

DEPARTMENTAL PERFORMANCE

JANUARY-MARCH 2012

PORTFOLIO COMMITTEE FOR HUMAN SETTLEMENTS

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”

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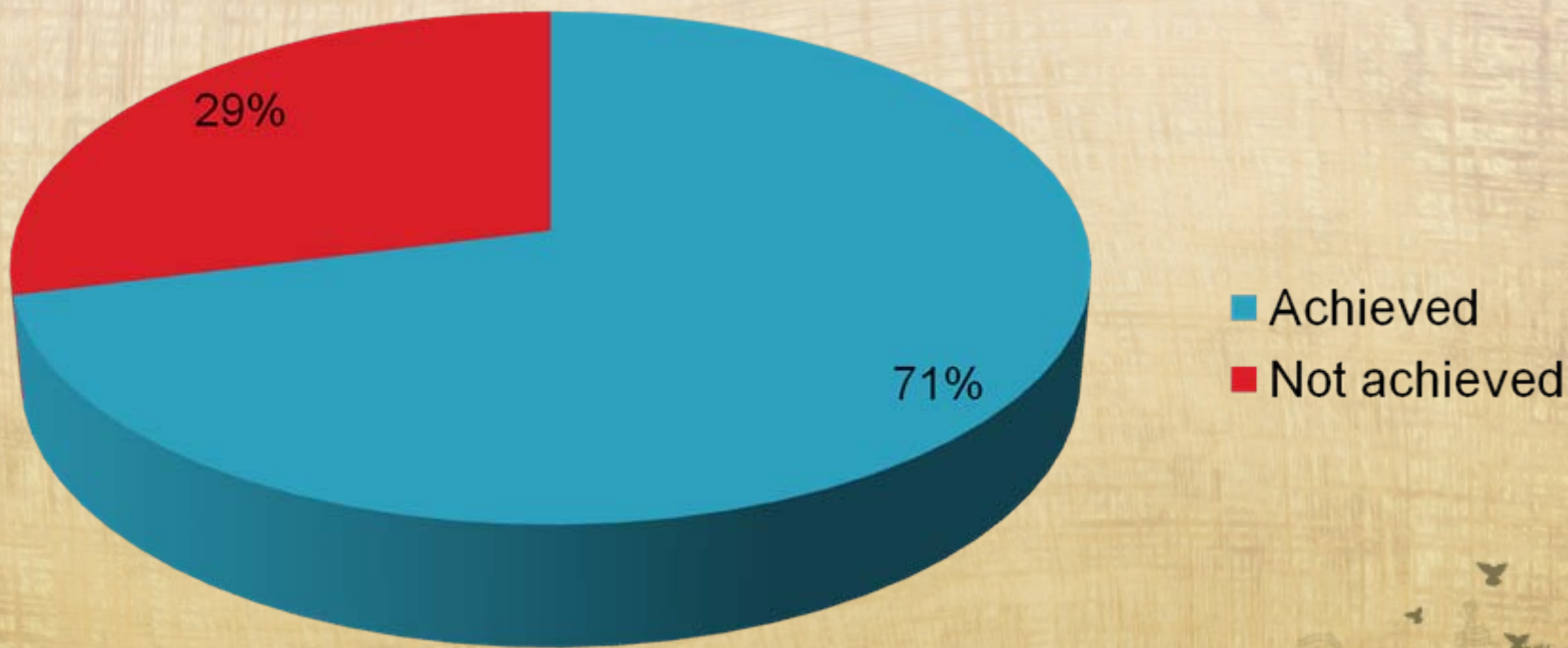
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January – March 2012 Performance Status

Programme / Sub-Programme	Total Approved Targets	Targets Achieved Total and (%)	Targets Not Achieved Total and (%)
DG's Office	31	20 (65)	11 (35)
Corporate Services (CS)	41	30 (73)	11 (27)
Housing Policy, Research and Monitoring (HPRM)	23	12 (52)	11 (48)
Housing Planning and Delivery Support (HPDS)	116	70 (60)	46 (40)
Housing Development Finance (HDF)	36	30 (83)	6 (17)
Strategic Relations and Governance (SRG)	58	55 (95)	3 (5)
National Department of Human Settlements (DHS)	305	217 (71)	88 (29)

Overall Departmental Performance



Communication And Outreach

- Women's build - Post 16 Days Aftercare programme done
- Preparation for Youth Build 2012 commenced
- Annual working session with youth formations developed, session scheduled for July 2012
- Launch of Northam Project
- Launch of Southernwood Square Social Housing project
- Launch of Jabulani Hostels
- Launch of Klarinet Mixed Settlement



Outcome 8 – Progress Report

- The Fifth Programme of Action Progress Report for Outcome 8, to 30 September 2011, was submitted to the Technical Implementation Forum and the Implementation Forum and was approved for submission to relevant Cabinet Cluster.
- The Cluster considered the report, which was well received, however it was noted that the report was a quarter behind and requested clarity which was provided by the DHS.
- A detailed progress report for Outcome 8 was submitted to the Presidency for the mid-term review .
- **Upgrading of Informal Settlements**
 - 91 358 serviced sites
 - 22,8% of total target of 400 000 households

- **Rental Accommodation**
 - 11 334 units
 - 14,2% of total of 80 000 units
- **National Upgrade Support Programme**
 - 46 (94%) out of 49 targeted Municipalities offered technical assistance;
 - Six Provincial NUSP structures have been established - EC, KZN,LP, MP, NC and WC;
- **Accreditation of Municipalities:**
 - 17 municipalities assessed by Capacity and Compliance Assessment Panel and are awaiting MEC's approval to be awarded with accreditation compliance certificates;
 - First tranche payments of USDG made to relevant Metropolitan Municipalities



- **Access to Basic Services**

- Sanitation: 2011/12 up to 30 September 2011 provided 158 337 households with access to sanitation facilities, bringing total since April 2010 to 418 709 households;
- Based on Cabinet Lekgotla decision, operational plans are developed to target areas where backlogs are the highest.

- **Release of Land for human settlement development**

- HDA has identified and assessed over 17 000 ha of state land for suitability for release in 2011/12 up to 30 September 2011;
- Total of 1 066 ha has been released to Municipalities while 1 329 ha is in advance stages of release.

- **Increased Urban Densities**

- National Department developed policy document to address the dynamics of Built Environment, will assist provinces and municipalities with increased densities;

- HDA identified 309 properties – 812,83 ha owned by Transnet for development of medium to high density
- Also developing mechanism to ensure that well located land released developed in accordance with higher density.
- **Land-Use Management framework**
 - Department of Rural Development and Land Reform released “Spatial Planning and land Use Management Bill for public consultation;
 - Comments received analysed and Department of Rural Development and Land Reform will engage key stakeholders to revise the Bill.
- **Mortgage Default Insurance Guarantee**
 - Concurrence from National Treasury is required to affirm the safety of the institutional arrangements to launch the MDI into the financial markets;
 - All commercial banks have confirmed interest in supporting project implementation.

- **Sustainable Human Settlements and Basic Services Task Team**
 - Convened jointly with COGTA and NDHS and reported on:
 - a) Rapidly Growing Towns and Cities;
 - b) Informal Settlement Upgrade Programme in the 45 municipalities;
 - c) Progress Report on the 23 Rural Municipalities identified by the Cabinet Lekgotla of June 2011;
 - d) Report by the Presidential Infrastructure Commission on SIP 7.

Job Creation

- The delivery of 116,056 completed houses and 56697 serviced sites from April 2011 to 31 March 2012 has sustained 81,868 employment opportunities.
- The information above is based on employment definition of one person employed for a period of one year.
- The employment opportunities created during financial year 2011/12 is composed of 54031 direct jobs created during the delivery on the ground, and
- 27,838 indirect jobs created from the suppliers of building material as well as expenditure from income of employees.



Accreditation Of Municipalities

- Assessment of three municipalities in the North West conducted and include Rustenburg, Tlokwe and Matlosana.
- Process of finalising implementation protocols with the accredited municipalities and Provincial Departments of Human Settlement.
- National accreditation task team meeting held to finalise outstanding issues including operational funding model, policy and legislative review



Turnaround Strategy

- The Turn-Around Strategy was approved
- The implementation date was the 1st of April 2012
- The Strategic and Annual Performance Plan was aligned with the Organisational Structure approved
- The Department is in the process of “bedding down” the strategy in the department in terms of improving and “ironing” out any duplications and/or amendments requirements as well as the budget and Strategic and Annual Performance Plan.

Sanitation

- **Screening and Preparation for Training of Beneficiaries**
 - A total of about 11 of the 13 supported municipalities were successfully engaged on the screening process
 - Project screened a total of about 946 candidates at Amajuba, Ngwathe, Kungwini, Nkomazi, Thembisile, Madibeng, Moretele, Joe Morolong, Blouberg, Mogalakwena and Eden Municipalities in preparation for the envisaged accredited sanitation related training soon to be rolled out
- **Rollout and implementation of EWSETA-funded Sanitation Learnership Programme**
 - Training targeted 65 learners at 5 municipalities (Amajuba, Blouberg, Joe Morolong, Moretele and Eden Municipalities) where 13 learners will be trained in each of these municipalities in Community Water, Health and Sanitation Promotion at NQF Levels 2 to 4 has not commenced yet. Implementation will commence once the various agreements are signed.



- **Rollout and Implementation of EWSETA-funded Sanitation LearnerShip Programme**
 - Planning by the DHS-EWSETA Project Steering Committee is ongoing and looks at planning and implementation of the approved training programme.
 - Various documents and tools have already been developed as part of the steering committee planning process undertaken to prepare for rollout of the EWSETA funded training and include the Project Steering Committee terms of reference; budget; learner forms; learnership agreement; Project Steering Committee communication strategy as well as the project implementation plan.
 - Sanitation Learnership Programme inception meetings were held with Joe Morolong, Moretele, Blouberg, Eden and Amajuba Municipalities
 - Project status quo report was submitted to the EWSETA, to brief the Board on progress.

Entities Performance

National Home Builders Registration Council

- In the fourth quarter, the NHBRC registered 708 new homebuilders against a target of 836
- The NHBRC has renewed the registrations of 2 931 registered home builders against a target of 3 002
- 8 461 homes were enrolled against a target of 8 293 in the quarter under review
- Only 253 homes were enrolled late in this quarter against a target of 414
- In the fourth quarter, 60 472 homes were enrolled against a target of 48 378
- 7 441 units were approved for project enrolment against a target of 26 263 units
- In the fourth quarter, the NHBRC approved 48 885 units for home enrolment against a target of 26 263 units



Housing Development Agency

- 9833.1676 hectares of state and SOE land was identified and a total of 35219.6132 hectares identified during the 2011/12 financial year.
- 2507.3527 hectares of private land was identified and a total of 21976.2528 hectares identified during the 2011/12 financial year.
- 43 pre-acquisition feasibilities and assessments were undertaken and a total of 156 pre-acquisition feasibility studies conducted in total in Free State, KwaZulu-Natal, Limpopo, Gauteng and North West provinces.
- Development plans on available and agreed state properties were developed in support of release of identified portions of land by the Minister of Public Works.
- 4142.062 hectares of state land in the North West Province (Rustenburg and Madibeng municipalities) are at advanced release stages by the Department of Rural Development and Land Reform for human settlements and tenure upgrading.



Housing Development Agency

- 295.2602 hectares of well-located privately-owned land in Ventersdorp for integrated sustainable human settlements are at advanced release stages to the HDA.
- An additional 13 598 hectares of state-owned land has been formally requested from custodian departments for human settlements development.
- The Provincial Department of Public Works in KwaZulu-Natal has formally released 11,1351 hectares of state land for human settlements development purposes.
- 478.4396 hectares of Public Work's land in Cape Town (Western Cape Province) and 94.0839 hectares in Johannesburg (Gauteng Province) are at advanced release stages to the HDA.



Social Housing Registration Authority

- **Investments Programme**

- SHIP 2B Investment Contract were signed with delivery agents;
- The Call for Proposals for SHIP 3A investment programme was published on the 25th of March 2012;
- Southernwood Square was launched by the Minister of Human Settlements on the 14th of February 2012; and
- First draft of the National Social Housing pipeline was completed and presented to a number of provinces for their endorsement.

- **Regulations**

- Successful Accreditation Ceremony for the 2012 Accreditation cycle with 3 institutions being fully accredited, 12 conditionally accredited and 13 being pre-accredited.

- **Corporate Services**

- The performance management system was successfully rolled out and concluded for the period under review.



National Urban Reconstruction Housing Agency

- The performance of the organization in the last quarter made it possible for NURCHA to reach the R1 billion mark in terms of loans issued on the affordable housing programme since inception, the fourth quarter contribution to this milestone is R71 300 162 which is 45% higher than the previous quarter
- NURCHA has just concluded an agreement with Public Investment Corporation (PIC) which will provide a greater funding scope for additional projects, in the fourth quarter alone, 3 of the targeted 6 contracts were received and this gives a good foundation for the next financial year.
- In the fourth quarter, NURCHA finalised the alignment of structure to the new strategy. this achievement will enable the organization to focus on driving the mandate of the organization
- Due to the intense marketing of the entity with regard to the infrastructure programme, the entity has meet all targets for this programme
- NURCHA was appointed as account administrator for Vulindlela PHP project and our effective cash flow management and timeous processing of payments has enabled the project to meet its targets



Rural Housing Loan Fund

- RHLF has awarded loans worth R346 381 176 for the quarter under review, against a target of R320 811 240, meaning that the entity has exceeded this target by R25 569 936.
- The entity disbursed R45 124 437 to its retail intermediaries against a target of R30 000 000, exceeding its target by 15 124 437.
- The entity has performed satisfactorily with respect to the actual number loans awarded, with 12 859 loans being awarded against a target of 9 475, although it is noted that the average loan size is slightly less than what was anticipated , the actual loan size was R3 509 against a target of R4 855 (the entity declined 19 783 loan applications)
- The Department has noted that the entity is attempting to control leakage, with 90% of the loan taken were for housing purposes, as opposed to the 80% that was targeted for



- The entity performing well with regards to the awarding loans to households earning R3 500 and less, with 51% of the total loans going to this group, although the target percentage was 60%
- The entity is still concentrating its efforts to rural areas, with 81,3% of the loans being awarded to households in non – metropolitan areas
- The entity is still securing new retail intermediaries and community based origination channels

National Housing Finance Corporation

- The NHFC has been able to leverage R2 billion from the private sector, which together with disbursements of R664 million contributed to the annual budget of the overall funding impact being exceeded by 32%
- During the year, 11 682 housing opportunities were created against a budget of 16 684. The Corporation achieved 80% of the value of approvals budget of R1 billion.
- Profits before tax for the fourth quarter period was R21 million against a budget of R61 million mainly impacted by impairments raised on the potential loss on the sale of the Retail book in the new financial year (impact R26 million) as well as the planned sale of the legacy stock of CTCHC which did not materialize (impact R20 million).



- The Corporate Plan for the Mortgage Default Insurance (MDI) was approved by the Board during the quarter under review, the key focus is now towards completion of the application for the insurance license to the Financial Services Board
- The TUHF capitalisation (delivered to date, 18 000 inner city units) has been concluded successfully with written commitments from both PIC and Future Growth to inject R50 million equity. The NHFC equity stake has been able to leverage R50 million equity, as well as debt funding totalling R700 million.

Financial Report

2011/12 Final Adjusted Allocation

Programmes	Original Allocation	Roll Overs	Additional funds	Virements	Total Adjustments	Final Allocation
1. Administration	232,435m	0	676,000	-11,000m	-10,324m	222,111m
2. Housing Policy, Research and Monitoring	39,215m	0	227,000	0	227,000	39,442m
3. Housing Planning and Delivery Support	156,163m	31,135m	713,000	12,000,000	43,848m	200,011m
4. Housing Development Finance	21,995,147m	26,008m	180,344m	-4,000,000	202,352m	22,197,499m
5. Strategic Relations and Governance	155,535m	7,496m	447,000	3,000,000	10,943m	166,478m
Total	22,578,495m	64,639m	182,407m	0	247,046m	22,825,541m

Adjustments

- Rollovers Approved from 2010/11 to 2011/12
 - R64,5 million approved
 - R31,1 m (ACIP); R26 m (RHIP); R3,1 m for Turnaround strategy development; and R4,3 m for SITA infrastructure services.
- Additional funds
 - R180 million for disaster relief;
 - R2,4 million for higher salaries adjustments.

Draft Programme Expenditure - 31 March 2012

Programmes	Adjusted Allocation 1	Committed 2	Expenditure 3	Variance = 1 - 3	% Spent
1. Administration	222,111,000	5,754,222	166,236,850	55,874,150	75%
2. Housing Policy, Research and Monitoring	39,442,000	1,432,832	32,865,671	6,576,329	83%
3. Housing Planning and Delivery Support	200,741,000	2,895,095	186,733,386	14,007,614	93%
4. Housing Development Finance	22,196,769,000	1,386,481	22,105,261,519	91,507,481	100%
5. Strategic Relations and Governance	166,478,000	3,415,151	105,064,198	61,413,802	63%
Total	22,825,541,000	14,883,780	22,596,161,624	229,379,376	99%

Preliminary Transfer Payments - 31 March 2012

Transfer Payments	Adjusted Allocation	Expenditure	Variance	% Spent
Human Settlements Development Grant	14,941,516,000	14,941,516,000	0	100%
Rural Households Infrastructure Development	257,508,000	172,874,242	84,633,758	67%
Urban Settlements Development Grant	6,266,998,000	6,266,998,000	0	100%
Housing Disaster Relief Grant	180,000,000	180,000,000	0	100%
Social Housing Regulatory Authority: Operational	19,305,000	19,305,000	0	100%
Rural Housing Loan Fund	49,500,000	49,500,000	0	100%
Housing Development Agency	89,100,000	89,100,000	0	100%
National Urban Reconstruction and Housing Agency	100,000,000	100,000,000	0	100%
Social Housing Foundation	3,018,000	-	3,018,000	0%
Social Housing Regulatory Authority: Capital Restructuring Grant	226,169,000	226,169,000	0	100%
Total	22,133,114,000	22,045,462,242	87,651,758	100%

Human Settlements Development Grant

Preliminary Spending analysis as at 31 March 2012

Provinces	Total Available R'000	1 April 2011 - 31 March 2012				
		Transferred Funds R'000	Spent by Provinces R'000	Variance Spent vs Total Available R'000	Spent as % of Total Available	Unspent as % of Total Available
Eastern Cape	2,177,676	2,177,676	1,897,076	280,600	87%	13%
Free State	913,907	913,907	903,431	10,476	99%	1%
Gauteng	3,804,611	3,804,611	3,786,015	18,596	100%	0%
KwaZulu-Natal	2,769,871	2,769,871	2,769,872	-1	100%	0%
Limpopo	1,398,914	1,398,914	1,259,394	139,520	90%	10%
Mpumalanga	916,677	916,677	916,673	4	100%	0%
Northern Cape	322,639	322,639	322,617	22	100%	0%
North West	998,376	998,376	1,148,708	-150,332	115%	-15%
Western Cape	1,638,845	1,638,845	1,635,001	3,844	100%	0%
Total	14,941,516	14,941,516	14,638,787	302,729	98%	2%

Preliminary Non-Financial Performance 31/03/12

Province	Annual Delivery Targets			Delivery Performance 31 March 2012			Variance Delivery sites	Variance Delivery Top Structure	Total Variance Delivery
	Sites(units)	Top Structure(units)	Total Delivery Targets	Sites	Top Structure(units)	Total Delivery Performance			
Eastern Cape	15,660	15,419	31,079	5,984	12,613	18,597	(9,676)	(2,806)	(12,482)
Free State	7,680	7,526	15,206	7,680	7,400	15,080	-	(126)	(126)
Gauteng	15,606	34,294	49,900	15,806	22,504	38,310	200	(11,790)	(11,590)
KwaZulu-Natal	8,860	25,587	34,447	5,449	22,286	27,735	(3,411)	(3,301)	(6,712)
Limpopo	3,000	13,410	16,410	1,759	13,426	15,185	(1,241)	16	(1,225)
Mpumalanga	8,235	10,394	18,629	-	7,695	7,695	(8,235)	(2,699)	(10,934)
Northern Cape	1,530	3,480	5,010	1,456	3,683	5,139	(74)	203	129
North West	8,688	17,883	26,571	10,559	16,333	26,892	1,871	(1,550)	321
Western Cape	13,085	12,640	25,725	8,004	10,116	18,120	(5,081)	(2,524)	(7,605)
Total	82,344	140,633	222,977	56,697	116,056	172,753	(25,647)	(24,577)	(50,224)

Urban Settlements Development Grant

Preliminary spending analysis as at 31 March 2012

Municipalities	Total Available R'000	1 April 2011 - 31 March 2012				
		Transferred Funds R'000	Spent by Municipality R'000	Variance Spent vs. Total Available R'000	Spent as % of Total Available	Unspent as % of Total Available
Buffalo City	423,446	423,446	79,699	343,747	19%	81%
Nelson Mandela	502,626	502,626	262,195	240,431	52%	48%
Mangaung	411,995	411,995	163,153	248,842	40%	60%
Ekurhuleni	1,094,276	1,094,276	504,305	589,971	46%	54%
City of JHB	1,027,970	1,027,970	470,176	557,794	46%	54%
City of Tshwane	891,081	891,081	349,874	541,207	39%	61%
eThekweni	1,091,574	1,091,574	558,323	533,251	51%	49%
City of Cape Town	824,030	824,030	287,972	536,058	35%	65%
Total	6,266,998	6,266,998	2,675,697	3,591,301	43%	57%

Thank You



human settlements

Department:
Human Settlements
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