EASTERN CAPE DEPARTMENT OF HOUSING

PRESENTATION TO THE PORTFOLIO COMMITTEE ON HOUSING
13 MAY 2008

HOUSING CONDITIONAL GRANT EXPENDITURE
2007/08 FINANCIAL YEAR

ACTUAL OUTCOME
HOUSING CONDITIONAL GRANT
2007 / 08

- **HOUSING ALLOCATION 2007/08**   **R1,052 ,554**

LESS:

- **FUNDS SHIFTED TO NDOH**   **R   543,078**
  REVISED ALLOCATION 2007/08   **R   509,476**

LESS:

- **EXP. AS AT END MARCH 2008**   **R   391,955**
- **UNSPENT FUNDS**   **R   117,521**

HOUSING EXPENDITURE 2007 / 08
PER HOUSING INSTRUMENT

HOUSING INSTRUMENT	EXPENDITURE
MAINTENANCE HOUSING ASSETS	4,672,224
R7500 CAPITAL DISCOUNT	394,702
INDIVIDUAL SUBSIDIES	11,848,040
INFORMAL SETTLEMENT UPGRADING (BNG)	72,365,415
PROJECT LINK SUBSIDIES	30,653,880
INTEGRATED RESIDENTIAL DEV. PROGRAM.	30,689,151
PEOPLES HOUSING SUBSIDIES	89,141,625
ESTABLISHMENT GRANTS	1,880,506
INSTITUTIONAL SUBSIDIES	-4,801,105
HIV. FOSTER CARE HOMES	1,258,792
RURAL SUBSIDIES	18,149,015
RELOCATION ALLOW. SUBSIDIES	900
EMERGENCY HOUSING	11,273,731
NHBRC RECTIFICATION PROGRAM.	34,924,318
NHBRC ENROLMENT FEES	2,077,165
SERVCON - NORMAL & REGULARISATION	59,826,000
OPS. CAP	27,600,594
	R 391,954,953

OUTPUTS : NON FINANCIAL
2007/08

- Jobs created   2038
- Female contractors   12
- Emerging contractors   360
- Individual housing subsidies   613
- R7500 capital discount   618
- Houses completed   6794

  [Based on confirmed site-by-site survey in May 2008, but excluding units

  without finishes ;plumbing etc]

- Service sites completed   751
- Subsidies approved   4 648
- Title Deeds transferred   5 298

MONITORING CAPACITY
2007/08

- Department started off with high vacancy rate which affected M&E activities ito project management, oversight and inspectorate activities

- Contract employees were engaged as a continuity measure

- Notwithstanding, high ratio of no. of projects 9 inclusive of the closing out exercise) monitored per person. On average:

    Project Manager   : 21
    Clerk of Works/ Inspector:12

- Resultant challenge ito monitoring coverage & impact

Project Management Team Deployment At Start Of 2007/08 Fin-Year

DMA	DHLGA Inspector	Project Manager and/or Asst Pr. Manager	Clerk of Works	Total No. of Projects	Projects yet to be completed
Nelson Mandela	8	4	3	106	60
Cacadu		3	2	118	50
Amathole	9	4	2	72	46
Buffalo City		3	2	68	35
Chris Hani	1	3	3	52	38
Ukhahlamba	-	1	2	30	14
OR Tambo	4	2	3	40	33
Alfred Nzo		1	1	6	6
Totals	22	21	18	492	275

COUNTER-MEASURES

- Accelerated recruitment based on approved cganogram

- Current inspectorate average no. of projects pr person is still high especially given the fact of new and larger prœects being introduced as par of Operation Thunderstorm

- Re-deployment to respond to project work-load per district

- Entrenchment of upgraded Quality AssuranceSystem to ensure greater coverage & effectiveness and improve on Qulified Audit Report received during 2006/07

- Progressive engagement of Established Contactors with a view to tapping on their in-house construction management apability

- Employment of dedicated Principal Agents fothe larger project groupings of projects implemented by Established contrctor particularly to focus on Contracts Management and Administration fuction

Key factors which affected expenditure

- Poor on-site performance, with slow movement in Trust Accounts for the majority of projects, which are PHP

  Contributing factors:

  - Emerging contractor capacity shortfalls and cash-flow constraints which were execerbated by rampant material price escalation

  - Material supply constraints in some of the hinterland areas(ORTDM;CHDM] etc

  - Staff attrition in and institutional disruptions in the larger municipalities like the Metro, which carry the lions share of the provincial budget

Monthly Reports

- Based on municipal and/or Developer on-site performance, departmental Project Managers prepare following monthly reports:

  - Standard reports which track *actual* performance vs *planned,* with updating of Project Implementation Plans.

  - Updated Project Management Plans (PMPs) and Project Implementation Plans (PIPs)

- Developers put on terms upon evidence of persistence non-performance

Thank You

Comments & Questions