

Breaking New Ground In Housing Delivery



# human settlements

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

## PORTFOLIO COMMITTEE

### 2010/11 Conditional Grant Business Plan 26 March 2010

houses, security and comfort

**VISION: A NATION HOUSED IN SUSTAINABLE HUMAN SETTLEMENTS  
WITH ACCESS TO SOCIO-ECONOMIC INFRASTRUCTURE**

**MISSION: TO ESTABLISH & FACILITATE A SUSTAINABLE PROCESS  
THAT PROVIDES EQUITABLE ACCESS TO ADEQUATE HOUSING FOR ALL  
WITHIN THE CONTEXT OF AFFORDABILITY OF HOUSING & SERVICES  
& ACCESS TO SOCIAL AMENITIES & ECONOMIC OPPORTUNITIES**

# PURPOSE OF REPORT

- For the 2010 – 2011 financial year, the report will provide :
  - Summary of the Human Settlements Programmes per province.
  - information on provinces' focus areas i.t.o. Conditional Grant
  - Synopsis of the provincial priorities
  - An assessment of provinces' capability to attain the targets for ISU and Rental accommodation , the Department's focus area and national priorities
  - Overview of risks and assumptions .

# BACKGROUND

- **Mandate**
  - preparation of **Business Plans linked to the Conditional Grant**
  - Requirement for provinces to report on each of the projects / **Business Plan**
    - **Division of Revenue Act (DORA)**
    - **Grant Framework**
    - **PFMA, 1999: Treasury Requirements**

# GRANT ALLOCATION

PROVINCE	Funds Allocated R'000	AMOUNT R'000	Difference R'000
Eastern Cape	1,599,146	1,598,646	-500
Free State*		1,300,691	
Gauteng	3,771,831	3,771,831	0
KwaZulu-Natal*		2,714,109	
Limpopo*		1,234,750	
Mpumalanga*		975,863	
Northern Cape	377,879	273,260	-104,619
North West	1,288,770	1,288,770	0
Western Cape	1,829,000	1,868,843	39,843
<b>Total</b>	<b>8,866,626</b>	<b>15,026,763</b>	

# BUSINESS PLANS RECEIVED FOR 2010 - 2011

PROVINCE	Signed BP received	Compliance certificate received	Project list attached
Eastern Cape	✓	✓	✓
Free State*			
Gauteng	✓	✓	✓
KwaZulu-Natal*			
Limpopo*			
Mpumalanga*			
Northern Cape	✓	✓	✓
North West	✓		✓
Western Cape	✓		✓

# ALLOCATION PER HOUSING PROGRAMME PER PROVINCE

- Table 3
- Housing programmes
- Financial Interventions
- Incremental Housing
- Social and Rental
- Rural

# Human Settlement Delivery Priorities

- Cabinet Lekgotla
- SONA
- MTSF
- Outcome 8
  - Accelerate the Upgrading of Informal Settlements: 500 000 HH by 2014
  - Upscale development of Affordable Rental Housing Stock: Urban focused
  - Land Assembly for Human Settlements
  - National Settlement Infrastructure Development
  - Facilitate increased supply of affordable housing finance.

# Nat'l Priority Programmes

## Table 4

PROV.	Inf'l Settle't Upgrdg	% of Allocation	Social and Rental Housing	% of Allocation	Peoples Housing Process	% of Allocation	Credit linked	% of Allocation	Rectificatio n of RDP stock	% of Allocation	Allocation 2010/11 R'000
	Budget		Budget		Budget		Budget		Budget		
E. Cape	81,241,140	5.08	80,071,950	5.01	231,963,170	14.51	0	0.00	185,481,680	11.60	1,598,646
Gauteng	348,624,889	9.24	347,148,161	9.20	0	0.00	0	0.00	500,000	0.01	3,771,831
N. Cape	70,753,047	25.89	0	0.00	0	0.00	10,160,439	3.72	18,332,218	6.71	273,260
N/West	135,810,095	10.54	42,175,563	3.27	0	0.00	15,079,355	1.17	107,642,220	8.35	1,288,770
W.Cape	280,000,000	14.98	252,000,000	13.48	444,000,000	23.76	4,943,000	0.26	0	0.00	1,868,843
Total	916,429,171	6.10	721,395,674	4.80	675,963,170	4.50	30,182,794	0.20	311,956,118	2.08	15,026,763
Grand Total	2,655,926,927										
% of Allocat'n	17.67%										



# Informal Sett. Upgrading Table 5

Province	Sites Planned			Housing units planned			Funds Allocated
	2010/2011	2011/2012	2012/2013	2010/2011	2011/2012	2012/2013	2010/2011
E. Cape	4,294	-	-	3,954	-	-	81,241,140
Gauteng	2,405	2,171	2,050	2,974	3,378	4,660	348,624,889
N. Cape	-	-	-	1,099	-	-	70,753,047
N/ West	17,132	3,000	4,000	5,400	6,000	8,000	135,810,095
W. Cape	7,000	7,000	7,000	-	-	-	280,000,000
<b>Total</b>	<b>30,831</b>	<b>12,171</b>	<b>13,050</b>	<b>13,427</b>	<b>9,378</b>	<b>12,660</b>	<b>916,429,171</b>
Total		56,052			35,465		
Total Allocation							15,026,763
Percentage							6.10%

# Rental Housing

## Table 6

Province	Sites Planned			Housing units planned			Funds Allocated
	2010/2011	2011/2012	2012/2013	2010/2011	2011/2012	2012/2013	2010/2011
E. Cape	-	-	-	1,589	-	-	80,071,950
Gauteng	-	-	-	1,370	4,633	3,454	347,148,161
N. Cape	-	-	-	-	-	-	0
North West	-	-	-	105	400	500	42,175,563
W. Cape	-	-	-	3,000	1,500	1,500	252,000,000
<b>Total of provinces</b>	-	-	-	<b>6,064</b>	<b>6,533</b>	<b>5,454</b>	<b>721,395,674</b>
<b>Total</b>	<b>0</b>			<b>18,051</b>			
<b>Total Allocation</b>							<b>15,026,763</b>
<b>Percentage</b>							<b>4.80%</b>

# Nat'l Priority Programmes

	Sites Planned			Housing units planned			Funds Allocated		
	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
5 Priority Progr's	32,799	12,171	13,050	38,117	26,189	28,439	2,655,926,927	5,817,294,887	3,666,106,970
Other Progr's	159,072			113,141	77,138	79,726	11,873,643,000	5,033,682,004	5,049,016,554
<b>TOTAL</b>	191,871	12,171	13,050	151,258	103,327	108,165	14,529,569,927	10,850,976,891	8,715,123,524

# Provincial Priorities

- Integrated Residential Development Programme
  - Northern Cape 60.77%.
  - Eastern Cape 10.58%,
  - Gauteng 4%
- Project Linked subsidies
  - Western Cape 34.25%
  - North West 30.56%
  - Gauteng 19.52%
- Informal Settlement Upgrading
  - Northern Cape 40.56%
  - Western Cape 14.98%

# Eastern Cape Nat'l vs Prov. Priorities

National Priorities			
Top Five National Priorities	Total	% of Grant	Allocation
Informal Settlements	81,241,140	5.08%	1,598,646,000
Social and Rental Housing	80,056,950	5.01%	
Peoples Housing Process	231,963,170	14.51%	
Credit Linked	0	0.00%	
Rectification	185,481,680	11.60%	

Provincial Priority Programmes			
Top Five Housing programmes/priorities	Total	% of Grant	Allocation
Incremental Housing Interventions takes up the biggest portion of the Integrated Housing and Human Settlement Development Conditional Grant (IHSDCG),	1,031,618,603	64.50%	1,598,646,000
2.2b Integrated Residential Development Programme: Phase 2: Top Structure	661,833,744	10.58%	
1.6 Rectification of RDP Stock 1994- 2002	169,053,744	10.57%	
2.4 Enhanced People's Housing	115,981,585	7.25%	
2.5 Informal Settlement Upgrading	81,241,140	5.08%	
3.1 Institutional Subsidies	80,056,950	5%	

# Gauteng Nat'l vs Prov. Priorities

National Priorities			
Top Five National Priorities	Total	% of Grant	Allocation
Informal Settlements	348,624,889	9.24%	3,771,831,000
Social and Rental Housing	347,148,161	9.20%	
Peoples Housing Process	0	0.00%	
Credit Linked	0	0.00%	
Rectification	500,000	0.01%	

Provincial Priority Programmes			
Top Five Housing programmes/priorities	Total	% of Grant	Allocation
Incremental Housing Interventions takes up the biggest portion of the Integrated Housing and Human Settlement Development Conditional Grant (IHSDCG),	1,417,295,134	37.58%	3,771,831,000
Project Linked Subsidies serviced sites	736,183,069	19.52%	
Operational capital budget	470,482,851	12.47%	
Informal Settlement Upgrading	348,624,889	9.24%	
Community residential units	242,340,647	6.69%	
Consolidation Subsidies(Excluding blocked projects)	178,030,696	4.72%	

# Northern Cape Nat'l vs Prov. Priorities

Top Five National Priorities	Total	% of Grant	Allocation
Informal Settlements	110,825,786	40.56%	273,260,000
Social and Rental Housing	0	0.00%	
Peoples Housing	5,964,792	2.18%	
Credit Linked	13,524,000	4.95%	
Rectification	18,573,818	6.80%	

Top Five Housing programmes/priorities	Total	% of Grant	Allocation
Incremental Housing Interventions takes up the biggest portion of the Integrated Housing and Human Settlement Development Conditional Grant (IHSDCG),	327,490,000	119.85%	273,260,000
Integrated Residential Development Programme: <b>Phase 2: Top Structure Construction</b>	112,905,000	41.32%	
Informal Settlement Upgrading	110,825,786	40.56%	
Integrated Residential Development Programme: <b>Phase 1: Planning and services</b>	53,144,252	19.45%	
Project Linked Subsidies	42,600,456	15.59%	
Rectification of housing stock 1994- 2002	18,332,218	6.80%	

# North West Nat'l vs Prov. Priorities

Top Five National Priorities	Total	% of Grant	Allocation
Informal Settlements	186,601,338	14.48%	1,288,770,000
Social and Rental Housing	42,175,563	3.27%	
Peoples Housing Process	45,422,191	3.52%	
Credit Linked	15,079,355	1.17%	
Rectification	107,642	8.35%	

Top Five Housing programmes/priorities	Total	% of Grant	Allocation
Incremental Housing Interventions takes up the biggest portion of the Integrated Housing and Human Settlement Development Conditional Project Linked Subsidies	635,353,000	49.29%	1,288,770,000
Unblocking of blocked projects	393,856	30.56%	
Informal Settlement Upgrades	208,997	16.22%	
Rural Housing: Communal	186,601,338	14.48%	
Rectification of housing stock 1994- 2002	172,295,425	13.37%	
	107,642	8.35%	



# Western Cape Nat'l vs Prov. Priorities

Top Five National Priorities	Total	% of Grant	Allocation	Top Five Housing programmes/priorities	Total	% of Grant
Informal Settlements	280,000,000	14.98%	1,868,843,000	Incremental Housing Interventions takes up the biggest portion of the Integrated Housing and Human Settlement Development Conditional	1,482,400	79.32%
Social and Rental Housing	252,000,000	13.48%		Project Linked Subsidies	640,000	34.25%
Peoples Housing Process	444,000,000	23.76%		People's Housing Process (excluding informal settlement upgrading) -Amount disbursed for housing units	444,000,000	23.76%
Credit Linked	4,943,000	0.26%		Informal Settlement Upgrading	280,000,000	14.98%
Rectification	0	0.00%		Community Residential Units (CRU)	198,000,000	10.59%

# Concluding remarks

- Difficulty in obtaining Provincial Business Plans timeously
- Non alignment of provincial and National priorities
- Risk of not meeting the targets of Outcome 8
  - 500 000 hh by 2014
  - 30 000 rental units



**THANK YOU!**