the five-year development period it means that there needs to be an average of 30 performing projects under construction every year for 5 years, producing an average of 200 units per year each. This would require:
 - a) Gaining approval for multi-year budgeting and contracting for an "optimisation factor" of approximately 70%. For example, if the SHRA is granted R1 billion in Consolidated Capital Grant (CCG), then it needs to contract for R1.4 billion (considering what will materialise in terms of planned expenditure and unit completions).
 - b) An exemption in terms of the PFMA would be needed in-order for the SHRA to commit funding beyond the budget indicative.
- 7) The removal from legislation and regulations of the requirement for restructuring zones to be gazetted as a minimum investment criteria for social housing investment. This should be replaced with a less administratively cumbersome approach to selecting appropriate social housing locations, driven by demand, and in line with the PSHSDAs;
- 8) The establishment of mechanisms to be more directive in land assembly and buildings by ensuring planning coherence among the various human settlement's entities;
- 9) The establishment of facilities with lenders from the private sector and DFIs for project debt and equity financing;
- 10) Options for building a healthy project pipeline, including through a two stage procurement process, comprising (1) call for expressions of interest and (2) call for proposals.
- 11) The adoption of a "Small Big Approach", comprising a number of smaller projects constructed next to one another within the same proclaimed township, with significant design, economic and transformation benefits.
- 12) Gaining and maintaining the support by large scale developers.
- 13) Making available different tenures for the same built form, namely, a sectional title programme offering a similar product, but with the price differential that accompanies the ownership option, run in parallel with the social housing programme.
- 14) Increasing institutional capacity within the SHRA to better regulate the sector and support the establishment of sound governance in housing.

15) Implementing measures to control fraud and corruption.

In its recently launched COVID-19 economic recovery reform discussion document, titled, "Reconstruction, Growth and Transformation: Building a New, Inclusive Economy" the ruling African National Congress (ANC), through its Economic Transformation Committee, highlights the economic interventions necessary for job creation, growth and investment in the South African economy amid the COVID-19 pandemic.

The first pillar of the new policy framework is to mobilise society around an **infrastructure-led recovery** with new investments in energy; water and sanitation; roads and bridges; **human settlements**, health and education; digital infrastructure and public transport. To achieve significant job creation multipliers, the emphasis will be on localisation, including maximising the use of South African materials and construction companies as well as labour-intensive methods.

The infrastructure-led recovery resonates with the work of the SHRA and the participation of the SHRA in the Infrastructure Investment Fund. The adoption of key factors of the proposed Growth Plan, underpinned by the systems thinking approach of vertical and horizontal planning coherence across the entities in the sector, is viewed as a critical enabler for achieving upscaled performance.

SHRA's response to the sustainability of the social housing programme in the COVID-19 period – "Rental Relief Programme":

The institution of lockdown regulations that have restricted economic and social activities since 27 March 2020 has placed a strain on the management of sustainable social housing establishments. In responding to the COVID-19 crisis, the social housing delivery agents have had to adjust their management programmes to contribute to the following objectives:

- To maximise the protection to tenants to help them avoid infection and maximise the tenants efforts to avoid spreading the infection;
- To protect their staff and service providers from exposure to the virus and exposing tenants to the virus;
- To run an effective and efficient management service within the constraints of the emergency rules;
- To assist tenants that are genuinely not able to afford rentals as a consequence of the COVID-19 emergency but to otherwise ensure that rental payments continue; and
- To protect the financial sustainability of institutions.

The SHRA and the National Association of Social Housing Organisation (NASHO) have worked together to develop guidelines to assist delivery agents in ensuring best practice responses as well as in providing a system to monitor progress of delivery agents in moving towards best practice responses to COVID-19. A comprehensive good practice framework has been established that deals with the following:

- 1) Tenant health and physical distancing;
- 2) Staff and service provider health and safety and adherence to lock down;
- 3) Dealing with tenants that have tested positive for COVID-19; and

4) Dealing with rental payments and rent payment relief.

In terms of point 4 above, the Department of Human Settlements, Water and Sanitation has been allocated R600m for rent relief of which R300 million was allocated to the SHRA for social housing through the Supplementary Budget Review (National Treasury, 24 June 2020). The Rental Relief Fund is to be administered by the SHRA, in partnership with the social housing landlords, and disbursed to social housing tenants who have been adversely affected by the COVID-19 pandemic and have provided evidence that they are unable to pay their rental commitments as a result of job / income loss due to the pandemic. The grant management process would require the addition of short-term capacity within the SHRA to manage the vetting, writing, accounting, monitoring and reporting elements of the grant management process.

SHRA's response to delegated MTSF interventions:

The Department has allocated roles and responsibilities for implementing the interventions of MTSF Priority 5 to the public entities of the Department. Each MTSF intervention and the SHRA's contribution / planning response is reflected in the table below.

MTSF INTERVENTION	SHRA CONTRIBUTION / PLANNING RESPONSE*
Area based Development Programme for the 136 Priority Human Settlement Housing Development Areas (PHSHDAs) completed	Development Plan for Delivering Social Housing in PHSHDAs: <ul style="list-style-type: none"> ▪ SHRA to assess the alignment of RZs and PHSHDAs and to focus investments on overlaps/intersections in the short-term and address through the policy reform project in the medium-term; ▪ In collaboration with DHS and underpinned by the Growth Plan Framework, the SHRA will complete a multi-year development plan for social housing in line with the PHSHDAs.
Suitable land within the PHSHDAs acquired for human settlement developments	Spatial Referencing of Projects and RZs: <ul style="list-style-type: none"> ▪ Spatial referencing included in the District Development Model (DDM) – Annexure A of this Strategic Plan; ▪ HDA to provide support for the spatial referencing of Restructuring Zones.
Number of social housing units developed.	Gazetting Restructuring Zones: <ul style="list-style-type: none"> ▪ SHRA will provide provinces and municipalities with the support / capacity needed to fulfil their duties in terms of gazetting restructuring zones and managing functional social housing programmes.
	Social Housing Growth Plan Framework: <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 Growth Plan will be presented to the Minister for Human Settlements for consideration. It will form part of the multi-year development plan for social housing.
	Regulating the Social Housing Sector:

MTSF INTERVENTION	SHRA CONTRIBUTION / PLANNING RESPONSE*
	<ul style="list-style-type: none"> ▪ SHRA will regulate SHIs and ODAs managing rental stock, by measuring and monitoring compliance in terms of the primary performance benchmarks, and intervening timeously. <p>Re-evaluating the Status of Tenants every Five Years: SHRA to operationalise the contractual provision in the SHA relating to re-evaluating the status of tenants.</p> <p>Comprehensive Database of Social Housing Projects and SHIs: At an operational level (SHoRP), the SHRA will develop and maintain a comprehensive database of all social housing developments, as well as social housing institutions.</p> <p>Enrolment of Social Housing Projects at the NHBRC:</p> <ul style="list-style-type: none"> ▪ All developments are enrolled as part of the Financial Closure (FC) requirements of the CCG contract with grant recipients.
Number of people in the targeted market exposed to education programmes on owning and renting a home	<p>Borrower, Homeownership and Tenant Education Programme:</p> <ul style="list-style-type: none"> ▪ The SHRA, through its communications strategy will collaborate with relevant stakeholders to inform and educate tenants.
Transactional Support Programme implemented	<p>Establish a Presence in Transactional Support Sites:</p> <ul style="list-style-type: none"> ▪ While not within the SHRA's direct mandate, the SHRA will collaborate with the Department on initiatives aimed to establish transactional support sites.
Consumer protection programmes implemented	<p>Resolution of Consumer Disputes:</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.
Residential property sector transformation achieved	<p>Transformation of the Social Housing Sector:</p> <ul style="list-style-type: none"> ▪ The SHRA is working with the Property Sector Charter Council on developing the Transformation Charter, Scorecards and Index for the Social Housing Sector; ▪ Transformation is part of the impact statement of the SHRA, supported by an Outcome indicator. ▪ Each programme of the SHRA has a transformation output, indicator and target 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, Water and Sanitation on a quarterly basis.

There are a number of emerging interventions that have implications for the SHRA from a legislative and policy stance. Therefore, while contributing to the above MTSF indicators and priorities of the

Department of Human Settlements, the organisation needs to do so within the constraints of its legislative and policy mandates, as discussed earlier. This includes:

- 1) Legislative and/or policy change is needed for the SHRA to invest in PSHDAs that do not fall within restructuring zones. The SHRA will collaborate with the Department to complete a multi-year development plan for social housing that would correspond to the priority development areas, and enabled through the necessary policy reforms;
- 2) Clarity is required on the role of social housing in providing student accommodation. There is a need to have a clear policy direction on whether student accommodation is part of social housing or is an independent programme.

This is particularly important in light of the SONA statement that R64 billion will be spent and a further R64 billion in private investment will be leveraged in providing student accommodation.

- 3) To determine who takes responsibility for the CRU programme, and to ensure the necessary legislative amendments are made.

The SHRA also has a contribution to make towards achieving the impact of **MTSF Priority 2 – Economic Transformation and Job Creation**, through the following outcomes and interventions:

MTSF PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION	
2024 Impact:	
<ul style="list-style-type: none"> ▪ Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth ▪ Economic growth of 2%-3% and growth in levels of investment to 23% of GDP 	
Outcome:	Interventions/Targets:
More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	275 000 jobs created per year through job summit commitments until 2024
Industrialisation, localisation and exports	100% compliance of government spend on designated products and services
Reduce concentration and monopolies and expanded small business sector	200 000 functional small businesses and co-operatives supported
Quality and quantum of investment to support growth and job creation improved	R100 billion Infrastructure Fund established and operationalised, with R5 billion leveraged by 2020
Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities	Percentage preferential procurement spend: <ul style="list-style-type: none"> ▪ Minimum 40% target for Women ▪ 30% for Youth, and ▪ 7% for persons with disabilities

The inclusion of the Social Housing Programme in the Infrastructure Investment Programme list of supported infrastructure projects brings with it an opportunity to link financing to projects far quicker, and potentially at a more attractive financing cost.

The SHRA acknowledges that there is a need to bring about reforms to upscale performance; to consider institutional arrangements, structures and changes in behaviour and approach; and importantly, to strengthen relationships and build trust with and amongst stakeholders at all levels, including national, provincial, municipal, entity, partners, investors, communities, delivery agents and beneficiaries. The key enablers include:

- 1) Responsive policies and programmes, with strengthened implementation;
- 2) The development and adoption of a revised Funding Model that is able to draw in the private sector and other DFIs to secure the funding needed to achieve the targets;
 - a) This will be significantly strengthened if the Social Housing Programme were to be included in the Infrastructure Investment Programme of The Presidency;
- 3) Improved monitoring, reporting and evaluation;
- 4) An aligned organisational structure, capacitated with the right skills, and motivated by a culture of high-performance and teamwork; and
- 5) The effective management of all stakeholder groups that affect and impact on the social housing value chain, including to better leverage the various IGR platforms that are available and to rollout a comprehensive communications strategy.

In this regard, the SHRA aims to ensure a strong foundation of good governance, sound administration and high-performance, through an aligned response in planning to **MTSF Priority 1 – A capable, ethical and developmental State.**

MTSF PRIORITY 1: A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE	
2024 Impact:	
<ul style="list-style-type: none"> ▪ Public value and trust ▪ Active citizenry and partnerships in society 	
Outcome:	Interventions/Targets:
Improved governance and accountability.	Strengthen the governance system of state-owned entities
Functional, efficient and integrated government	100% elimination of wasteful and fruitless expenditure in the public sector institutions incrementally from baseline of 2019 by 2024
Mainstreaming of gender, youth and disability, empowerment and development institutionalised	100% implementation of mainstreaming of gender, empowerment and development of youth and persons with disabilities programmes

3. UPDATES TO RELEVANT COURT RULINGS

There are no updates to the relevant court rulings outlined in the 2020-2025 Strategic Plan, which was developed at the same time as this Annual Performance Plan.

In the following years, updated information will be presented and discussed in this section.

PART B: OUR STRATEGIC FOCUS

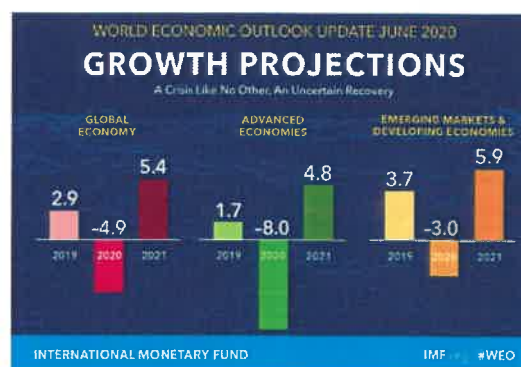
4. UPDATED SITUATIONAL ANALYSIS

A comprehensive situational analysis of the external environment and the internal environment has been conducted and is presented in detail in the 2020-2025 Strategic Plan, to which this year one APP is aligned. Discussed below are the salient environmental considerations that have informed this Revised APP for 2020/21 and the SHRA's response to the COVID-19 pandemic and the factors and considerations of the Council-approved Growth Plan Framework.

4.1. EXTERNAL ENVIRONMENT ANALYSIS

Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) 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 5.4 percent. Overall, this would leave 2021 GDP some 6.5 percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s¹.

Figure 1: Global Growth Projections 2019-2021



The South African economy recorded its third consecutive quarter of economic decline, falling by 2,0 percent (seasonally adjusted and annualised) in the first quarter of 2020. This followed a contraction of -1,4 percent and -0,8 percent in the fourth and third quarters of 2019, respectively². The results cover the period 1 January 2020 to 31 March 2020, which includes the beginning of the COVID-19 lockdown in South Africa and some of its trading partners. The IMF forecasts a real GDP growth for SA of -8 percent, the World Bank forecasts -5.8 percent and SARB -7% for 2020. It should be noted that there is a high degree of uncertainty around the forecasts due to the key assumptions and many variables about the fallout from the COVID-19 pandemic.

Other trends reflecting growing inequality in South Africa, that are expected to worsen as a result of the COVID-19 pandemic include³.

- 1) An increasingly unequal South Africa, with a Gini coefficient that remains high and decoupled from the average of emerging markets;

¹ International Monetary Fund, World Economic Outlook, June 2020

² Statistics South Africa

³ International Monetary Fund, World Bank Indicators 2019 – January 2020

- 2) Concentrated wealth, which is skewed towards the richest 20 percent;
- 3) Regional divide, in that some provinces are far poorer than the inhabitants of Gauteng when measured by income per capita;
- 4) Income per capita has stagnated over the past decade, and will worsen significantly as a result of the COVID-19 pandemic;
- 5) South Africa's overall (30.1% in Q1 2020) and youth unemployment (54%) is significantly higher than the average for emerging markets;

The SHRA has an important role to play in stimulating the economy and reducing inequality as a role-player in the construction and rental housing combined value chain, which recorded a Gross Value Add (GVA) to the economy of R76.4 billion in 2017, with construction contributing R26.6 billion and rental housing R49.8 billion.

The COVID-19 pandemic has however presented major challenges to the whole of the social housing value chain, requiring both an immediate, short term response in the form of the Rental Relief Fund discussed earlier, and building momentum in the construction sector to maximise the number of units constructed in this financial year. Gaining support for, and implementation, of the Growth Plan Framework is then required to achieve the MTSF target of 30 000 social housing units over the five-year term.

The following table is an update of the summary of macro-environment and sector issues presented in the 2020-2025 Strategic Plan, informing this Revised APP for 2020/21.

THEME/FOCUS	KEY MESSAGE/S INFORMING PLANNING (OPPORTUNITIES AND THREATS)
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 and 83 000 units in district municipalities⁵. This represents 14% of the total estimated housing backlog. ▪ 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. ▪ Considering the scale of demand, it would make sense for the Human Settlements budget to be restructured in a way that provides a higher allocation for social housing, towards the 14% social housing backlog proportion.
2) Importance of State subsidies (Capital Grant Funding)	<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

⁴ General Household Survey, 2018

⁵ General Household Survey, 2018

THEME/FOCUS	KEY MESSAGE/S INFORMING PLANNING (OPPORTUNITIES AND THREATS)
	<p>anticipated that grant funding will remain critical to the existence of the sector.</p> <ul style="list-style-type: none"> ▪ It is proposed that the SHRA receive a bigger proportion of the Human Settlements
3) COVID-19 Response – Rental Relief Fund	<ul style="list-style-type: none"> ▪ For 2020/21, R300 million has been allocated for Social Housing (Rental Relief) through the Supplementary Budget Adjustment. ▪ The SHRA will require the administrative and accounting capacity to effectively manage the disbursement of the grant.
4) Multi-year Budgeting	<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%. ▪ This will overcome the challenge of under-expenditure in a given year due to not all projects being completed in that year.
5) Infrastructure Investment Office (SIDs)⁶	<ul style="list-style-type: none"> ▪ A platform through which private investment can be channelled to deserving infrastructure investment projects through a blended financing approach to spread the risks of the investing partners. ▪ 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. ▪ Inclusion of Social Housing in the national IIP list of supported infrastructure projects brings an opportunity to link financing to projects quicker, and <i>potentially</i> at a more attractive financing cost. ▪ SHRA has submitted a total of 19 projects to the value of R3.8 million for consideration.
6) Vertical and Horizontal Coherence of Human Settlements’ Programmes and Projects	<ul style="list-style-type: none"> ▪ “Corporatization” of government has had the unintended consequence of creating silos, wherein each public entity is burdened with entity specific governance standards which value compliance above overall government mandate performance. ▪ In establishing the various public entities, the thinking was that red tape would be cut down and decision making, and delivery would be faster. This has proven not to always be the case, where the opposite may have resulted. ▪ The adoption of a systems approach, away from the silo or corporatisation approach, implies that the plans and budgets of the different entities and spheres of government need to be aligned as interdependent, horizontally coherent plans.

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

THEME/FOCUS	KEY MESSAGE/S INFORMING PLANNING (OPPORTUNITIES AND THREATS)
7) 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. ▪ The opportunity therefore 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. ▪ This will form part of the project to develop qualitative, performance-based norms and standards, as compared to the existing inflexible specifications-based approach.
8) 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.
9) Private Sector Involvement in Social Housing	<ul style="list-style-type: none"> ▪ While the Social Housing Policy (2005) encourages the involvement of the private sector as one of the options for allowing gearing to scale, there remains significant gaps and ambiguity in the social housing policy and guidelines on issues of liability, operating models, terms and conditions of transfer, etc. ▪ This uncertainty results in: <ul style="list-style-type: none"> ○ Limited willingness for the private sector; and ○ For those ODAs that do participate it poses a risk to the State that the investment in stock be lost to the market.
10) SHRA and Social Housing Sector performance	<ul style="list-style-type: none"> ▪ The SHRA has demonstrated the ability to spend the allocated CCG budget allocation while progressively spending prior year accumulated surpluses. Upscaled delivery of new social housing units is evident. ▪ Sector compliance and sustainability remains a challenge, requiring of the SHRA to strengthen its role as the Regulator of the sector.
11) 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. The focus needs to be on supporting SHIs to gain full accreditation.

⁷ General Household Survey, 2018

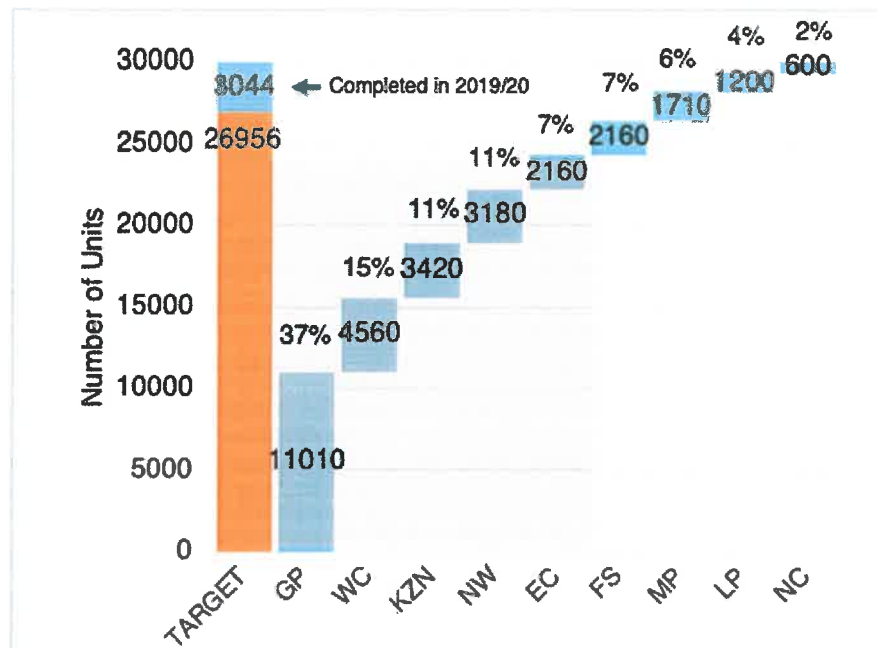
THEME/FOCUS	KEY MESSAGE/S INFORMING PLANNING (OPPORTUNITIES AND THREATS)
	<ul style="list-style-type: none"> ▪ To leverage the skills and idle capacity of the construction sector for the benefit of small and medium sized developers.
12) Empowerment in the sector	<ul style="list-style-type: none"> ▪ Development of the social housing sector component of the Property Sector. ▪ Ensuring that transformation is transparent across the value-chain
13) Opportunities to grow the sector and the importance of local and provincial government	<ul style="list-style-type: none"> ▪ There are new opportunities that can be grasped by the sector to grow social housing, such as catalytic human settlements projects, catalytic land development programmes and inclusionary housing; ▪ These 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.

4.2. INTERNAL ENVIRONMENT ANALYSIS

4.2.1. 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 3: MTSF 2019-2024 Provincial Allocation of the 30 000 Units Target



The table below reflects that a total of 3 044 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 26 956 units (90% of target), needs to be completed over the remaining four (4) years to achieve the MTSF target.

2019-20 SOCIAL HOUSING DELIVERY			
Province	No.	Units Completed	% of MTSF
Gauteng	9	2 140	7.1%
Eastern Cape	2	486	1.6%
Western Cape	1	304	1.0%
Mpumalanga	1	114	0.4%
No. of Units Completed in 2019/20	13	3 044	10.1%
Shortfall (2020/21 – 2020/24)	---	29 956	89.9%
MTSF 2019-2024 Target	---	30 000	100.0%

COVID-19 has further hampered delivery with construction having stopped in Q1 of this financial year due to the lockdown restrictions. The social housing units completed, and tenanted targets have therefore been adjusted downwards in this Revised APP, to 4 006 and 3 870 units respectively. A production rate of 7 650 units per annum will be required for the final three years of the MTSF.

4.2.2. SOCIAL HOUSING SECTOR PERFORMANCE

In terms of the primary benchmark indicators, which are: Vacancy Rate <2%; Rental Collection >95%; Direct Cost-to-Income Ratio (<40%); Tenant Turnover Rate <2%; Operating Costs at ≤ R1550 pupm, SHIs have performed as follows:

Primary Performance Benchmarks Achieved	Percentage of Total (Q3, 2019/20)	Percentage of Total (Q4, 2019/20)
5	0%	4%
4	15%	23%
3	46%	19%
2	31%	50%
1	4%	4%

Against the Q1, 2020/21 target of 64% (18/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks, only 46% (12/26) achieved the target. This indicates a declining trend in the performance of the SHIs, and is as a result of the rent defaults and increased vacancies reported by reporting institutions. It is anticipated that the rental collection rate of most SHIs will be further impacted by the COVID-19 pandemic.

The CAR unit will be working with Institutions to administer the R300 million Rental Relief Fund as a means to assist those tenants whose employment status has been negatively impacted by the lockdown and thus unable to pay rent.

4.2.3. STRATEGIC INTERVENTIONS INFORMING THE REVISED 2020/21 PERFORMANCE PLAN

The strategic interventions discussed in the 2020-2025 Strategic Plan have been refined and/or revised to align with the considerations and priorities identified by the updated situational analysis. The interventions are informed by the SHRA's immediate response to the effects on the social housing programme of the COVID-19 pandemic and the medium to longer term Growth Plan.

Focus Area 1 of Strategic Plan: To achieve the MTSF target of 30 000 social housing units delivered by March 2024:

- **Revised delivery targets:** It is not possible to make up for the lost construction time in the first quarter. The annual social housing units completion target has been reduced to 4 006 units and the tenanted target to 3 870 units.
- **Additional grant funding:** Seek an increased share of the human settlement's capital grant allocation for social housing;
- **Funding model:**
 - Securing debt funding for projects in the prevailing tough economic environment where there remains a lack of appetite by the commercial sector is vital to unlocking the substantial number of units awaiting Financial Closure to break ground;

- Inclusion of 19 social housing projects to the value of R3.8 billion 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.
- Multi-year development plan: In collaboration with DHS, complete a multi-year development plan for social housing that aligns with the PSHDAs;
- Policy reforms: Develop and implement the policy reforms needed to enable broader participation in the Social Housing Programme through improved flexibility in the size and type of social housing units;
- Accreditation processes and capacity: Strengthen accreditation processes to improve the quality of SHIs and projects accredited, and increase accreditation capacity in order to facilitate the segregation of duties and to allow the Specialist to focus on projects assessments;
- Building a healthy project pipeline: Build a credible pipeline of projects using proactive “call for expression” and “call for proposals” procurement approaches to source property developers and regional projects for investing at pipeline stage;
- Projects and contracts management: Strengthen the capacity of the SHRA to ensure projects are implemented effectively, in terms of CCG contractual obligations;
- District development model: To spatially reference all social housing projects and develop and maintain a District Development Model.

Focus Area 2 of Strategic Plan: To strengthen compliance and effectively regulate the social housing sector:

- Monitoring and reporting on social housing sector performance: Monitor and report on performance against the five primary benchmark indicator targets;
- Compliance interventions: Establish the capacity to ensure compliance interventions are timely and effective in improving sector performance. This must include “on the ground” capacity, with the objective of increasing the number of fully accredited SHIs;
- COVID-19 Rental Relief Fund: In order for the SHRA to efficiently and effectively manage the administration of the Rent Relief Fund, short term specialised capacity would need to be sourced.
- Act as Regulator: Ensure the enforcement of regulations for all non-compliant property owners by applying the processes for addressing maladministration where applicable;
- Tenancy and building condition audits: Due to COVID-19 lockdown restrictions, the tenancy and building condition audits will take place in the 3rd and 4th quarters of the financial year.
- Re-evaluating the status of tenants: Operationalise the contractual provision in the SHA relating to re-evaluating the status of tenants;
- Communication: Communicate the role of the SHRA as Regulator to the sector in order to effectively manage expectations and to inform institutions of the approaches to be adopted to strengthen compliance;
- Enabling systems: Develop and implement an automated, integrated, case management system;

- Borrower, Homeownership and Tenant Education Programme:
 - The initiative of the Department will be supported through the SHRA's communications strategy and by collaborating relevant stakeholders to educate tenants.

Focus Area 3 of Strategic Plan: To enable the sector through sector development and support mechanisms:

- Incubation: Develop and implement a programme that provides business development support to new SHIs until they have completed their first social housing project, and have achieved business sustainability;
- Municipal support: Develop and implement a municipal support programme that capacitates RZ municipalities to run effective local social housing programmes;
- Panel of accredited service providers: Develop a panel of accredited, capable and transformed, service providers to ensure timeous implementation of institutional support interventions;
- General institutional support: Provide for partnerships with sector participants to support the SHRA in the delivery of its mandate and strengthening of the capacity building programme;
- Training and awareness: Develop and implement a demand-driven and professionalised training and awareness programme.

Focus Area 4 of Strategic Plan: Facilitating social housing sector transformation:

- Property Sector Charter (PSC): Develop a social housing sector component to be included in the property sector charter, for adoption by social housing grant beneficiaries;
- Compliance with PSC scorecards: Develop and implement a mechanism to monitor compliance with the adopted property sector charter;
- Enforcement: Develop and implement mechanisms to enforce the PSC codes and scorecards;
- Reporting on sector transformation: Establish systems to ensure transformation is empirically verified;
- Preferential procurement: Implement the MTSF procurement set-aside and localisation targets, and support the development and growth of women, youth and persons with disabilities' owned enterprises.

Focus Area 5 of Strategic Plan: The foundation for success – A functional, efficient and integrated organisation that has attained and maintained a clean audit outcome from the AGSA, has no dormant capacity and operates in a corruption-free environment:

- Governance and risk management: Implement audit and risk management plans to support the attainment and maintenance of a clean audit outcome;
- Systems automation: Implement an enterprise-wide automated ICT system;
- Contracts management: Strengthen/improve enterprise-wide contract formulation and management;

- Performance management: Strengthen compliance with the performance management system;
- Leadership development: Develop and implement a leadership development and empowerment programme;
- High-performance culture: Build a values-based culture of high-performance within the SHRA, based on ethical leadership, integrity and responsiveness to sector demands;
- Stakeholder relations and partnership management: Develop and implement a comprehensive communications strategy and plan, supported by an integrated customer relations management system.

4.2.4. ORGANISATIONAL CAPACITY CONSIDERATIONS TO SUPPORT THE ANNUAL PERFORMANCE PLAN

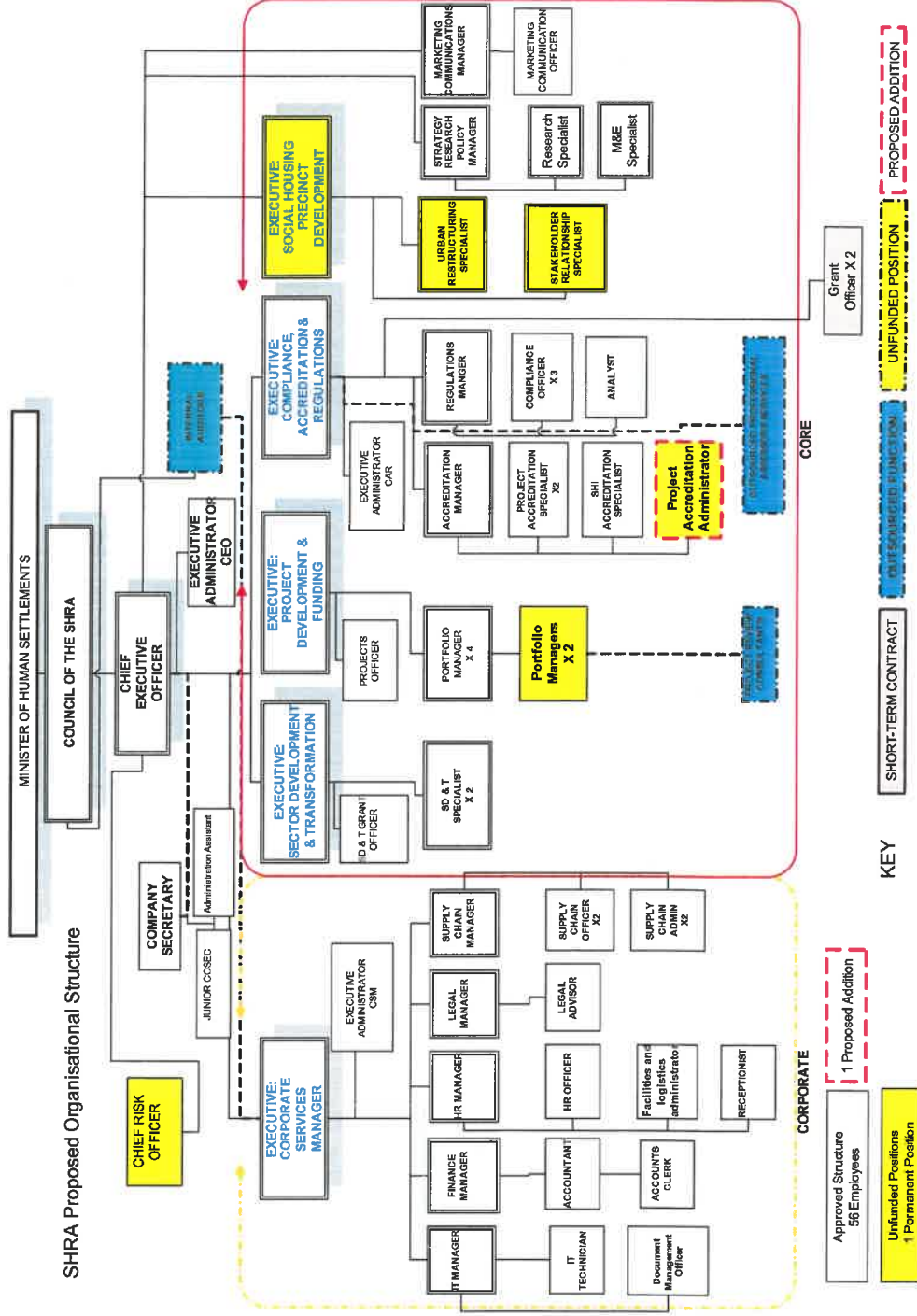
Figure 11 below reflects an emerging organisational structure that would be needed to deliver on the MTSF target of 30 000 social housing units and for the SHRA to become a more effective regulator. It must be noted that the reflected structure is in Draft form and requires Council approval. The SHRA 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 the introduction of 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 of the regulatory function through the segregation of duties for improved risk mitigation within accreditation and compliance; and finally short term resources to manage the rent relief fund.

The following functions are unfunded and would only be recruited once relevant approvals and operational budget is made available:

- 1) 2 x Portfolio Managers (to strengthen project implementation);
- 2) Chief Risk Officer (it is intended that the function will be carried out the CSE structure in the short-term and until such time that the necessary funding and approvals are granted).
- 3) Inclusion of a Project Accreditation Administrator to facilitate segregation of functions in the accreditation process;
- 4) An Executive for Social Housing Precinct Development, an Urban Restructuring Specialist and Stakeholder Relations Specialist; and
- 5) The appointment of two Grant Officers (on a short-term contract basis) to manage the Rent Relief Fund

Figure 2: SHRA proposed organisational structure (Pending Council Approval)



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 2020/21, in the sections below.

5. 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 ▪ Administration of the Rental Relief Fund
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)

PROGRAMME N ^o .	PROGRAMME NAME	CORE FUNCTIONS
		<ul style="list-style-type: none"> ▪ Building and maintaining partnerships, with provinces and municipalities, government departments, funding agencies and the private sector

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. PROGRAMME 1: PURPOSE

The purpose of Programme 1: Administration is:

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

The Programme comprises two sub-programmes.

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

5.1.2. PROGRAMME 1: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; and
- 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 2020/21 Output-Level Performance Plan for Programme 1 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Outcome 1: Functional, efficient and integrated government	1.1. Internal Audit Plan	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	100% implementation of the approved Internal Audit Plan
	1.2. Statutory tabling and reporting requirements	1.2.1. Percentage compliance with statutory reporting requirements	-	-	-	New indicator	100% compliance with statutory reporting requirements	100% compliance with statutory reporting requirements	100% compliance with statutory reporting requirements	100% compliance with statutory reporting requirements
	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	100% adherence to the Anti-Fraud and Corruption Policy
	1.4. Risk Management	1.4.1. Percentage implementation of the approved Risk Management Plan	-	-	-	New indicator	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan
	1.5. Communications and Stakeholder Management	1.5.1. Percentage implementation of the annual stakeholder management plan	-	-	-	Indicator reframed	80% implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan
Outcome 6: A transformed Social Housing Sector Value chain	6.1. B-BBEE codes and procurement set-asides implemented	6.1.1. Percentage procurement spend to majority black-	-	New indicator	60% procurement spend to majority black-owned or	65% procurement spend to majority black-owned or	70% procurement spend to majority black-owned or	75% procurement spend to majority black owned or	80% procurement spend to majority black-owned or	

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
		owned or controlled service providers			controlled service providers	controlled service providers	controlled service providers	controlled service providers	controlled service providers	controlled service providers
		6.1.2. Percentage procurement spend on designated groups	-	-	New indicator	30% procurement spend on designated groups	30% procurement spend on designated groups	32% procurement spend on designated groups	30% procurement spend on designated groups	35% procurement spend on designated groups

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

OUTPUT INDICATORS	2020/21 ANNUAL TARGET				QUARTERLY TARGETS			
	Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021				
1.1.1. Percentage implementation of the approved Internal Audit Plan	60% implementation of the approved Internal Audit Plan	100% (777) implementation of the approved Internal Audit Plan	100% (1117) implementation of the approved Internal Audit Plan	100% (1717) implementation of the approved Internal Audit Plan				
1.2.1. Percentage compliance with Statutory reporting requirements	100% compliance with Statutory reporting requirements	100% compliance with Statutory reporting requirements	100% compliance with Statutory reporting requirements	100% compliance with Statutory reporting requirements				
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				
1.4.1. Percentage implementation of the approved Risk Management Plan	No target	30% implementation of the approved Risk Management Plan	70% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan				

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OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
1.5.1. Percentage implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan	-	80% implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan	80% implementation of the annual stakeholder management plan
6.1.1. Percentage procurement spend to majority black-owned or controlled service providers	70% procurement spend to majority black-owned or controlled service providers (>50% black)	70% procurement spend to majority black-owned or controlled service providers (>50% black)	70% procurement spend to majority black-owned or controlled service providers (>50% black)	70% procurement spend to majority black-owned or controlled service providers (>50% black)	70% procurement spend to majority black-owned or controlled service providers (>50% black)
6.1.2. Percentage procurement spend on designated groups	30% procurement spend on designated groups	30% procurement spend on designated groups	30% procurement spend on designated groups	30% procurement spend on designated groups	30% procurement spend on designated groups

5.1.3. 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, Water and Sanitation 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) Develop and oversee the implementation of the external audit findings action plan, in order to ensure that the SHRA reduces/eliminates matters of emphasis on the audit of performance information and non-compliance;
- 2) 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.
- 3) Develop and gain approval for the annual Risk Management Plan in the 1st quarter for implementation in quarters 2-4.
- 4) Develop and gain Council approval for the SHRA communications strategy in the 2nd quarter and implement the aligned stakeholder management plan in quarters 2 to 4.
- 5) Ensure B-BBEE codes and preferential procurement targets, which are aligned to MTSF 2019-2024, are achieved;
- 6) Council to approve the 2019/20 State of the Social Housing Sector in the 3rd quarter, for publication in the 4th quarter of the financial year;
- 7) Monitor the implementation an enterprise-wide automated ICT system;
- 8) Review and revise SHRA contracts and support improved contracts management;
- 9) Strengthen compliance with the performance management and development system;
- 10) Develop and implement a leadership development and empowerment programme;
- 11) Support the CAR Unit with the capacity and accounting support needed to efficiently and effectively administer the Rental Relief Fund.

5.1.4. PROGRAMME 1: RESOURCE CONSIDERATIONS

Programme 1: ADMINISTRATION	AUDITED		UNAUDITED	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	22 688	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	36 235	37 172	37 166	40 014

5.2. PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATION

5.2.1. 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 (2008) 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.*

5.2.2. PROGRAMME 2: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector, and
- 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 2020/21 Output-Level Performance Plan for Programme 2 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
<p>Outcome 5: An effectively regulated and sustainable social housing sector</p>	<p>5.1. A compliant social housing sector</p>	<p>5.1.1. Percentage of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks</p>			New indicator	61.5% (16/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	71% (20/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	79% (22/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	86% (24/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	
				-	New indicator Baseline = 3 200	3 300 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	
				-	New indicator Baseline = 0	3 300 subsidised housing units' building condition audits conducted	1 000 subsidised housing units' building condition audits conducted	3 300 subsidised housing units' building condition audits conducted	-	
<p>Outcome 6: A transformed social housing sector value chain</p>	<p>5.2. Growing portfolio of social housing units under regulation</p>	<p>5.2.1. Number of Institutional Housing Subsidy projects brought under regulation</p>		New indicator	4 Institutional Housing Subsidy projects brought under regulation	5 Institutional Housing Subsidy projects brought under regulation	4 Institutional Housing Subsidy projects brought under regulation	4 Institutional Housing Subsidy projects brought under regulation		
				-	New indicator Baseline = 60%	65% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
							majority owned or controlled	majority owned or controlled	majority owned or controlled	

* Vacancy Rate <2% | Rental Collection >95% | Direct Cost to Income Ratio (<40%) | Tenant Turnover <2% | Operating Costs at ≤ R 1550 pupm. It is anticipated that the rental collection rate of most SHIs will be impacted by the COVID-19 lockdown, however, in order to mitigate this risk SHIs will be able to apply for rental relief grants to assist those tenants whose employment status has been negatively impacted by the lockdown. The rental collection rate will therefore be a combination of rentals collected by tenants able to pay, and those whose rentals are covered by the Rent Relief Fund.

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

OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
5.1.1. Percentage of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	71% (20/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	64% (18/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	68% (19/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	71% (20/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks	71% (20/28) of reporting SHIs and ODAs meeting 3 or more out of 5 of the primary performance benchmarks
5.1.2. Number of subsidised housing units' tenancy audits conducted	1 650 subsidised housing units' tenancy audits conducted	-	-	500 subsidised housing units' tenancy audits conducted (cumulative year-to-date)	1 650 subsidised housing units' tenancy audits conducted (total for the year)
5.1.3. Number of subsidised housing units' building condition audits conducted	1 000 subsidised housing units' building condition audits conducted	500 subsidised housing units' building condition audits conducted	-	750 subsidised housing units' building condition audits conducted (cumulative year-to-date)	1 000 subsidised housing units' building condition audits conducted (total for the year)
5.2.1. Number of Institutional Housing Subsidy projects brought under regulation	4 Institutional Housing Subsidy projects brought under regulation	-	1 Institutional Housing Subsidy project brought under regulation	2 Institutional Housing Subsidy projects brought under regulation	4 Institutional Housing Subsidy projects brought under regulation



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OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
6.2.1. Percentage of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	70% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled	80% of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled

5.2.3. 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 Annual Performance Plan that relate to the REGULATE pillar of the SHRA mandate. It is a core pillar of the SHRA mandate 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) To serve more effectively as the Sector Regulator by strengthening the capacity of the team to enforce more stringently the regulations for all non-compliant property owners;
- 2) This will include strengthening the capacity of the SHRA to better manage compliance:
 - a) Monitor and report on the performance of reporting SHIs and ODAs in terms of the primary performance benchmarks;
 - b) Develop intervention plans and implement timeously. Ensure rigorous follow ups and, where necessary, enforce compliance in terms of legislation and policy.
 - c) Implement enforcement processes in instances where maladministration has been identified.
- 3) Strengthen accreditation processes to improve the quality of SHIs and projects to be implemented:
 - a) Increase and enhance accreditation capacity in order to facilitate the segregation of duties and to allow the Specialists to focus on projects assessments.
- 4) Operationalise the lease and/or legal provision for re-evaluating the status of tenants;
- 5) Conduct tenancy and building condition audits as per regulation and/or good practice in support of improved sector compliance levels. Targets have been reduced and shifted to the 3rd and 4th quarters due to delays caused by COVID-19 lockdown restrictions.
- 6) The target of 12 fully accredited SHIs in 2020/21 has been set based on sound analysis of the state of the sector and is in line with the role of the SHRA as a Regulator, which includes supporting the sector to build strong institutions that can develop and manage social housing stock in a sustainable manner.
- 7) The reality is that a number of SHIs are struggling to fulfil the requirements for retention of their full accreditation status and the SHRA is duty bound as Regulator to take appropriate action. In the short-term, this will mean that non-compliant SHIs will lose their full accreditation status.

- 8) Over the medium-term there should be a gradual increase in the number of fully accredited SHIs that meet the accreditation requirements. The target is tentatively set to increase by an additional two per annum over the MTEF;
- 9) Continue to increase the percentage of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled. To strengthen the focus on the transformation agenda, the target has been increased from 70% to 80% in this Revised APP.
- 10) Manage and maintain the District Development Model (DDM) and ensure all social housing projects are spatially referenced.
- 11) The SHRA needs to respond to the COVID-19 pandemic by ensuring that both SHIs and ODAs adjust their programmes in order to:
 - a) Maximise the protection of tenants to help them avoid infection and avoid spreading the infection.
 - b) Protect their staff and service providers from exposure to the Virus.
 - c) Run an effective and efficient property management service with the constraints of the emergency rules.
 - d) Assist tenants that are genuinely not able to afford rentals as a consequence of the COVID-19 crisis.
 - e) Ensure that rental payments continue being made by clients whose income is not affected by the pandemic and the resulting lockdowns.
- 12) Efficient and effective administration of the rental relief fund, which comprises a R300 million grant allocation through the 2020/21 budget adjustment process.:
 - a) SHRA has developed a policy and standard operating procedures of managing the fund, which will be implementation once approval is received from the Department.
 - b) Short-term capacity will be secured to ensure the grant management process is well-administered.

5.2.4. PROGRAMME 2: RESOURCE CONSIDERATIONS

Programme 2: COMPLIANCE, ACCREDITATION AND REGULATION	AUDITED		UNAUDITED	REVISED BUDGET	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

5.3. PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION

5.3.1. 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”

5.3.2. PROGRAMME 3: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; and
- 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 2020/21 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		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Outcome 3: Enhanced performance of delivery agents and projects	3.1. Institutional investment Grant programme implemented	3.1.1. Percentage of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	-	-	New indicator (Pilot Incubation Programme with 10 x SHIs)	50% (5/10) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year
			New indicator	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	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	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	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	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	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
			New indicator	100% of identified projects that received an IIG, of which work is completed	75% of identified projects that received an IIG, of which work is completed	100% (4/4) of identified projects that received an IIG, of which the work is completed	75% of identified projects that received an IIG, of which the work is completed	75% of identified projects that received an IIG, of which the work is completed	75% of identified projects that received an IIG, of which the work is completed	75% of identified projects that received an IIG, of which the work is completed

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
			2016/17	2017/18	2018/19	2019/20	2020/21		2021/22	2022/23		
Outcome 4: Increased capacity of municipalities and provinces to deliver social housing	4.1. Provinces capacitated in provincial social housing programmes	within the current financial year, are recommended for capital grant award	-	the work is completed within the current financial year, are recommended for capital grant award	the work is completed within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award	within the current financial year, are recommended for capital grant award
	4.1.1. Provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme	4.1.1. Number of 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	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. Municipalities capacitated in local social housing programmes	4.2.1. Number of social housing projects with land availability agreements approved	4.2.1. Number of social housing projects with land availability agreements approved	-	-	-	New indicator	3 social housing projects with land availability agreements approved	3 social housing projects with land availability agreements approved	3 social housing projects with land availability agreements approved	3 social housing projects with land availability agreements approved	3 social housing projects with land availability agreements approved
Outcome 6: A transformed social housing sector value chain	6.3. Majority black-owned or controlled IIG recipients	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	75% of IIG recipients that are majority black-owned or controlled	80% of IIG recipients that are majority black-owned or controlled	75% of IIG recipients that are majority black-owned or controlled	80% of IIG recipients that are majority black-owned or controlled	80% of IIG recipients that are majority black-owned or controlled

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

OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
3.1.1. Percentage of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year	No target	No target	No target	50% (3/6) of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year
3.2.1. Percentage 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	No target	No target	No target	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
3.3.1. Percentage of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended for capital grant award	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	No target	No target	No target	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
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	No target	No target	No target	7 provinces that achieve at least 80% of the criteria for supporting a functional Social Housing Programme
4.2.1. Number of social housing projects with land availability agreements approved	3 social housing projects with land availability agreements approved	No target	No target	No target	3 social housing projects with land availability agreements approved



SHRA: 2019/20 Annual Performance Plan

OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
6.3.1. Percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled	70% of IIG recipients that are majority black -owned or controlled	70% of IIG recipients that are majority black -owned or controlled	70% of IIG recipients that are majority black -owned or controlled	70% of IIG recipients that are majority black -owned or controlled	70% of IIG recipients that are majority black -owned or controlled

5.3.3. 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 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 that provides business development support to new SHIs until they have completed their first social housing project, and achieved business sustainability;
- 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;
- 3) Establish a panel of accredited, capable and transformed, service providers to support the timeous implementation of institutional support interventions;
- 4) 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:
 - Year one focus is on supporting at least three municipalities to have approved land agreements in place;
 - In forthcoming years, this should progress to the same municipalities having projects accredited (not measured in 2020/21).
- 6) Deliver tailor-made training sessions in response to the specific needs for development and capacitation of provincial departments;
- 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) Progressing the sector transformation agenda through the Property Sector Council, including the development of a Social Housing Sector Transformation Index;

- 9) Ongoing increase in the percentage of Institutional Investment Grant (IIG) recipients that are majority black-owned or controlled.

5.3.4. PROGRAMME 3: RESOURCE CONSIDERATIONS

Programme 3: SECTOR DEVELOPMENT AND TRANSFORMATION	AUDITED		UNAUDITED	REVISED BUDGET	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	21 432	22 311	23 552
Total expenses:	21 741	17 049	19 222	25 754	27 254	28 572	30 286

5.4. PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING

5.4.1. PROGRAMME 4: PURPOSE

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

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

5.4.2. PROGRAMME 4: OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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

- A transformed, compliant and sustainable social housing sector; and
- 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 2020/21 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		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
<p>Outcome 2: Quality affordable social housing for rental delivered in strategically located areas</p>	2.1. Social housing units completed and delivered	2.1.1. Number of social housing units completed	3 068 social housing units completed	3 519 social housing units completed	2 284 social housing units completed	4 000 social housing units completed	4 006 social housing units completed	6 700 social housing units completed	8 000 social housing units completed	
		2.1.2. Number of social housing units delivered	New indicator	3 856 social housing units delivered	2 471 social housing units delivered	3 513 social housing units delivered	3 870 social housing units delivered	8 032 Social housing units delivered	8 500 Social housing units delivered	
	2.2. Expenditure of the Consolidated Capital Grant (CCG)	2.2.1. Percentage expenditure of the approved annual Consolidated Capital Grant cash flow projection	-	-	-	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	
	2.3. Social Housing Development Plan	2.3.1. Timeline for the submission of a 5-year development plan for delivery of 30 000 social housing units	-	-	-	New indicator	5-year development plan for delivery of 30 000 social housing units submitted by end Q2 2020/21	Annual review of the 5-year development plan	Annual review of the 5-year development plan	
<p>Outcome 6: A transformed social housing sector value chain</p>	6.4. Increased proportion of funded enterprises that are majority black-owned or controlled and from the designated groups	6.4.1. Percentage of Consolidated Capital Grant (CCG) awarded to black majority owned / controlled enterprises	New indicator	182.7% (R1,555 868 352), against a target of 50%	70% of CCG awarded to black majority owned / controlled enterprises	65% 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 / controlled enterprises	80% of CCG awarded to black majority owned / controlled enterprises	

SHRA: 2019/20 Annual Performance Plan

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2016/17	2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
		6.4.2. Percentage of Consolidated Capital Grant (CCG) allocation awarded to the designated groups	-	-	New indicator	30% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	32% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	35% of CCG allocation awarded to the designated groups

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

OUTPUT INDICATORS	2020/21 ANNUAL TARGET				QUARTERLY TARGETS			
	Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021	Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
2.1.1. Number of social housing units completed	1 000 social housing units completed	1 000 social housing units completed	1 637 social housing units completed	4 006 social housing units completed	1 000 social housing units completed	1 000 social housing units completed	1 637 social housing units completed	4 006 social housing units completed
2.1.2. Number of social housing units delivered	1 000 social housing units delivered	1 000 social housing units delivered	1 256 social housing units delivered	3 870 social housing units delivered	1 000 social housing units delivered	1 000 social housing units delivered	1 256 social housing units delivered	3 870 social housing units delivered
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	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
2.3.1. Timeline for the submission of a 5-year development plan for delivery of 30 000 social housing units	-	5-year development plan for delivery of 30 000 social housing units submitted by end Q2 2020/21	-	-	-	5-year development plan for delivery of 30 000 social housing units submitted by end Q2 2020/21	-	-
6.4.1. Percentage of Consolidated Capital Grant (CCG) awarded to black majority owned / controlled enterprises	70% of CCG awarded to black majority owned / controlled enterprises	70% of CCG awarded to black majority owned / controlled enterprises	70% of CCG awarded to black majority owned enterprises	70% of CCG awarded to black majority owned enterprises	70% of CCG awarded to black majority owned enterprises	70% of CCG awarded to black majority owned enterprises	70% of CCG awarded to black majority owned enterprises	70% of CCG awarded to black majority owned enterprises



SHRA: 2019/20 Annual Performance Plan

OUTPUT INDICATORS	2020/21 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2020	Q2 Jul - Sep 2020	Q3 Oct - Dec 2020	Q4 Jan - Mar 2021
6.4.2. Percentage of Consolidated Capital Grant (CCG) allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups	30% of CCG allocation awarded to the designated groups

5.4.3. 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.

Planned performance over the medium term is hinged on the development and implementation of a Social Housing Growth Plan to achieve the 30 000 social housing unit's delivery target. Performance must include:

- 1) Finalise and submit the Social Housing Programme Growth Plan to the Minister of Human Settlements, Water and Sanitation for consideration;
- 2) Finalise and submit for consideration by the Minister, a five-year development plan for the delivery of social housing units in line with the PSHDAs;
- 3) 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;
- 4) Strengthen SHRA capacity to improve project implementation and compliance with CCG contractual obligations.
- 5) The units completion and delivered (tenants) targets have been revised downwards for the 2020/21 financial year due to low to zero construction activity having taken place in Quarter 1. The PD&F programme will, however, continue pursuing growth plan initiatives to upscale delivery, including through the following initiatives:
 - a. Notwithstanding the tough economic environment and lack of appetite by the commercial sector, the Programme will focus on securing debt funding for projects that will unlock units that are awaiting to meet Financial Closure in order to break ground;
 - b. 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;
 - c. Implement a proactive approach to source projects for investing at pipeline stage through provincial or region specific RFP procurement processes. This includes impelling provinces and the Department to approve RZs;
 - 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
- 6) To spatially reference all social housing projects and to develop and maintain the District Development Model.

5.4.4. PROGRAMME 4: RESOURCE CONSIDERATIONS

Programme 4: PROJECT DEVELOPMENT AND FUNDING	AUDITED		UNAUDITED	REVISED BUDGET	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

6. 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.
	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".

RISK	SOURCE OF RISK	RISK MITIGATION
	De-centralised and Ineffective stakeholder management	<ul style="list-style-type: none"> ▪ Improve/introduce MOI's and MOU's (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 COVID19 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. ▪ Benchmark, review and capacitate organisation structure.
	Inability to upscale the delivery of social housing.	<ul style="list-style-type: none"> ▪ 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 SHI's performance impacts with mitigations where required, including moratoriums on debt repayment, and reduction in municipal charges.

RISK	SOURCE OF RISK	RISK MITIGATION
		<ul style="list-style-type: none"> Policy reform process to develop clear standards for how to handle ODA's.
	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.
	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 SOP's 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.

RISK	SOURCE OF RISK	RISK MITIGATION
	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. ▪ 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 SOP's to formally ban unofficial/undocumented meetings between SHRA officials and existing or potential stakeholders and develop clear enforcement guidelines. ▪ Review SOP's 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.

7. 2020/21 MTEF BUDGET AND ESTIMATES

7.1. SUMMARY OF REVENUE FOR 2020/21 AND THE MTEF

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
Revenue:							
Operational Grant	46 815	51 980	55 201	58 204	60 939	63 123	66 910
Consolidated Capital Grant	851 658	743 640	723 706	725 747	764 646	791 144	838 613
Institutional Investment Grant	20 490	20 132	21 259	22 428	23 662	24 764	26 250
Rent Relief Grant	---	---	---	300 000	---	---	---
Regulations	8 000	10 000	10 560	11 141	12 255	13 481	14 289
Interest Earned	44 031	51 144	---	---	---	---	---
Total revenue:	970 963	876 896	810 726	1 117 520	861 502	892 512	946 062

As the performance of the entity improved, together with its heightened governance practices, the baseline was furthermore increased by 87.3% to R926.9 million, excluding interest earned, in (2017/18). In the same year, the administration status of the SHRA was lifted. As a result of the upliftment of the administration and implementation of the Organisational Development and turnaround approved in 2016. The implementation thereof occurred in the 2017/2018 financial year. This process has allowed the SHRA to increase its business maturity level and increased operational spend aligned to achievement of the MTSF 2014-2019 targets.

The operational grant has increased from R46.81m to R58.2 m representing an average annual growth from 2017/18 to 2020/21 of 7.5% with the outer years of the MTEF reflecting a constant amount or decrease in real terms.

Consolidated capital grant allocations indicate a 5.2% decrease from 2017/18 to 2020/21 (excluding the R300m grant allocated for rent relief), whereas the Institutional Investment Grant and amount allocated to Regulations reflect a 3.1% and 11.7% average compound increase over the same period.

Outer year estimates show a year on year increase from 2020/21 to 2021/22 of 5.4%, 2021/22 to 2022/23 an increase of 3.6% and between 2022/23- 2023/24 an increase of 6 %. The total revenue of R817.553m in 2020/21 to R946.06m in 2023/24 represents an average compound growth of 5% over the MTEF (excluding the R300m grant allocated for rent relief).

Included for the FY2020/21 is the allocation made through the supplementary budget adjustment of R300m for the disbursement of the Rent Relief Grant for qualifying beneficiaries.

7.1.1. QUARTERLY REVENUE ALLOCATIONS FOR THE 2020/21 FINANCIAL YEAR

The quarterly revenue budget breakdown for the 2020/21 financial year is as follows:

Revenue All Programmes (R'000)	Approved Budget Estimate	Quarterly Budget Breakdown (2020/21 Financial Year)			
	Annual 2020/21	Quarter 1 (Apr-Jun 2020)	Quarter 2 (Jul-Sept 2020)	Quarter 3 (Oct-Dec 2020)	Quarter 4 (Jan-Mar 2020)
Operational Grant	58 204	9 159	14 997	17 025	17 023
Consolidated Capital Grant	725 747	36 559	134 499	313 164	241 525
Institutional Investment Grant	22 428	1 645	5 770	7 895	7 118
Rent Relief Grant	300 000	-	-	100 000	200 000
Regulations	11 141	4 467	1 866	2 000	2 808
Total revenue:	1 117 520	51 830	157 132	440 084	468 474

7.2. SUMMARY OF ACTUAL AND BUDGETED EXPENDITURE

	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
Rand thousand	Audited Outcome	Audited Outcome	Unaudited 20 19/20	Budget	Budget	Budget	Budget
Current payments	52 396	77 430	89 593	69 345	73 194	75 930	81 201
Compensation of employees	27 777	38 143	39 984	42 630	46 076	48 841	51 771
Goods and services	24 619	39 287	49 609	26 715	27 118	27 089	29 430
Of which:							
Advertising	2 503	2 254	2 283	2 642	2 642	2 801	2 969
Audit costs	1 517	1 720	1 892	2 081	2 289	2 400	2 500
Bank charges	42	47	49	57	63	66	71
Communication	-	-	1 003	1 063	1 127	1 127	1 195
Computer services	553	1 122	576	1 120	1 140	1 208	1 281
Consultants	9 403	15 903	12 505	5 452	5 982	6 341	6 721
Impairment - debt	0	0	4 707				
Lease Payments	2 235	3 911	4 202	3 769	3 976	4 215	4 467
Legal fees	1 977	3 437	9 435	2 107	2 229	2 014	1 240
Non-life insurance	185	109	120	127	135	143	150
Repairs and maintenance	64	68	27	97	102	157	166
Research and development	-	-	-	-	-	674	715
Training and staff development	885	2 018	3 822	1 678	1 772	1 828	1 929
Travel and subsistence	2 650	3 921	3 899	1 900	1 834	847	1 961

Other unclassified expenditure	2 029	3 592	3 524	2 845	1 927	2 042	2 165
Operational costs	2 029	3 592	3 524	2 845	1 927	2042	2165
Depreciation	576	1 185	1 565	1 777	1 900	1 900	1 900
Transfers and subsidies	617 473	784 936	1 216 536	1 048 175	788 308	816 582	864 861
Rent relief - tenants				300 000	-	-	-
Institutional Investment Grants	18 746	10 783	13 705	20 401	21 432	22 311	23 552
Consolidated Capital Grants	598 727	774 153	1 202 831	727 774	766 876	794 271	841 309
Total Expenditure	669 869	862 366	1 306 129	1 117 520	861 502	892 512	946 062

It is envisaged that the allocation for Rent Relief will be expended fully in 2020/21.

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 R800m CCG fund is allocated to the SHRA per annum. Therefore, with a capital grant allocation of R271 862 per unit, only 2 943 social housing units can be delivered annually. At this rate of delivering 2 942 units annually, as permitted by the available and allocated funds, only 11 798 units can be delivered over the remainder of the MTSF period. While SHRA is expected to deliver 30 000 social units over the MTSF period, this cannot be achieved.

Legal fees during 2019/20 were extremely high, attributable to a court proceeding as a result of a labour matter as reported. In addition, 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 the all the pending cases and strengthened regulations.

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.

Marketing and communications has similarly been affected, leading to the possibility of an unrealised communication strategy. While the DoHS communication platform will be used for general communications, those pertaining to creating awareness of the SHRA and SHRA specific offerings require independent platforms that would be diluted when utilising a shared platform.

Travel related expenditure is expected to decrease substantially as a result of the COVID-19 pandemic.

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 implication of the 2020/21 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, a project accreditation administrator and capacitation of the precinct development function;
- 2) Deployment of an automated and integrated IT system;
- 3) Operational expenditure for the funding of grant officers required to administer the disbursement of the Rent-Relief Grant within the financial year;
- 4) Driving the SHRA's communications strategy and brand awareness to all key stakeholders.

7.2.1. QUARTERLY BUDGETED EXPENDITURE FOR THE 2020/21 FINANCIAL YEAR

The quarterly expenditure budget breakdown for the 2020/21 financial year is as follows:

Expenditure item (R'000)	Approved Budget Annual 2020/21	Quarterly Budget Breakdown (2020/21 Financial Year)			
		Quarter 1 (Apr-Jun 2020)	Quarter 2 (Jul-Sept 2020)	Quarter 3 (Oct-Dec 2020)	Quarter 4 (Jan-Mar 2020)
Current payments	73 156	16 709	18 952	17 803	19 692
Compensation of employees	42 630	8 998	11 222	11 206	11 204
Goods and services	30 493	7 711	7 730	6 581	8 471
Of which:					
Advertising	2 642	78	152	1 206	1 206
Audit costs	2 081	350	544	593	594
Bank charges	57	12	15	15	15
Communication	1 063	98	553	212	200
Computer services	1 120	131	400	294	295
Consultants	5 452	3 193	2 259	-	-
Impairment - debt		-			
Lease Payments	3 769	902	955	956	956
Legal fees	2 107	391	500	534	682
Non-life insurance	127	-	127	-	-
Repairs and maintenance	97	-	12	55	30
Research and development	3 000	-	750	1 125	1 125

Expenditure item (R'000)	Approved Budget	Quarterly Budget Breakdown (2020/21 Financial Year)			
		Annual 2020/21	Quarter 1 (Apr-Jun 2020)	Quarter 2 (Jul-Sept 2020)	Quarter 3 (Oct-Dec 2020)
Training and staff development	1 678	331	449	449	449
Travel and subsistence	1 900	-	200	850	850
Other unclassified expenditure	3 623	2 225	814	292	292
Operational costs	3 623	2 225	814	292	292
Depreciation	1 777	-			1 777
Transfers and subsidies	1 044 397	38 024	139 260	418 884	448 229
Rent relief - tenants	300 000	-	-	100 000	200 000
Institutional Investment Grants	18 650	1 465	4 761	5 724	6 700
Consolidated Capital Grants	725 747	36 559	134 499	313 160	241 529
Total Expenditure	1 117 520	54 733	158 212	436 671	467 904

8. PUBLIC ENTITIES

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

9. INFRASTRUCTURE PROJECTS

Not applicable to the Social Housing Regulatory Authority.

10. PUBLIC / PRIVATE PARTNERSHIPS

Not applicable to the Social Housing Regulatory Authority.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: ADMINISTRATION – TECHNICAL INDICATOR DESCRIPTIONS

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 divided by the number of planned audits to date, expressed as a percentage
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Internal Audit Progress report against the Internal Audit Plan ▪ Internal Audit Report tabled at Exco submitted to ARC for recommendation to Council ▪ 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 stakeholders (e.g. business units and provinces) ▪ 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)

Indicator Title 1.2.1.	Percentage compliance with Statutory reporting requirements
Definition	The indicator measures the level of compliance by the SHRA to key corporate governance requirements as outlined in legislation and other corporate governance guidelines/regulations (Social Housing Act, PFMA, Treasury Regulations and Guidelines etc.)
Source of data	<ul style="list-style-type: none"> ▪ Statutory reporting schedule ▪ Annual reports ▪ Previous annual reports ▪ Quarterly performance reports ▪ Emails confirming annual and quarterly report submissions to the National Department and National Treasury

	<ul style="list-style-type: none"> ▪ Proof of tabling (agendas / attendance registers) ▪ Interim and annual financial statements
Method of Calculation/ Assessment	Number of statutory reporting milestones successfully achieved divided by the number of scheduled reporting submissions
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Quarterly Statutory Reporting Progress report provided to Exco within the following quarter ▪ Proof of tabling
Assumptions	<ul style="list-style-type: none"> ▪ Non-cancellation or postponement or 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)

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 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	Unrestricted Access to records Availability of personnel Sensitivity of reports and implications Timeous conclusion of final reports
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% adherence to the Fraud and Corruption Prevention Policy
Indicator Responsibility	CEO

Indicator Title 1.4.1.	Percentage implementation of the approved Risk Management Plan
Definition	Risk management implementation plan is aligned to risk management strategy and unpacks specific risk management activities that will be implemented for the particular year, including responsible persons, resources required and targets
Source of data	Strategic and operational risk registers
Method of Calculation/ Assessment	Total number of planned risk measures implemented divided by the total number of planned mitigation measures for the year to date period, expressed as a percentage (i.e. x100%)
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Strategic Risk Register ▪ Progress Report to Exco/ARC submitted within the following quarter
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)

Indicator Title 1.5.1.	Percentage implementation of the annual Stakeholder Management Plan
Definition	Number of actual vs. planned milestones (expressed as a percentage) of the annually approved Stakeholder Management Plan implemented
Source of data	<p>Council approval of the Communications Strategy.</p> <p>Exco approval of the annual and Stakeholder Management Plan reflecting quarterly milestones.</p> <p>Implementation progress reports, with available portfolios of evidence.</p> <p>Revised quarterly communication and stakeholder management plan(s), if applicable and when necessary, noted and minuted by Exco</p> <ul style="list-style-type: none"> ▪ Q1: n/a ▪ Q2: Quarterly report reflecting achievement against the quarterly target of 80% achievement of the milestones of the annually approved Communications and Stakeholder Management Plan, tabled at Exco within 30 days of the following quarter ▪ Q3: Quarterly report reflecting achievement against the quarterly target of 80% achievement of the milestones of the annually approved Communications and Stakeholder Management Plan, tabled at Exco within 30 days of the following quarter ▪ Q4: Quarterly report reflecting achievement against the quarterly target of 80% achievement of the milestones of the annually approved Communications and Stakeholder Management Plan, tabled at Exco within 30 days of the following quarter
Method of Calculation/Assessment	Q2 to Q4: Number of planned milestones implemented divided by the total number of planned milestones for the year to date period, expressed as a percentage (i.e. x100%)
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Council meeting minutes reflecting approval of communications strategy, in Q1. ▪ Exco minutes (in Q1) reflecting approval of the annual Stakeholder Management Plan. ▪ Exco minutes confirming the tabling of each quarterly progress report ▪ Verify the supporting data of the reported progress
Assumptions	Approval of SHRA Communications Strategy in Q1 of the financial year
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 milestones of the annually approved Stakeholder Management Plan
Indicator Responsibility	Corporate Services Manager (Executive)

Indicator Title 6.1.1.	Percentage procurement spend to majority black-owned or controlled service providers
Definition	<p>The total Rand value of procurement spend on service providers that are majority black-owned or controlled (>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</p> <p>Controlled refers to non-profit companies that do not have ownership structures, but rather are controlled by a Board</p>
Source of data	<p>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:</p> <ul style="list-style-type: none"> Q1: Quarterly Supply Chain Report tabled at Exco, tabling at Exco within 30 days of the following quarter Q2: Quarterly Supply Chain Report tabled at Exco, tabling at Exco within 30 days of the following quarter Q3: Quarterly Supply Chain Report tabled at Exco, tabling at Exco within 30 days of the following quarter Q4: Quarterly Supply Chain Report tabled at Exco, tabling at Exco within 30 days of the following quarter
Method of Calculation/Assessment	Sum of the Rand value of procurement spend on service providers that are >50% black-owned or controlled 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
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"> 70% procurement spend to majority black-owned service providers
Indicator Responsibility	Corporate Services Manager (Executive)
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 or controlled 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	<p>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:</p> <ul style="list-style-type: none"> Q1: Quarterly Supply Chain Management Report tabled at Exco, within 30 days of the commencement of the following quarter Q2: Quarterly Supply Chain Management Report tabled at Exco, within 30 days of the commencement of the following quarter Q3: Quarterly Supply Chain Management Report tabled at Exco, within 30 days of the commencement of the following quarter Q4: Quarterly Supply Chain Management Report tabled at Exco, within 30 days of the commencement of the following quarter
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)	As per indicator.
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% procurement spend on designated groups
Indicator Responsibility	Corporate Services Manager (Executive)

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

Indicator Title 5.1.1.	Percentage of reporting SHIs and ODAs that meet 3 out of 5 of the primary performance benchmarks
Definition	<p>A compliant sector comprises Social Housing Institutions and Other Delivery Agents with stock under management that are in compliance with the SHRA's Performance Indicator and Benchmarks viz:</p> <ol style="list-style-type: none"> 1) Vacancy Rate; 2) Rental Collection; 3) Direct Cost-to-Income Ratio; 4) Tenant Turnover; 5) Operating Costs.
Source of data	<p>Data from quarterly SHI and ODA reports interpreted and populated into a summary of target and actual benchmark performance included in the Compliance Report tabled at Exco:</p> <p>Q1: 64% (18/28) of reporting SHIs and ODAs with units under regulation that meet 3 or more out of 5 of the primary benchmarks per quarter</p> <p>Q2: 68% (19/28) of reporting SHIs and ODAs with units under regulation that meet 3 or more out of 5 of the primary benchmarks per quarter</p> <p>Q3: 71% (20/28) of reporting SHIs and ODAs with units under regulation that meet 3 or more out of 5 of the primary benchmarks per quarter</p> <p>Q4: 71% (20/28) of reporting SHIs and ODAs with units under regulation that meet 3 or more out of 5 of the primary benchmarks per quarter</p>
Method of Calculation/Assessment	<p>On a quarterly basis to measure the performance of all reporting SHIs and ODAs against the primary benchmarks. 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 5 primary 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 5 benchmarks ▪ Exco minutes confirming the tabling of the report within 60 days of the quarter end.
Assumptions	<ul style="list-style-type: none"> ▪ Reported data from delivery agents is accurate, consistent and made available timeously; ▪ Systems to process data are available.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative

Reporting Cycle	Quarterly
Desired Performance	<u>Higher than targeted performance is desirable:</u> <ul style="list-style-type: none"> ▪ 71% (20/28) of reporting SHIs and ODAs meet 3 or more out of 5 of the primary benchmarks
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

Indicator Title 5.1.2.	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. Due to COVID-19 lockdown restrictions, tenancy audit targets have been halved and to take place in Q3 and Q4. The approach has also been reconsidered to rely on desktop activities requiring minimal interaction in response to the pandemic.
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: <ul style="list-style-type: none"> ▪ Q1: no target. ▪ Q2: no target. ▪ Q3: 500 subsidised housing units' tenancy audits conducted (cumulative year-to-date) ▪ Q4: 1 650 subsidised housing units' tenancy audits conducted (total for the year)
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> 1 650 subsidised social housing units' tenancy audits conducted
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

Indicator Title 5.1.3.	Number of subsidised housing units' building condition audits conducted
Definition	Building condition audits need to be conducted every 3 years to ensure the value of the rental stock is maintained. Due to COVID-19 lockdown. Due to

	COVID-19 lockdown restrictions, building condition audit targets have been halved and to take place in Q3 and Q4. The approach has also been reconsidered to rely on desktop activities requiring minimal interaction in response to the pandemic.
Source of data	Final building condition 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: Q1: 500 building condition audits Q2: no target Q3: 750 subsidised housing units' building condition audits conducted (cumulative year-to-date) Q4: 1 000 subsidised housing units' building condition audits conducted (total for the year)
Method of Calculation/ Assessment	Sum of the number of social housing units' building condition audits completed in the period as reflected in the final building condition audit reports
Means of verification / Evidence	Verification of numbers reported in the quarterly compliance reports against actual completed building condition audit reports, that are marked and confirmed by the SHRA as Final. Exco minutes confirming the tabling of the report within 30 days of the quarter end.
Assumptions	Only count units in the Final Building Condition 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> 1 000 subsidised housing units' building condition audits conducted
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

Indicator Title 5.2.1.	Number of Institutional Housing Subsidy projects brought under regulation
Definition	Regulation implies that the stock is managed by an accredited institution. Therefore, the SHRA facilitates an accredited institution to take over management of an Institutional Subsidy project or facilitates the existing management agent to become accredited Regulation is done through a property management agreement/ letter of intent with an accredited SHI or through the accreditation of the governing Institution
Source of data	Property management agreement or letter of intent with an accredited SHI, or accreditation certificate and Council Resolution approving the accreditation of the Governing Institution of the Institutional Housing Subsidy Project:

	<ul style="list-style-type: none"> ▪ Q1: Not applicable, no target ▪ Q2: Quarterly accreditation report tabled at Exco, within 30 days of the following quarter, including report on the number of Institutional Housing Subsidy projects brought under regulation ▪ Q3: Quarterly accreditation report tabled at Exco, within 30 days of the following quarter, including report on the number of Institutional Housing Subsidy projects brought under regulation ▪ Q4: Quarterly accreditation report tabled at Exco, within 30 days of the following quarter, including report on the number of Institutional Housing Subsidy projects brought under regulation
Method of Calculation/Assessment	Straight count of the number of Institutional Subsidy projects brought under regulation that meet the requirements for accreditation for the year to date period
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Verification of accreditation certificate and Council resolution, or ▪ Verification of property management agreement or letter of intent with an accredited SHI
Assumptions	None
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> 4 x Institutional Housing Subsidy projects brought under regulation per annum
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

Indicator Title 6.2.1.	Percentage of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled
Definition	<p>The number of projects in the pipeline that are from capital grant applicants that are black majority owned or controlled as a percentage of all capital grant applicants.</p> <p>Controlled refers to non-profit companies that do not have ownership structures but rather are controlled by a Board, this would be considered by the board composition or level of B-BBEE accreditation.</p> <p>The annual target has been revised upwards, effective from the second quarter, from 70% to 80%, to ensure a strengthened focus on the transformation agenda.</p>
Source of data	<p>Compulsory minimum requirement section in the accreditation application forms, supported by B-BBEE certificates/sworn affidavits of the SHIs and ODAs, reflecting quarterly information:</p> <ul style="list-style-type: none"> ▪ Q1: TEC report will reflect the number of projects in the pipeline and 70% of these will be from the target market. (black majority owned or controlled); documents from applicants verifying their status.

	<ul style="list-style-type: none"> ▪ Q2: TEC report will reflect the number of projects in the pipeline and 80% of these will be from the target market. (black majority owned or controlled); documents from applicants verifying their status. ▪ Q3: TEC report will reflect the number of projects in the pipeline and 80% of these will be from the target market. (black majority owned or controlled); documents from applicants verifying their status. ▪ Q4: TEC report will reflect the number of projects in the pipeline and 80% of these will be from the target market. (black majority owned or controlled); documents from applicants verifying their status. <p>All supporting documents filed for ease of reference and validation for auditing purposes.</p>
Method of Calculation/Assessment	Sum of the number of capital grant applicants over the year to date period that are majority black-owned or controlled (>50% black) divided by all capital grant applicants for the same period regardless of B-BBEE status, expressed as a percentage (i.e. x100)
Means of verification / Evidence	Verification of B-BBEE certificates/sworn affidavits of each capital grant applicant – SHI and ODA.
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)	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> <p>80% of projects in the pipeline are from capital grant applicants that are black majority owned or controlled</p>
Indicator Responsibility	Executive: Compliance, Accreditation and Regulation

PROGRAMME 3: SECTOR DEVELOPMENT AND TRANSFORMATION – TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title 3.1.1.	Percentage of preselected qualifying institutions supported through a customised incubation programme to have projects in the pipeline by the end of the financial year
Definition	To support and capacitate conditionally accredited SHIs and other delivery agents without projects in the pipeline to have projects in the pipeline 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 applications.</p> <ul style="list-style-type: none"> ▪ Q1: no target

	<ul style="list-style-type: none"> ▪ Q2: no target ▪ Q3: no target ▪ Q4: Final analytical report tabled to Exco, within 30 days of the following quarter, providing full detail of the incubation programme, the selected participants and the outcome of the programme in terms of approved project applications for the full financial year.
Method of Calculation/Assessment	Number of annual incubation programme participating SHIs and ODAs that started the financial year without projects in the pipeline and concluded the financial year with at least one project in the pipeline divided by the number of SHIs and ODAs pre-selected to participate in the annual incubation programme, expressed as a percentage (i.e. x 100)
Means of verification / Evidence	Verification of the approved project applications of the incubation programme participants
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	Progress over the period towards 40% of incubation participants from 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	Annual for performance assessment
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 50% (3/6) of incubation programme participants with projects in the pipeline by the end of the financial year
Indicator Responsibility	Executive: Sector Development and Transformation

Indicator Title 3.1.2.	Percentage 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
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 Intervention Plan to assist the SHI ▪ If applicable, the SHI may be assisted through an Institutional Investment Grant ▪ The Sector Development programme will liaise with the affected SHI 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>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, within 30 days of the following quarter, 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	<p>Number of SHIs that are identified by the CAR Programme, and approved by Exco and the SHI, to be assisted through the award of an IIG for a specific Intervention that upon completion of the work either maintains or improves their level of accreditation divided by The total number of SHIs identified by the CAR Programme, and approved by Exco and the SHI, that are assisted through the award of an IIG for a specific Intervention that work has been completed, 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 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)	<p>Preference given to the collective of enterprises owned by women, youth, PWDs and MVs</p>
Spatial Transformation (where applicable)	<p>Within strategically located areas allowed for by legislation and policy</p>
Calculation Type	<p>Cumulative (year-end)</p>
Reporting Cycle	<p>Annually</p>
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 75% of SHIs that received an IIG, of which the intervention is completed within the current financial year, either maintained or improved their level of accreditation
Indicator Responsibility	<p>Executive: Sector Development and Transformation</p>
Indicator Title 3.1.3.	<p>Percentage of identified projects that received an IIG, of which the work is completed within the current financial year, are recommended for capital grant award</p>

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 ▪ 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>Applicable Exco resolution, grant agreements, close out reports and TEC pack and minutes:</p> <p>Q1: no target Q2: no target 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 projects identified by the PD&F Programme, and approved by Exco and agreed to by the SHI or ODA, that are assisted through the award of an IIG for a specific Intervention and upon completion of the work are later recommended to the TEC for capital grant award divided by Total number of projects identified by the PD&F Programme, and approved by Exco and agreed to by the SHI or ODA, that are assisted through the award of an Institutional Investment Grant for a specific Intervention and whose work has been completed, 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)	<p>Preference given to the collective of enterprises owned by women, youth, PWDs and MVs</p>
Spatial Transformation (where applicable)	<p>Within strategically located areas allowed for by legislation and policy</p>
Calculation Type	<p>Cumulative (year-end)</p>

Reporting Cycle	Annually
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 75% of projects that received an IIG, of which the work is completed within the current financial year, are recommended to the TEC for capital grant award
Indicator Responsibility	Executive: Sector Development and Transformation

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 <p>The SHRAs provincial capacitation programme is aimed at ensuring provinces are achieving at least 4 out of 5 of the above criteria per annum</p>
Source of data	<p>Minutes of PSCs, agendas, attendance registers and sign-offs on project applications informing the provincial functional criteria compliance framework</p> <ul style="list-style-type: none"> ▪ Q1: n/a ▪ Q2: n/a ▪ Q3: n/a ▪ Q4: Final year-end report tabled at Exco within 30 days of the following quarter, 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	<p><u>Higher than targeted performance is desirable:</u></p> <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
Indicator Title 4.2.1.	Number of social housing projects with land availability agreements approved
Definition	A critical milestone of an effective local Social Housing Programme is ensuring the availability of land, the output being approved land availability agreements between municipalities and SHIs or ODAs. Municipalities thus commit to releasing land for social housing development
Source of data	Approved land availability agreement
Method of Calculation/Assessment	Straight count of the number of approved land availability agreements
Means of verification	Verification of B-BBEE certificates/sworn affidavits of each IIG recipient
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	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 3 social housing projects with land availability agreements approved
Indicator Responsibility	Executive: Sector Development and Transformation
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 that do not have ownership structures but rather are controlled by a Board.</p>
Source of data	<p>SD&T quarterly reports tabled at Exco and Exco resolution at which these reports were tabled. Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the IIG recipients:</p> <ul style="list-style-type: none"> ▪ Q1: SD&T quarterly report tabled at Exco within 30 days of the following quarter, including report on B-BBEE status of IIG recipients, supported by B-BBEE certificates/sworn affidavits ▪ Q2: SD&T quarterly report tabled at Exco within 30 days of the following quarter, including report on B-BBEE status of IIG recipients, supported by B-BBEE certificates/sworn affidavits

	<ul style="list-style-type: none"> Q3: SD&T quarterly report tabled at Exco within 30 days of the following quarter, including report on B-BBEE status of IIG recipients, supported by B-BBEE certificates/sworn affidavits Q4: SD&T quarterly report tabled at Exco within 30 days of the following quarter, including report on B-BBEE status of IIG recipients, supported by B-BBEE certificates/sworn affidavits
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 status for the same period, expressed as a percentage (i.e. x100)
Means of verification / Evidence	Verification of B-BBEE certificates/sworn affidavits of each IIG recipient
Assumptions	Validation of B-BBEE certificates and/or sworn affidavits
Disaggregation of Beneficiaries (where applicable)	Progress over the period towards 40% of IIG recipients being from the collective of enterprises owned by women, youth, PWDs and MVs
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> 70% of IIG recipients are majority black-owned or controlled
Indicator Responsibility	Executive: Sector Development and Transformation

PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING – TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title 2.1.1.	Number of social housing units completed
Definition	<p>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.</p> <p>Due to the impact of the COVID-19 lockdown restrictions on construction and development activities (mainly but not exclusively in Quarter 1), the target has been revised downwards for the 2020/21 financial year, from 5 800 to 4 006 units.</p>
Source of data	<p>Quarterly PD&F report reflecting the total number of units completed for the period. Practical completion certificates for each project, clearly reflecting the number of social housing units completed:</p> <ul style="list-style-type: none"> Q1: PD&F Exco Quarterly Report, on the number of social housing units completed for the quarter Q2: PD&F Exco Quarterly Report, on the number of social housing units completed for the quarter and year-to-date Q3: PD&F Exco Quarterly Report, on the number of social housing units completed for the quarter and year-to-date

	<ul style="list-style-type: none"> Q4: PD&F Exco Quarterly Report, on the number of social housing units completed for the quarter and year-to-date <p><i>Note: Each social housing unit reported as completed needs to be supported by a practical completion certificate, which is filed for ease of retrieval as a means of verification</i></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 2020/21 (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 backed up by a practical completion certificate
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"> 4 006 social housing units completed
Indicator Responsibility	Executive: Project Development and Funding

Indicator Title 2.1.2.	Number of social housing units delivered
Definition	<p>Units delivered refers to the 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> <p>Due to the impact of the COVID-19 lockdown restrictions on construction and development activities (mainly but not exclusively in Quarter 1), the target has been revised downwards for the 2020/21 financial year, from 6 000 to 3 870 units.</p>
Source of data	<p>Tenant list submitted by the grant recipient against the final milestone. Additional supporting evidence: Sample of Lease agreements:</p> <ul style="list-style-type: none"> Q1: PD&F Exco Quarterly Report detailing the number of social housing units delivered (tenanted) for the quarter, tabled at Exco within 30 days of the following quarter Q2: PD&F Exco Quarterly Report detailing the number of social housing units delivered (tenanted) for the quarter and year to date, tabled at Exco within 30 days of the following quarter

	<ul style="list-style-type: none"> ▪ Q3: PD&F Exco Quarterly Report detailing the number of social housing units delivered (tenanted) for the quarter and year to date, tabled at Exco within 30 days of the following quarter ▪ Q4: PD&F Exco Quarterly Report detailing the number of social housing units delivered (tenanted) for the quarter and for the full financial year, tabled at Exco within 30 days of the following 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 from 1 April 2020 to 31 March 2021
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ PD&F Exco Quarterly Report ▪ Verification that each social housing reported as delivered is supported by the approved tenant list ▪ Sample of lease agreement
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	<p><u>Higher than targeted performance is desirable:</u></p> <ul style="list-style-type: none"> ▪ 3 870 social housing units delivered in the 2020/21 financial year
Indicator Responsibility	Executive: Project Development and Funding

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 in Q1 annually based on the project pipeline, and submitted to the Department of Human Settlements for approval
Source of data	<p>Disbursement Schedule aligned to the cash flow projection:</p> <ul style="list-style-type: none"> ▪ Q1: PD&F Exco Quarterly Report detailing expenditure for the quarter, tabled at Exco within 30 days of the following quarter ▪ Q2: PD&F Exco Quarterly Report detailing expenditure for the quarter and year to date, tabled at Exco within 30 days of the following quarter ▪ Q3: PD&F Exco Quarterly Report detailing expenditure for the quarter and year to date, tabled at Exco within 30 days of the following quarter ▪ Q4: PD&F Exco Quarterly Report detailing expenditure for the quarter and cumulative year to date total as at 31 March 2020, tabled at Exco within 30 days of the following 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 cash flow projection in Q1 ▪ Cash flow submission to the Department by the end of Q2 ▪ Approval received for the cash flow projection in Q3 ▪ Disbursement Schedule ▪ Finance Report ▪ Audited Financial Statements
Assumptions	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) against total annual plan.
Reporting Cycle	Quarterly
Desired Performance	<p><u>Higher than targeted performance is desirable:</u></p> <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

Indicator Title 2.3.1.	Timeline for the submission of a 5-year development plan for delivery of 30 000 social housing units
Definition	In collaboration with DHS, the SHRA needs to develop and submit to the Minister a multi-year development plan for social housing in line with the Priority Development Areas
Source of data	<p>Council approved multi-year development plan, submitted to the Minister for consideration by the agreed timeframe.</p> <ul style="list-style-type: none"> ▪ Q1: n/a ▪ Q2: Council approved Development Plan submitted to the Minister for consideration. ▪ Q3: n/a ▪ Q4: n/a
Method of Calculation/Assessment	Verification submission
Means of verification / Evidence	<ul style="list-style-type: none"> ▪ Council minutes approving the Development Plan. ▪ Proof of submission of the Council approved Development Plan to the Minister in the 2nd quarter.
Assumptions	Support from the DHS to develop the Development Plan and submit within the set timeframe.

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	RZs and Priority Human Settlements Housing Development Areas (PHSDAs)
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	5-year development plan for delivery of 30 000 social housing units submitted by end Q2 2020/21
Indicator Responsibility	Executive: Project Development and Funding

Indicator Title 6.4.1.	Percentage of Consolidated Capital Grant (CCG) awarded to black majority owned / controlled enterprises
Definition	<p>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> <p>Controlled refers to Non-Profit Companies that do not have ownership structures but rather are controlled by a Board, this would be considered by the board composition or level of B-BBEE accreditation.</p>
Source of data	<p>PDF quarterly reports tabled at Exco and Exco resolution at which these reports were tabled. Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the CCG recipients:</p> <ul style="list-style-type: none"> ▪ Q1: PD&F Quarterly Report, including a report on the allocation of the CCG to black majority owned or controlled CCG recipient enterprises, tabled at Exco within 30 days of the following quarter. ▪ Q2: PD&F Quarterly Report, including a report on the allocation of the CCG to black majority owned or controlled CCG recipient enterprises, tabled at Exco within 30 days of the following quarter. ▪ Q3: PD&F Quarterly Report, including a report on the allocation of the CCG to black majority owned or controlled CCG recipient enterprises, tabled at Exco within 30 days of the following quarter. ▪ Q4: PD&F Quarterly Report, including a report on the allocation of the CCG to black majority owned or controlled CCG recipient enterprises, tabled at Exco within 30 days of the following quarter.
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 and their service providers, 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 CCG disbursed to black majority owned or controlled grant recipients ○ B-BBEE certificates/sworn affidavits of grant recipients; and/or ○ Joint venture registration documents

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	Higher than targeted performance is desirable: <ul style="list-style-type: none"> ▪ 70% of CCG allocation awarded to black majority owned enterprises
Indicator Responsibility	Executive: Project Development and Funding

Indicator Title 6.4.2.	Percentage of Consolidated Capital Grant (CCG) allocation awarded to the designated groups
Definition	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.
Source of data	PDF quarterly reports tabled at Exco and Exco resolution at which these reports were tabled. Availability of supporting documents, including B-BBEE certificates/sworn affidavits of the CCG recipients: <ul style="list-style-type: none"> ▪ Q1: PD&F Quarterly Report, detailing the allocation of the CCG to designated groups, tabled at Exco within 30 days of the following quarter ▪ Q2: PD&F Quarterly Report detailing the allocation of the CCG to designated groups, tabled at Exco within 30 days of the following quarter ▪ Q3: PD&F Quarterly Report, detailing the allocation of the CCG to designated groups, tabled at Exco within 30 days of the following quarter ▪ Q4: PD&F Quarterly Report, detailing the allocation of the CCG that are from the designated groups, tabled at Exco within 30 days of the following financial year.
Method of Calculation/Assessment	Rand value of the CCG that is awarded to the collective of 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 grant recipients and their service providers from designated groups, 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 CCG disbursed to grant recipients from designated groups ○ B-BBEE certificates/sworn affidavits of grant recipients; and/or ○ Joint venture registration documents

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Assumptions	B-BBEE certificates and/or sworn affidavits, and other supporting documentation are legally valid.
Disaggregation of Beneficiaries (where applicable)	Target at least 30% women, 10% youth, 2% PWDs and 5% MVs
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

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

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 estimated)	FIVE-YEAR TARGET (To March 2025)
Outcome 1: Functional, efficient and integrated government	1.2. Stakeholder satisfaction index	7.3	7.8

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Social Housing Regulatory Authority.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Social Housing Regulatory Authority.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL (DDM)

N°	SHIP	Project Name	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
1	2	Brandwag Ph 2	Greenfield	On hold	FS	Mangaung	-29.10436	26.18981
2	3	Hamptons	Greenfield	Tenancing	KZN	eThekweni	-29.88612	30.94843
3	3	Westgate Grange	Greenfield	Completed with Issues	KZN	Amajuba	-29.66180	30.37780
4	3	City Deep 3	Greenfield	Completed with Issues	GP	City of Johannesburg	-26.22456	28.07331
5	4	Ellaton	Greenfield	In planning	NW	Matlosana	-26.90508	26.65297
6	4	Dobsonville	Greenfield	Construction	GP	City of Johannesburg	-26.22794	27.85640
7	5	Steve Biko Murnford	Brownfield	Construction	EC	Nelson Mandela Bay	-33.95922	25.62213
8	5	Ocean View	Greenfield	On hold	EC	Buffalo City	-33.05530	27.82290
9	5	Flamwood	Greenfield	Tenancing	NW	Matlosana	-26.84518	26.70219
10	5	Devland	Greenfield	Construction	GP	City of Johannesburg	-26.27853	27.93760
11	5	The Block	Greenfield	Construction	WC	City of Cape Town	-33.92002	18.65271
12	5	Brandwag Ph 3	Greenfield	Tenancing	FS	Mangaung	-29.10443	26.19032
13	6	Devland/Golden Highway	Greenfield	Construction	GP	City of Johannesburg	-26.26412	27.97747
14	6	Plein Street	Brownfield	Construction	GP	City of Johannesburg	-26.19988	28.04754
15	6	Frischgewaagd Farm (NW)	Greenfield	In planning	NW	Bonjala	-25.37043	27.08154
16	7	Walmer Cosmo	Greenfield	Construction	EC	Nelson Mandela Bay	-33.96864	25.55332
17	7	Westonaria Bonwa	Greenfield	Construction	GP	West Rand	-26.33631	27.67285
18	7	Townlands Ph 1	Greenfield	Construction	GP	City of Tshwane	-25.74432	28.17357

SHRA: 2019/20 Annual Performance Plan

N°	SHIP	Project Name	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
19	7	Townlands Ph 2	Greenfield	Construction	GP	City of Tshwane	-25.74432	28.17357
20	7	301 Marshalltown	Brownfield	Tenancing	GP	City of Johannesburg	-26.20486	28.06132
21	7	Germiston Ext. 4	Greenfield	In planning	GP	Ekurhuleni	-26.21209	28.15493
22	7	Mogale Junction	Greenfield	Construction	GP	Mogale City	-26.15108	27.72964
23	8	Hillside View	Greenfield	Construction	FS	Mangaung	-29.18470	26.21730
24	8	Carnival Gardens	Greenfield	Construction	GP	Ekurhuleni	-26.26902	28.29436
25	8	Heideveld	Greenfield	In planning	WC	City of Cape Town	-33.97001	18.56183
26	8	Goodwood Station	Greenfield	In planning	WC	City of Cape Town	-33.91485	18.54715
27	8	Garankuwa	Greenfield.	Construction	GP	City of Tshwane	-25.57393	28.01066
28	8	Regent Villas Ph1	Greenfield	Construction	WC	City of Cape Town	-34.02734	18.57827
29	9	Kempton Village	Greenfield	Construction	GP	Ekurhuleni	-26.10331	28.22743
30	9	Mohlakeng	Greenfield	Construction	GP	West Rand	-26.22569	27.66152
31	9	Clayville	Greenfield	In planning	GP	Ekurhuleni	-25.98112	28.19289
32	9	Turfontein Gardens	Greenfield	Tenancing	GP	City of Johannesburg	-26.25077	28.03449
33	9	Sondela Village Phase 1	Acquisition	Tenancing	GP	Ekurhuleni	-26.29432	28.47328
34	9	Hope City 2	Greenfield	Construction	MP	Nkangala	-25.79615	29.46658
35	9	Polokwane Ext 76	Greenfield	In planning	LP	Capricorn	-23.87632	29.40274
36	9	John Street	Greenfield	Construction	EC	Nelson Mandela Bay	-33.76596	25.39574
37	9	Bothasig Gardens P3	Greenfield	Construction	WC	City of Cape Town	-33.86461	18.53401
38	9	Annadale (Ga-Rena)	Greenfield	Construction	LP	Capricorn	-23.88247	29.44549

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N°	SHIP	Project Name	Project Type	Project Status	Province	District Municipality	Latitude	Longitude
39	9	Little Manhattan	Acquisition	Tenancing	GP	City of Tshwane	-25.75539	28.09743
40	9	Bridge City	Greenfield	In planning	KZN	eThekwini	-29.72607	30.98922
41	9	Madison Loft	Acquisition	In planning	GP	Ekurhuleni	-26.25482	28.44082
42	10	Bridge City	Greenfield	On hold	KZN	eThekwini	-29.72479	30.98922
43	10	Hospital Street	Greenfield	In planning	KZN	Majuba	-27.77063	29.92964
44	10	Joes Place	Acquisition	In planning	GP	Tshwane	-25.74931	28.18656
45	10	Clayville	Greenfield	In planning	GP	Ekurhuleni	-25.94211	28.20567
46	10	Unity House	Brownfield	In planning	GP	City of Johannesburg	-26.20449	28.06075
47	10	Regent Villas Ph2	Greenfield	In planning	WC	City of Cape Town	-34.02690	18.57862
48	10	Sondela Village	Greenfield	In planning	GP	Ekurhuleni	-26.29505	28.47453
49	10	Phola Heights	Greenfield	In planning	GP	Ekurhuleni	-26.02672	28.20303
50	10	Hull Street	Greenfield	In planning	NC	Frances Baard	-28.73088	24.77657
51	10	Fochville Ext 11	Greenfield	In planning	GP	West Rand	-26.49102	27.47013
52	10	Conradie Park	Greenfield	In planning	WC	City of Cape Town	-33.92402	18.51945
53	10	Witfield Ridge	Greenfield	In planning	GP	City of Cape Town	-33.929152	18.44491
54	10	Kwandokuhle	Greenfield	In planning	GP	West Rand	-26.489232	29.201058
55	10	Willow Creek	Greenfield	In planning	MP	Gert Sibande	-26.530706	29.982286

Notes: Table above includes contracted projects reflected by PDF as at end June 2020

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 too:

"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:

3.2.1. Quantitative level: financial, and

3.2.2. 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 :	0.50%	0.50%	0.50%	
% level				
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

- 7.1. 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	Budget	Budget	Budget	Budget	Budget
Objective/Activity							
Operational grant	46 815	51 980	55 201	58 204	60 939	63 123	66 910
Consolidated Capital Grant	851 658	743 640	723 706	725 747	764 646	791 144	838 613
Institutional Investment Grant	20 490	20 132	21 259	22 428	23 662	24 764	26 250
Regulations	8 000	10 000	10 560	11 141	12 255	13 481	14 289
Rent Relief Grant				300 000			
Total Grant Allocation	926 963	825 752	810 726	1 117 520	861 502	892 512	946 062
Interest earned	44 031	51 144					
Total Revenue	970 994	876 896	810 726	817 553	861 502	892 512	946 062
Economic classification							
Current payments	52 396	77 430	89 593	69 378	73 194	75 930	81 201
Compensation of employees	27 777	38 143	39 984	42 630	46 076	48 841	51 771
Goods and services	24 619	39 287	49 609	26 715	27 118	27 089	29 430
Of which							
Advertising	2 503	2 254	2 283	2 642	2 642	2 801	2 969
Audit costs	1 517	1 720	1 892	2 081	2 289	2 400	2 500
Bank charges	42	47	49	57	63	66	71
Communication	-	-	1 003	1 063	1 127	1 127	1 195
Computer services	553	1 122	576	1 120	1 140	1 208	1 281
Consultants	9 403	15 903	12 505	5 452	5 982	6 341	6 721
Impairment - debt	-	-	4 707				
Lease Payments	2 235	3 911	4 202	3 769	3 976	4 215	4 467
Legal fees	1 977	3 437	9 435	2 107	2 229	2 014	1 240
Non-life insurance	185	109	120	127	135	143	150
Repairs and maintenance	64	68	27	97	102	157	166
Research and development	-	-	-	-	-	674	715
Training and staff development	885	2 018	3 822	1 678	1 772	1 828	1 929
Travel and subsistence	2 650	3 921	3 899	1 900	1 834	847	1 961
Other unclassified expenditure	2 029	3 592	3 524	2 845	1 927	2 042	2 165
Operational costs	2 029	3 592	3 524	2 845	1 927	2 042	2 165
Depreciation	576	1 185	1 565	1 777	1 900	1 900	1 900
Transfers and subsidies	617 473	784 936	1 216 536	1 048 175	788 308	816 582	864 861
Grants:							

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Rand thousand	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24
	Audited Outcome	Audited Outcome	Budget	Budget	Budget	Budget	Budget
Rent relief - tenants				300 000	-	-	-
Institutional Investment Grants	18 746	10 783	13 705	20 401	21 432	22 311	23 552
Consolidated Capital Grants	598 727	774 153	1 202 831	727 774	766 876	794 271	841 309
Total Expenditure	669 869	862 366	1 306 129	1 117 520	861 502	892 512	946 062

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	Unaudited	Revised budget	Budget	Budget	Budget
ASSETS							
Current assets	1 088 710	1 116 346	690 928	563 452	583 500	513 632	560 635
Current investments	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	856	1 074	32 452	13 452	7 500	635	635
Prepayments	-	-	-	-	-	-	-
Cash and cash equivalents	1 087 854	1 115 272	658 476	550 000	576 000	512 997	560 000
Non-current assets	2 067	9 842	10 301	8 816	7 403	6 056	4 868
Property, plant and equipment	1 818	7 842	7 267	6 540	5 886	5 298	4 768
Intangible assets	249	2 000	3 034	2 276	1 517	759	100
Total assets	1 090 777	1 126 188	701 229	572 268	590 903	519 688	565 503
LIABILITIES							
Current liabilities	86 440	144 566	132 454	124 684	110 996	101 544	97 071
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
Accrued interest	-	-	-	-	-	-	-
VAT payable	-	-	-	-	-	-	-
Current provisions	2 913	64 475	59 602	60 384	48 572	45 677	49 936
<i>Leave</i>	2 913	-	-	-	-	-	-
<i>Bonus</i>	-	3 039	3 260	3 500	3 675	3 675	3 859
<i>Interest capitalisation</i>	-	61 436	56 342	56 884	44 897	42 002	46 077
Current portion of unspent conditional grants and receipts	70 169	35 879	36 879	15 095	6 902	-	-
Consumer deposits	-	-	-	-	-	-	-
Current portion of operating lease liability	107	386	871	1 201	1 500	1 867	250
Total liabilities	86 440	144 566	132 454	124 684	110 996	101 544	97 071
NET ASSETS	1 004 337	981 622	569 775	462 542	473 233	417 960	468 432
Accumulated surplus / (deficit)	1 004 337	981 622	569 775	462 542	473 233	417 960	468 432
Reserves	1 004 337	981 622	569 775	462 542	473 233	417 960	468 432
Total net assets and liabilities	1 090 777	1 126 188	702 229	587 226	584 229	519 504	565 503

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	Budget	Budget	Budget	Budget	Budget
Cash flow from operating activities	253 029	36 954	(454 772)	(105 633)	26 427	(60 961)	49 168
Cash receipts from stakeholders	970 519	882 747	858 330	1 136 520	867 454	899 377	946 062
Transfers received	926 963	825 752	810 726	1 117 553	861 502	892 512	946 062
Other government units	926 963	825 752	810 726	1 117 553	861 502	892 512	946 062
Departmental transfers	926 963	825 752	810 726	1 117 553	861 502	892 512	946 062
Grants	926 963	825 752	810 726	817 520	816 502	892 512	946 063
Rent Relief				300 000			
Interest and rent on land	43 556	56 995	-	-	-	-	-
Interest	43 556	56 995	-	-	-	-	-
Recoveries	-	-	-	19 000	5 952	6 865	-
Cash paid to stakeholders	717 490	845 793	1 313 102	1 242 153	841 027	960 338	896 894
Current payments	48 477	81 596	88 415	74 270	74 955	73 340	83 509
Compensation of employees	26 201	35 288	41 839	42 663	46 076	48 841	51 771
Goods and services	20 077	43 816	23 000	22 201	24 002	23 000	24 550
Interest and rent on land	-	2 491	-	-	-	-	-
Transfers and subsidies	669 013	764 197	1 224 687	1 167 883	766 072	886 998	813 385
Cash flow from investing activities	(802)	(9 535)	(2 023)	-	1 500	-	-
Acquisition of property, plant, equipment & intangible assets	(802)	(9 777)	(2 023)	-	1 500	-	-
Other fixed structures	(596)	-	-	-	-	-	-
Furniture and office equipment	-	(7 832)	(916)	-	1 500	-	-
Software and other intangible assets	(206)	(1 945)	(1 107)	-	-	-	-
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	27 419	(456 795)	(105 633)	27 927	(60 961)	49 168
Cash and cash equivalent - opening	835 627	1 087 854	1 115 273	658 478	552 845	580 772	519 811
Cash and cash equivalent - closing	1 087 854	1 115 273	658 478	552 845	580 772	519 811	568 979

Assumptions

1. In the outer years all grant funds will be transferred to the SHRA.
2. In 2021 the CCG grant will continue with average disbursement of R1.1m

-
3. The SHRA will always roll over cash equivalent to R500m ensuring that money is available to meet commitments in Q1 of each new year.
 4. Re assessment of the newly developed IT system will be reviewed bi-annual
 5. A provision of R46k in respect of CCG commitments, thus lower cash outflow.
 6. The Rent Relief Fund will be expended in full in 2021.

ANNEXURE I: SCENARIOS TO ACHIEVE THE DELIVERY TARGETS

INTRODUCTION

In view of the target of 30 000 SH units to be delivered over the MTSF period (2019/20-2023/24) and for the purposes of SHRA's strategic planning cycle 2020/21-2024/25, several scenarios have been developed to guide resource decisions and discussion.

Four scenarios have been developed to illustrate the shortfall in grant funding required to achieve the 30 000 target. These are outlined as follows:

Scenario 1	Shortfall based on a constant grant quantum of R271,867 per unit
Scenario 2	Shortfall based on an inflation linked grant quantum as per policy
Scenario 3	Development cost approach based on Social Housing Greenfield cost of R438 772 per unit)
Scenario 4	Development cost approach based on Social Housing Brownfield cost of R393 946 per unit)

SUMMARY

Scenario	MTSF Shortfall (March 2019 Rand)	2020-25 Shortfall (March 2020 Rand)
1	3 181 175 605	3 056 035 021
2	3 512 681 841	3 773 521 626
3	4 854 316 127	5 158 648 575
4	4 605 651 170	4 901 922 478

ASSUMPTIONS

- 1) CCG Allocation as per budget 21/01/2020 and increased by 5.5% for FY2024/25;
- 2) Delivery of 6 000 units per annum over the five year period;
- 3) 4.6% Inflation rate used for grant and development cost escalation;
- 4) Retained cash surplus of R1.1bn used to offset budget shortfall;
- 5) Scenario 1 assumes that delivery agents are able to deliver feasible projects in the absence of grant indexing;
- 6) Scenario 2 Implies a grant quantum of R284 373 per unit in 2020/21;
- 7) Grant structure under Scenarios 3 & 4 based on the proportion of grant in relation to the development cost of a unit.

INFORMING THE STRATEGY

- 1) A critical factor in achieving the SHRA delivery target is addressing the current funding constraints;
- 2) Scenario 1 shows that a shortfall of R3bn is expected if a constant quantum would continue deliver feasible projects, Scenario 2 shows that the grant funding shortfall of R3.7bn over the period 2020/21-2024/25, while the use of a development cost approaches increases the shortfall to approximately R5bn over the 2020/21 to 2024/25 period;
- 3) An average of the four scenarios shows an anticipated deficit of R4.2bn at the start of FY2020/21;
- 4) Accordingly, the SHRA has deliberately included this as an Outcome Indicator 1.3 in the Strategic Plan being the “Rand value of additional grant funding sourced to address shortfalls in social housing projects” funding;
- 5) The SHRA will actively engage with key stakeholders, such as the National Department of Human Settlements, the Minister and National Treasury to source the additional funding required.