

080513 HOUSING

**PORTFOLIO COMMITTEE ON HOUSING  
PUBLIC HEARINGS: BUDGET VOTE NO. 26  
13 MAY 2008**

**Presented by:  
MEC: MALEFETSANE MAFEREKA  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
FREE STATE PROVINCE**



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# Budget Allocation 2007/08

Budget	Amount
Annual Appropriation	R 653 293 000
Plus: Roll over funds	R 215 000
Total Budget Allocation	R 653 508 000
Less: Amount withheld	R 100 000 000
Total Annual Budget	R 553 508 000



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# Expenditure 2007/08

	Budget	Spending	Balance	% Spending
Maintenance	R 4,350,000.00	R 0.00	R 4,350,000.00	0.00%
Human Settlement	R 4,300,000.00	R 4,300,000.00	R 0.00	100.00%
Individual Support	R 9,459,000.00	R 2,571,250.35	R 6,887,749.65	27.18%
Project Linked Support	R 436,129,000.00	R 414,946,209.13	R 21,182,790.87	95.14%
Institutional Subsidies	R 10,000,000.00	R 0.00	R 10,000,000.00	0.00%
Emergency Housing Assistance	R 10,000,000.00	R 0.00	R 10,000,000.00	0.00%
Rural Housing Support	R 4,350,000.00	R 0.00	R 4,350,000.00	0.00%
Affordable State Rental (Hostel)	R 4,350,000.00	R 0.00	R 4,350,000.00	0.00%
Discount Scheme	R 1,000,000.00	R 71,750.00	R 928,250.00	7.18%
Peoples Housing Process	R 69,570,000.00	R 51,270,736.29	R 18,299,263.71	73.70%
<b>Total</b>	<b>R 553,508,000.00</b>	<b>R 473,159,945.77</b>	<b>R 80,348,054.23</b>	<b>85.48%</b>



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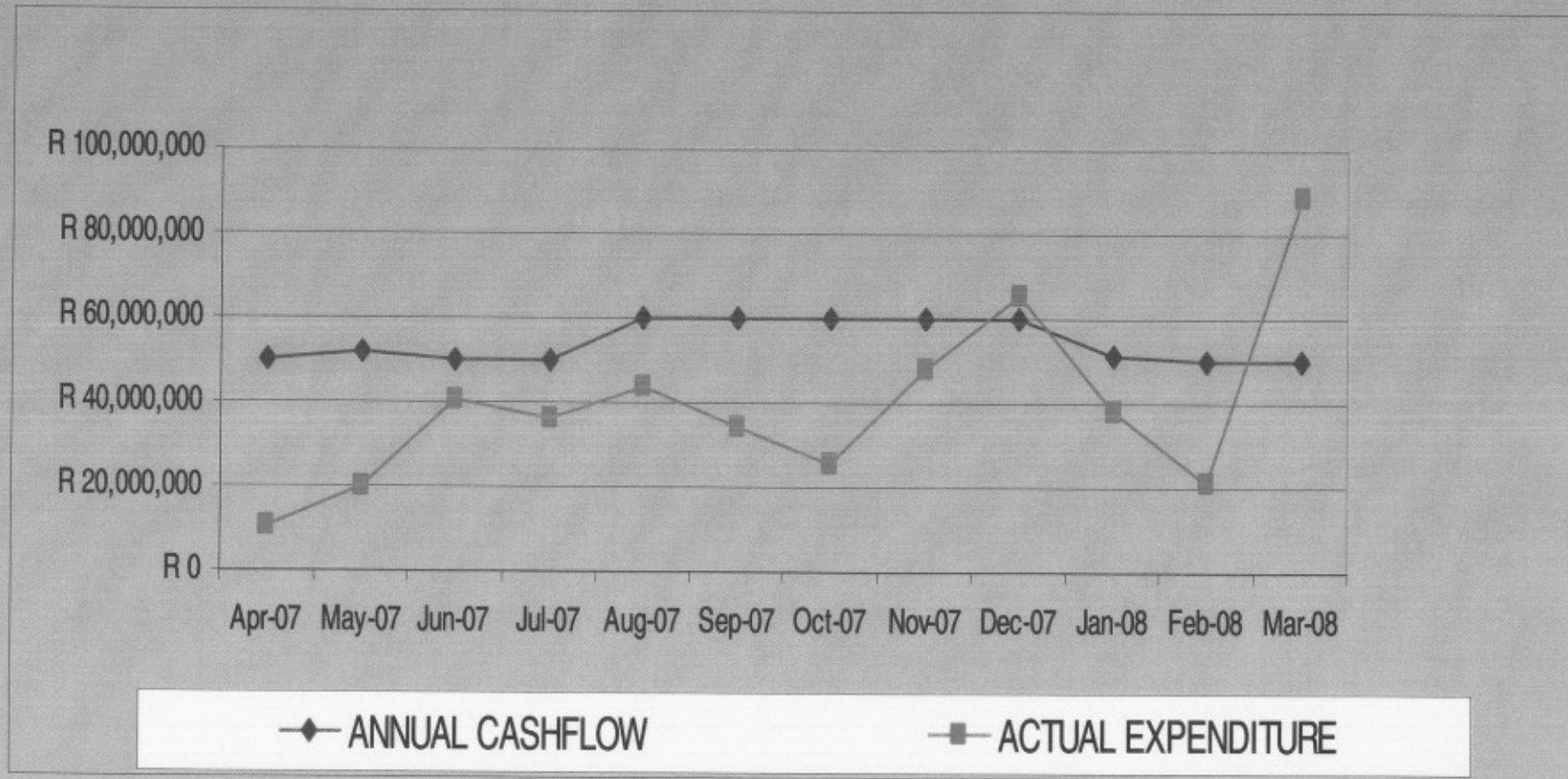
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# Cash flow 2007/08



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# SERVICE DELIVERY CHALLENGES

Challenges	Responses
Township registers are not in place in municipalities.	The Department will sign service level agreements with municipalities. The Department will verify that township registers are in place before allocations are made.
Varying capacity of contractors.	Most contractors are on the contractor development programme.
Unprecedented weather conditions in April and May (Rainy to very dry).	
Lack of capacity in Housing Component of Municipalities relating to the management of beneficiaries.	Intervention programmes in the major six towns are implemented, e.g. level one accreditation of Mangaung Municipality.



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# SERVICE DELIVERY CHALLENGES

Challenges	Responses
Experience shortage of skills (artisan) due to the competition brought about by bucket eradication.	Introduction of internship for artisans to accelerate skills acquisition. Appointment of consultants to assist with the following areas: - To audit informal settlements - To do housing inspections
Lack of capacity within the municipalities to draw Housing IDP Chapters. (resulting in lack of planning to deal with urban sprawl, rehabilitation costs and eradication of buffer strips)	Funds have been requested from NDOH to assist Municipalities with their Housing Sector Plans.
Lack of suitable land for housing development	Acquisition of land
Capacity of the Department in district level is low.	The Department is in the process of filling posts at district level.



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# Budget Allocation 2008/09



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# FINANCIAL INTERVENTIONS

	Units	Budget Amount	% of Budget
IND HOUSING CREDIT LINKED	40	R 1,793,264.00	0.23%
IND HOUSING NON CREDIT LINKED	40	R 1,793,264.00	0.23%
HOUSING FINANCE LINKED	600	R 20,816,336.00	2.69%
RELOCATION ASSISTANCE	360	R 16,139,376.00	2.09%
ENHANCED EXTENDED BENEFIT	1,000	R 45,386,600.00	5.88%
ATATE ASSET MAINTENANCE	250	R 220,000.00	0.03%
RECTIFICATION OF RDP STOCK	1,500	R 34,311,000.00	4.44%
SOCIAL AND ECONOMIC FACILITIES	4	R 5,000,000.00	0.65%
ACCREDITATION MUNICIPALITIES	1	R -	0.00%
ACCREDITED MUNICIPALITIES	4	R 32,000,000.00	4.14%
OPERATIONAL CAPITAL BUDGET		R 23,172,300.00	3.00%
UNBLOCKING OF BLOCKED PROJECTS	1,000	R 44,831,600.00	5.80%
NHBRC ENROLMENT	8,000	R 5,600,000.00	0.73%
HOUSING CHAPTER OF IDP'S	20	R 1,200,000.00	0.16%
<b>TOTAL</b>		<b>R 232,263,740.00</b>	<b>30.07%</b>



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# ***INCREMENTAL HOUSING PROGRAMMES***

	<b>Units</b>	<b>Budget Amount</b>	<b>% of Budget</b>
<b>INTEGRATED RESIDENTIAL DEV PROG PHASE 2</b>	<b>8,000</b>	<b>R 358,652,800.00</b>	<b>46.43%</b>
<b>PEOPLES HOUSING PROCESS</b>	<b>1,832</b>	<b>R 31,382,120.00</b>	<b>4.06%</b>
<b>EMERGENCY HOUSING ASSISTANCE</b>		<b>R 1,000,000.00</b>	<b>0.13%</b>
<b>TOTAL</b>		<b>R 391,034,920.00</b>	<b>50.63%</b>



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# OTHER HOUSING PROGRAMMES

	Units	Budget Amount	% of Budget
<b>SOCIAL AND RENTAL HOUSING</b>			
INSTITUTIONAL SUBSIDIES	300	R 13,449,480.00	1.74%
SOCIAL HOUSING: CAPITAL GRANTS FOR RENTAL	600	R 20,229,220.00	2.62%
COMMUNITY RESIDENTIAL	650	R 97,500,000.00	12.62%
<b>TOTAL</b>		<b>R 131,178,700.00</b>	<b>16.98%</b>
<b>RURAL HOUSING</b>			
FARM WORKER HOUSING ASSISTANCE	400	R 17,932,640.00	2.32%
<b>TOTAL</b>		<b>R 17,932,640.00</b>	<b>2.32%</b>
<b>GRANT TOTAL</b>		<b>R 772,410,000.00</b>	<b>100.00%</b>



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# THANK YOU



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