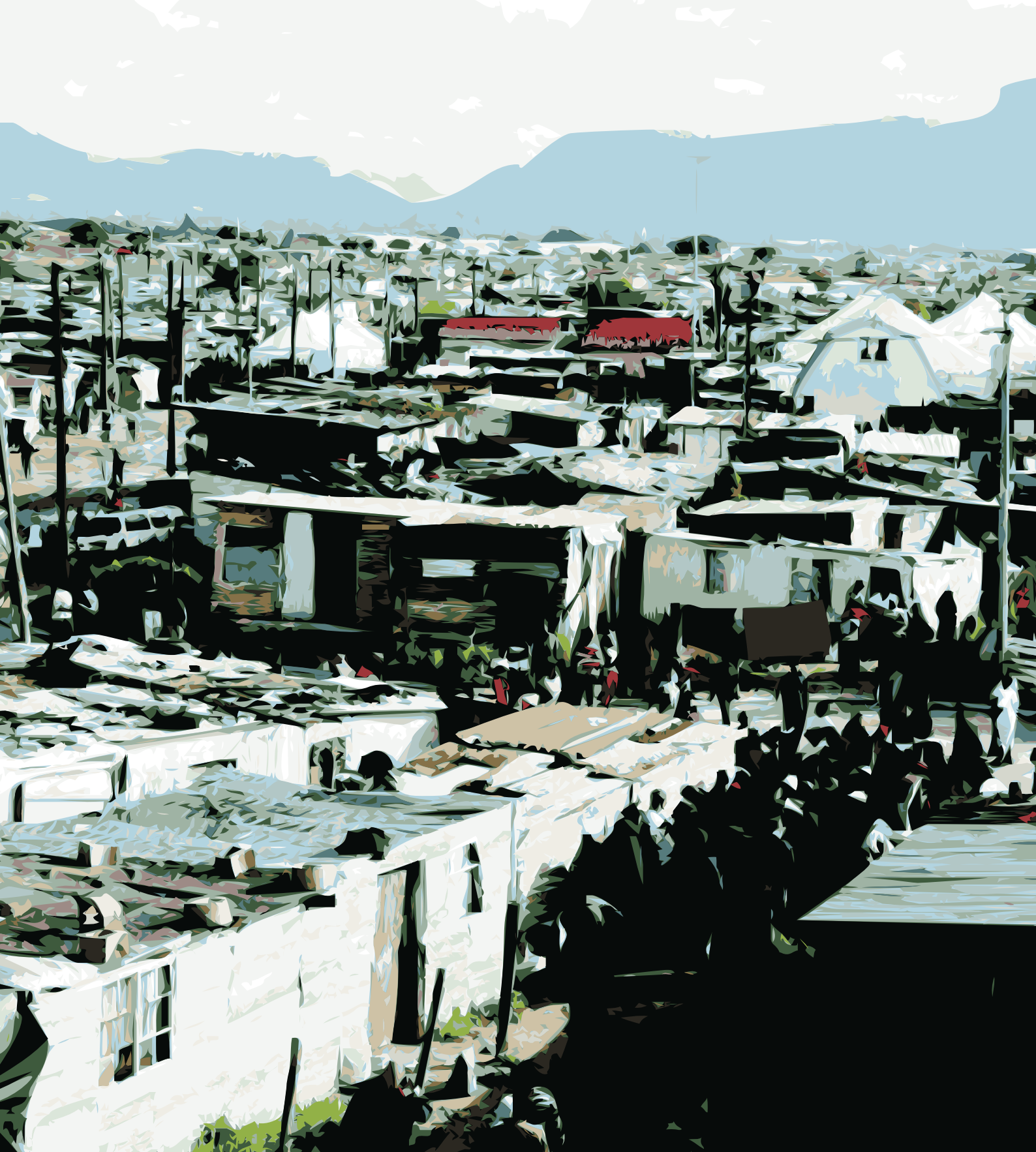




housing

Department:
Housing
REPUBLIC OF SOUTH AFRICA

GENERAL INFORMATION



PART I

I. GENERAL INFORMATION

I.1 INTRODUCTION BY THE HEAD OF THE INSTITUTION AND SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

During the 2008-2009 period under review, the Department of Housing managed to accelerate housing delivery and attend to institutional challenges so as to improve delivery. In this regard, the department successfully completed the necessary administrative processes for the closure of Thubelisha Homes and Servcon Housing Solutions.

The establishment of the Housing Development Agency will help the department realise the objective of creating sustainable human settlements with access to the necessary socio-economic infrastructure. In the same vein, work commenced on the realignment of the Social Housing Foundation with the objectives of the Comprehensive Plan for the Creation of Sustainable Human Settlements (Breaking New Ground (BNG)).

To meet the growing demand for human settlements, the department was restructured to align it with the requirements of BNG. Some of the responsibilities of the Branch: Service Delivery Support as captured in the ENE, were reassigned to other units whereas some functions were amplified in the remaining functions.

The Branch: Policy and Research continued to pursue the development of policy and strategies contained in BNG. In line with its revised mandate, it strengthened its focus on policy assistance to a variety of stakeholders through the newly created Directorate: Policy Development Assistance. The National Housing Code, together with a number of new policy instruments, was approved by the Minister and the MEC's (MinMec) in February 2009 and will be published in the new financial year. A considerable number of *ad-hoc* tasks consumed substantial capacity, but were nevertheless completed.

In some instances policy development processes were delayed owing to further consultations and intergovernmental cooperation requirements, which posed challenges in the finalising of policy instruments. Since research underpinned policy development, a number of research papers were developed to inform departmental policy decisions and programme evaluation. The Branch: Policy and Research, through the Chief Directorate: Monitoring and Evaluation, developed and launched a Monitoring, Evaluation and Impact Assessment Policy and Implementation Framework for the housing sector. The latter also makes provision for a monitoring, evaluation and impact assessment (MEIA) system that will enable all three spheres of government to report on their performance in respect of the implementation of BNG against a set of measurable indicators.

The monitoring system was enhanced to monitor provincial housing departments in meeting targets set in the various provincial business plans. The Chief Directorate: Monitoring and Evaluation implemented a project-level

monitoring process to verify and validate the value of products delivered under the conditional grant. The Chief Directorate also initiated a comprehensive beneficiary occupancy audit to verify occupants against beneficiary lists.

In the period 2008 to 2009, the Chief Directorate: Priority Projects oversaw the implementation of priority housing projects across the country. Agreements of cooperation among the three spheres of government were concluded for the Klarinet Project and the Khutsong Redevelopment Initiative. Implementation agreements were finalised among the executive principals of administration of the three spheres of government for the Klarinet Housing Project, the Khutsong Redevelopment Initiative and the Lerato Park Housing Project.

During the year under review, 4 000 subsidised housing units were handed over to beneficiaries of the N2 Gateway Housing Project and the partnership between government and the banking sector enabled the construction of bonded housing units for mixed-income households with the emphasis on sustainability.

To Dr L Sisulu, MP, Minister of Housing

I have the honour of submitting the 2008/2009 Annual Report of the National Department of Housing in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).



MR I W KOTSOANE

DIRECTOR-GENERAL

Date: 31 May 2009

1.2 INFORMATION ON THE MINISTRY

1.2.1 Activities in which the ministry was involved during the year under review

Minister L N Sisulu was involved in the following activities during the 2008/2009 financial year:

The Minister attended the following conferences:

- 16 July 2008: Third Barbara Ward Lecture (London), where she delivered the keynote address
- 30 July 2008: Second Meeting of the African Ministerial Conference on Housing and Urban Development, where she delivered a paper
- International Urban Poor Fund (India), which she chaired
- 20–21 February 2009: International Urban Poor Fund Board Meeting (Brazil), which she chaired.

The Minister undertook the following official visit abroad:

- 13 October 2009: Third IBSA meeting (India).

In addition to the international engagements mentioned above and parliamentary activities that included presentations on the budget vote debates to both the National Assembly and the National Council of Provinces (NCOP) on 28 and 30 May 2008, respectively, participation in and presentations to various media briefings and answering of parliamentary questions, the Minister also delivered the following key presentations during the year under review:

- 8 May 2008: Introduction of the Housing Development Agency Bill (NA)
- 13 May 2008: Introduction of the Housing Development Agency Bill (NCOP)
- 25 June 2008: Introduction of the Social Housing Bill (NCOP)
- 30 July 2008: Address at the Second Meeting of the African Ministerial Conference on Housing and Urban Development
- 15 August 2008: Handover of houses at Zanemvula
- 21 August 2008: Launch of Signal Hill houses
- 27 August 2008: Public lecture and debate on the contribution made by Professor Adduparai in the elimination of the housing backlog
- 29 September 2008: Address at the International Housing Finance Conference
- 10 October 2008: Hosting of the Second Govan Mbeki Housing Awards
- 2 March 2009: Hosting the launch of Housing Development Agency.

MinMEC, which comprises the Minister of Housing and provincial MECs for Housing, met on the following dates to discuss housing delivery and the successful implementation of BNG:

- 21–22 May 2008, in Pretoria
- 8 July 2008, in Johannesburg
- 21–22 August 2008, in Durban
- 19–20 November 2008, in Port Elizabeth
- 16 January 2009, in Johannesburg.

During the period under review the Minister attended and launched the following housing-related developments and projects:

- April 2008: Housing exhibition at the Rand Easter Show
- 9 and 10 April 2008: Imbizo in Limpopo
- 8 April 2008: Sod turning at the Limpopo Integrated Human Settlement Project
- 1 May 2008: Hosting of women politicians from Sri Lanka with a special interest in poverty alleviation, at the University of Cape Town (UCT)
- 7 August 2008: Handover of houses built by women in celebration of Women's Month, in Kimberley
- 15 August 2008: Launch of the Zanemvula Housing Project, in Port Elizabeth
- 30 September 2008: Launch of the Sareleng Housing Project, in North-West Province
- 23 October 2008: Handover of 1 000 houses at Delft
- 26 October 2008: N2 Gateway handover of 1 000 houses at Delft
- December 2008: N2 Gateway handover of 1 000 houses at Delft
- 27 February 2009: Launch of rectification housing projects, in the Eastern Cape Province
- 5 March 2009: Launch of the International Innovation Hub, in the Western Cape Province
- 31 March 2009: Launch of the FNB/Joe Slovo Second Phase of the N2 Gateway project.

The Minister also made several site visits and attended imbizos throughout the country. These visits afforded her the opportunity to experience first hand the appreciation of beneficiaries of projects implemented successfully as part of the housing programme since 2004. She also shared in the experiences of communities in areas where projects had been implemented but who were still awaiting their turn to benefit from the initiatives, and met with communities who are themselves assisting government by finding their own housing solutions.

In addition to first-hand information and testimony from communities who experienced the joy of accessing housing opportunities provided by the government's housing programme, the Minister also heard of problems such as substandard houses. In many cases, houses that failed to meet the required minimum norms and standards could be ascribed to unscrupulous partners who were alleged to have acted in collusion with government officials. These irregularities are being pursued by departmental task teams investigating corruption and maladministration in the implementation of the housing programme. All these experiences – the negative as well as the positive – gave the Minister insight in her role in providing directives for corrective and pro-active policy interventions to address the matters raised.

1.2.2 Public entities reporting to the Minister of Housing

The following institutions reported to the Minister during the year under review:

- Servcon Housing Solutions
- Thubelisha Homes
- National Home Builders Registration Council (NHBRC)
- National Housing Finance Corporation (NHFC)
- National Urban Reconstruction and Housing Agency (NURCHA)
- Rural Housing Loan Fund (RHLF)
- Social Housing Foundation (SHF)
- Housing Development Agency (HDA).

1.3 VISION

A nation housed within sustainable human settlements with access to the necessary socio-economic infrastructure.

1.4 MISSION

To establish and facilitate a process that is sustainable and that provides access to affordable homes within the context of sustainable human settlements and economic opportunities for all.

1.5 LEGISLATIVE AND OTHER MANDATES

1.5.1 Legislative mandates

1.5.1.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Section 26(1) of the Constitution enshrines access to adequate housing as a basic right of all South Africans. The state is compelled to take reasonable measures within its available resources, including the introduction of legislation, to work towards ensuring that all South Africans enjoy this right (Section 26(2)). The legislation that the Department of Housing promulgated and implemented to date falls squarely within this Constitutional imperative. In terms of Schedule 4 of the Constitution, national and provincial governments have concurrent legislative competence in respect of housing.

Section 214 provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government. This was taken into account in the housing grant allocation formula.

1.5.1.2 Housing Act, 1997 (Act 107 of 1997)

The Housing Act requires the Minister of Housing to determine national housing policy and programmes and negotiate funding for such programmes.

The Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997 through existing legislation and the National Housing Code. Section 2 of the Housing Act compels all three spheres of government to prioritise the needs of the poor in housing development (section 2(1)(a)). All three spheres of government must ensure that housing development:

- provides as wide a choice of housing and tenure options as is feasible
- is economically and socially affordable and sustainable
- is based on integrated development planning
- is administered in a transparent, accountable and equitable manner that upholds good governance practices (section 2(1)(c)).

1.5.1.3 Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act repealed the Prevention of Illegal Squatting Act, 1951 (Act 52 of 1951) and makes provision for a fair and equitable process when evicting people who have unlawfully invaded land. The

Act makes it an offence to evict without following the due process of law.

1.5.1.4 Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998)

This Act provides for the establishment of a statutory body for homebuilders. The NHBRC registers builders engaged in certain categories of housing construction and regulates the home-building industry by formulating and enforcing a code of conduct. Implementation of the Act is monitored continuously.

1.5.1.5 Rental Housing Act, 1999 (Act 50 of 1999)

This Act repealed the Rent Control Act, 1976 (Act 80 of 1976) and defines government's responsibilities around rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, the Act lays down general requirements for leases and principles for conflict resolution in the rental housing sector. It also makes provision for the establishment of rental housing tribunals and defines the functions, powers and duties of these tribunals. The duty of establishing rental housing tribunals resides with the provinces.

Work in the fields of social and / or rental housing work is informed by the Social Housing Act, 2008 (Act 16 of 2008) and the Rental Housing Amendment Bill [B30B-2007]. Both these pieces of legislation inform the framework and parameters within which the social and/or rental housing sectors operate.

1.5.1.6 Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)

The Act provides for the establishment of an Office of Disclosure and the monitoring of financial institutions that serve the housing finance needs of communities. It requires financial institutions to disclose information required to identify possible discriminatory lending patterns. The Act was promulgated in 2000 and came into effect in 2007 by presidential proclamation.

1.5.1.7 Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)

The Act regulates financial management at national and provincial government level, and ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively. It also makes provision for the responsibilities of persons entrusted with financial management in those governments and matters connected therewith.

The Department's budget and financial services are regulated in terms of the PFMA.

1.5.1.8 Annual Division of Revenue Act (DORA)

The DORA makes provision for the equitable division of revenue raised nationally among the national, provincial and local spheres of government, as well as the responsibilities of all three spheres pursuant to such division. It also provides for matters connected therewith.

The Integrated Housing and Human Settlement Development Grant is managed in terms of the DORA.

1.5.1.9 Comprehensive Plan for the Creation of Sustainable Human Settlements (BNG)

Key to realising the objectives of BNG is the vigorous engagement and participation of sector-specific stakeholders, which include the presidency (so-called chapter 9 institutions), government departments, private sector and civil society.

1.5.1.10 Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)

The Act aims at promoting the achievement of the Constitutional right to equality, and therefore at increasing broad-based and effective participation of black people in the economy. It also sets parameters for the development of the Property Charter and the Construction Charter as mechanisms to secure commitment from stakeholders in the construction and property industries.

1.5.1.11 Youth Commission Act, 1996 (Act 19 of 1996)

The Act reflects commitment by government to ensure the promotion and protection of the rights and needs of the youth of South Africa.

The following programmes have been developed and implemented to date:

- Framework for the Implementation of the Social Contract for Rapid Housing Delivery
- Rural Housing Compact
- Framework for House Builds
- Framework for the Govan Mbeki Housing Awards
- National Youth Development Policy Framework
- Framework for the Implementation Programme: Women in Housing
- Emerging Contractor Development Framework

1.5.1.12 Public Service Act and related Regulations

The Act and Regulations provide for the organisation and administration of the public service, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

1.5.1.13 Collective agreements

Collective agreements address matters of mutual interest to employees in the public service and the state as employer. Such agreements are concluded following a collective bargaining process and are implemented on the directive of the Department of Public Service and Administration (DPSA).

Examples of collective agreements are the Public Service White Paper, 1995; the Transforming Public Service Delivery (Batho Pele) White Paper, 1997; the Employment Equity Act, 1998 (Act 55 of 1998); the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000); the Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003); national housing policies and ministerial pronouncements.

I.5.2 Other mandates: public entities reporting to the Department of Housing

I.5.2.1 Servcon Housing Solutions

Servcon Housing Solutions was established in 1995 as a result of the Record of Understanding signed in October 1994. The company was established in terms of the Companies Act, 1973 (Act 61 of 1973) and was mandated to provide exclusive management services in respect of a documented “ring-fenced” portfolio of 33 310 properties comprising properties in possession (PIPs) and non-performing loans (NPLs) worth R1,277 billion for a period of eight years, from 1 April 1998 to 31 March 2006. During 2007 the institution undertook to assist provinces through a programme of normalisation and regularisation.

During the year under review, a closure plan was developed and approved. A Joint Transition Management Committee was instituted to oversee the closure process that is to be concluded in 2009/2010.

I.5.2.2 Thubelisha Homes

Thubelisha Homes is a section 21 company established as a “special purpose vehicle to facilitate the acquisition of rightsizing housing stock and the disposal of these houses to Servcon clients”. With the changing housing delivery landscape, Thubelisha was requested to act as project manager/developer in assisting provinces and municipalities in the delivery of housing in line with BNG.

A closure plan for Thubelisha Homes was developed and approved. The Joint Transition Management Committee oversees the closure process of Thubelisha Homes, which is to be concluded in 2009/2010.

I.5.2.3 National Home Builders Registration Council (NHBRC)

The NHBRC is a public entity established in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998) and provides an exclusive regulatory function in the home-building environment. It was established in November 1998 with the mandate to protect potential housing consumers from unscrupulous homebuilders. Since its inception, it has been striving to regulate and provide better services to consumers through the registration of homebuilders, the enrolment of homes and home inspections. The institution continues to manage the Housing Consumers Warranty Fund.

I.5.2.4 National Housing Finance Corporation (NHFC)

The NHFC was established following a cabinet decision in May 1996, as envisaged in the White Paper on Housing. The mandate of the NHFC is to search for new and better ways to mobilise finance for housing from sources outside the state, in partnership with the broadest practicable range of organisations.

I.5.2.5 National Urban Reconstruction and Housing Agency (NURCHA)

NURCHA resulted from a partnership between the South African government and the Open Society Institute of New York. It was established in 1995 as a section 21 company in terms of the Companies Act, 1973 (Act 61 of 1973).

NURCHA's strategic focus is on the financing of building contractors in the housing industry, specifically subsidised, affordable housing and related community infrastructure. The institution differentiates between established and emerging contractors. Finance is provided to established contractors directly while a separate, specialised intermediary channel is used for the provision of finance to emerging contractors, resulting in the normalisation of risks that traditional financial institutions associate with this market segment. In this regard, intermediaries assist emerging contractors with a range of construction support services.

1.5.2.6 Rural Housing Loan Fund (RHLF)

The RHLF is a development finance institution that was established in August 1996 as an association not for gain. The company operates as a wholesale lender to retail intermediaries with the main aim to provide development finance to the low-income rural market in order to create or improve housing opportunities.

1.5.2.7 Social Housing Foundation (SHF)

The SHF is a section 21 company established to broadly develop and build capacity for social housing, to encourage local and international networking by bringing together various players across a range of forums in order to promote information and skills exchanges and cooperation, and to develop a policy framework for social housing.

The SHF continues to implement the Interim Social Housing Programme in the absence of the Social Housing Regulatory Authority (SHRA). The future existence of the institution will be considered in the context of the establishment of the SHRA.

1.5.2.8 Housing Development Agency (HDA)

The HDA was recently established in terms of the Housing Development Agency Act, 2008 (Act 23 of 2008), effective from 31 October 2008. The purpose of the HDA is to respond to the requirements of BNG by carrying out various functions, including:

- identifying, acquiring, holding, developing and releasing state, privately and communally owned land for residential and community development
- monitoring progress in the development of land and landed property acquired for the purpose of creating sustainable human settlements
- undertaking such project management services as may be necessary, including providing assistance in respect of approvals required for housing development.

1.5.2.9 Social Housing Regulatory Authority (SHRA)

The Social Housing Act, 2008 (Act 16 of 2008), promulgated on 5 November 2008, provides for the establishment of the SHRA. The institution will be required to promote the development of the social housing sector; to regulate all social housing institutions obtaining or having obtained public funds, and to give statutory recognition to social housing institutions.



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PROGRAMME PERFORMANCE



PART 2

2 PROGRAMME PERFORMANCE IN RESPECT OF FINANCIAL AND ECONOMIC ISSUES

2.1 VOTED FUNDS

Voted funds were appropriated and expended as set out in the table below.

Table 2.1 Appropriation and expenditure of voted funds during the 2008/2009 financial year

Appropriation (R'000)	Main appropriation (R'000)	Adjusted appropriation (R'000)	Actual amount spent (R'000)	Over-/under- expenditure (R'000)
Programme 1: Administration	126 509	140 309	138 658	1 651
Programme 2: Policy and Research	105 542	92 042	89 041	3 001
Programme 3: Service Delivery Support	182 926	234 494	232 606	1 888
Programme 4: Housing Development Funding	10 171 546	10 461 642	10 459 986	1 656
Total	10 586 523	10 928 487	10 920 291	8 196
Responsible Minister	Minister of Housing			
Administering department	Department of Housing			
Accounting officer	Director-General of Housing			

2.2 AIM OF THE VOTE

The aim of the Department of Housing is to determine, finance, promote, coordinate, communicate and monitor the implementation of housing policy and human settlements.

2.3 SUMMARY OF PROGRAMMES

2.3.1 Programme 1: Administration

Purpose: To provide strategic leadership, and administrative, management and legal support services to the department.

2.3.2 Programme 2: Planning and Research

Purpose: To nationally develop and promote sustainable human settlements and housing policies supported by a responsive research agenda; to monitor and assess the implementation, performance and impact of national housing policies and programmes; and to provide integrated business information.

2.3.3 Programme 3: Service Delivery Support

Purpose: To provide implementation and delivery support, build capacity, liaise and communicate with stakeholders, and to manage intergovernmental and international relations in respect of housing and human settlement programmes.

2.3.4 Programme 4: Housing Development Funding

Purpose: To fund national housing and human settlement development programmes in terms of the Housing Act, 1997 (Act 107 of 1997); to provide financial, grant and housing institution management; to manage all matters provided for by the Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000).

2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT DURING THE 2008/2009 FINANCIAL YEAR

2.4.1 Economic developments and their impact on housing delivery

During the 2008/2009 financial year, numerous global challenges impacted negatively on the economy.

The global economic slow-down was intensified by the problems in the US, which in turn affected exports, but mainly domestic industries that depend on credit. Domestically, there was a knock-on effect from the electricity supply shock, which hampered the performance of many industries and ultimately the entire economy.

These challenges raised questions about the funding of the current account deficit and large infrastructure projects as uncertainties in the financial markets made it more expensive to borrow money. As a result, extra revenue to fund social and infrastructure programmes – including housing programmes – may not be available at the current projected levels or may not increase in line with the past three years' rate in the next few years. The South African Revenue Services (SARS) also could not reach its target in terms of revenue collection, which means that government will have to source funding elsewhere in order to address social and development problems.

2.4.1.1 General global economic overview

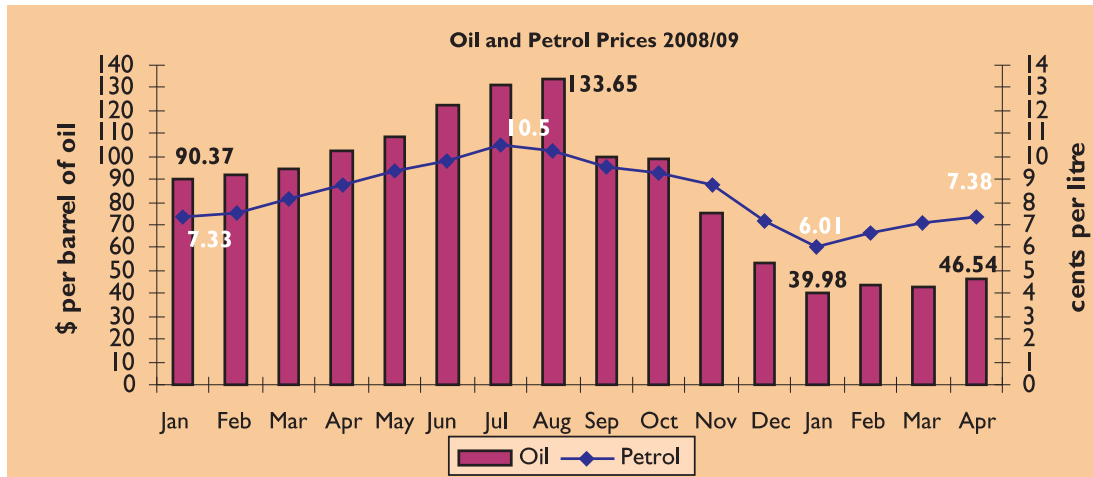
As in previous financial years, numerous global challenges continued to affect key economic indicators and drivers of the South African economy with some having a negative impact on the housing market in general. The sub-prime crisis in the US continued to undermine confidence in the US and global financial systems and markets, with dire consequences for emerging markets, including – albeit to a limited effect – South Africa, putting these economies under increased investor scrutiny and making them vulnerable to sudden capital outflows. These factors also put the rand under immense pressure, which undermined the currency's ability to cushion the economy from imported inflationary pressure. During the year under review, the political climate in South Africa was characterised by the uncertainty that precedes all general elections, which added pressure on the value of the rand over and above the risks mentioned above.

2.4.1.2 Oil and petrol prices

An oil price shock pushed the petrol price in South Africa to levels around R10,50 a litre, thereby fuelling production costs and, ultimately, general inflation. This impacted negatively on transport costs and ultimately on input costs of housing developments. The Haylett Index of the Bureau for Economic Research (BER), a reflection of builders' input costs in respect of materials and labour, rose by 16,7 % in the year up to October 2008 before subsiding to a 10,3 % increase in February 2009.

From August 2008 to 31 March 2009 the decline in the oil price, which resulted from the global recession, brought some relief in respect of petrol prices and general inflation. The trend depicted in the graph in figure 2.1 suggests that the stability of the rand in the early part of 2008 played a relatively greater role as a buffer against imported inflation whereas its weakness from October 2008 to March 2009 prevented a drop in the petrol price in line with the drop in the oil price.

Figure 2.1

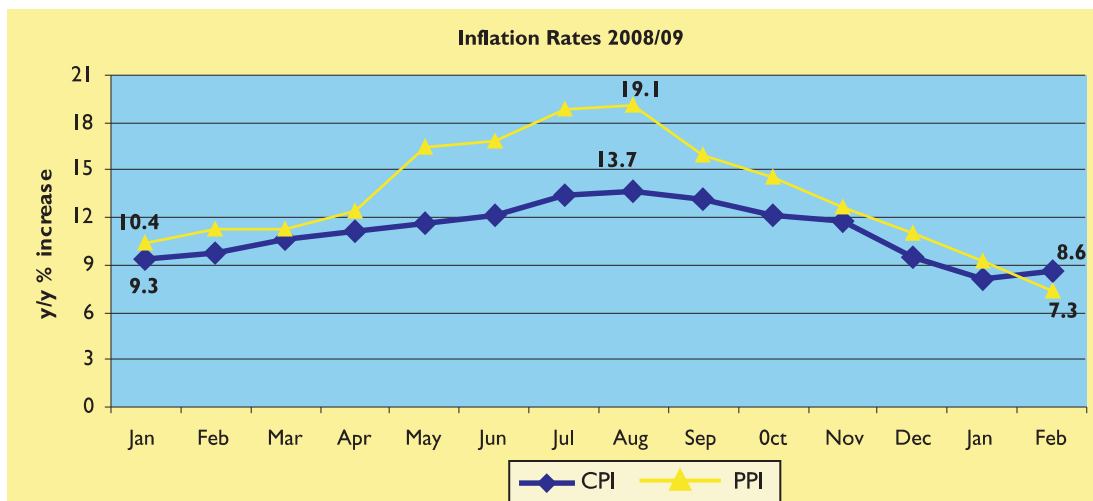


Source: Department of Minerals and Energy, February 2009.

2.4.1.3 Movements in inflation

South Africa's targeted inflation changed from CPIX to headline CPI inflation, and slowed to 8,1 % year-on-year in January 2009. Throughout the year under review, rising food prices were reported as the main contributor to high inflation. Producer price inflation declined substantially from August 2008 to February 2009. At the time of writing, the still-declining inflationary trend makes it likely that inflation will be within the Reserve Bank target by the end of the year.

Figure 2.2



Source: Statistics South Africa, February 2009.

Inflation by definition is the rate at which prices are increasing. Therefore 8,6 % inflation means that average prices have increased by a lesser margin and the pressure on household income is still increasing, although to a lesser extent. In practical terms this means that a product that had a price tag of R10 in January 2009 only increased by 86 cents in February 2009 compared to an increase of R1,37 cents if inflation had remained at 13,7 %. Despite declining inflation from August 2008 to January 2009, average prices of goods and services increased by 68,3 % in the same period, which meant that households came under heavy pressure in maintaining their lifestyle. This indicates that inflation remained very high, especially for poor and unemployed South Africans.

In terms of housing, specifically, pressure mounted on the ability to maintain homes, which may be the reason why many government-subsidised housing is not well maintained or improved. On the supply side, building costs still increased, although to a lesser extent. Building costs, as provided by the BER, rose by 14,3 % in 2008 compared to the increase of 15,3 % during 2007. The year-on-year drop in the first quarter of 2009 was -0,7 %. The BER expects an average decline of -2,1 % in building costs during the remainder of 2009. Possible contributing factors include a slower rise in input costs, an easing of bottlenecks in respect of labour and materials, decreasing demand, increasing competition in tendering and the shrinking profit margins of developers. In order to maintain the standard of housing delivered by government, a bigger subsidy adjustment will be required.

2.4.1.4 Movements in inflation and interest rates

Owing to the declining inflationary pressures and a required response to the ailing economy, the Reserve Bank has reduced the re-purchase rate by 250 basis points since December 2008. Commercial banks followed suit by reducing their prime lending rate from 15,5 % to 13 %. Although this relief came after many South Africans had lost their mortgaged homes, it alleviated pressure on the disposable income of those who had some form of credit exposure. All these had a direct effect on the demand for housing and ultimately dampened the production of new stock.

2.4.1.5 Property market

The financial difficulties currently faced by South African consumers as a result of trends in domestic inflation and high interest rates from 2006 to 2008, the drop in real disposable income of households, the consequent increase in household debt and debt-servicing costs, as well as the effect of the National Credit Act, 2005 (Act 34 of 2005) and the tightening of credit criteria by banks, caused the housing property market to cool off to levels not seen for many years. According to the Knight Frank Global House Price Index, South Africa went down from being the top performing housing market in the world in 2005 down to 25th place in the third quarter 2008. (The index is a London-based property consultancy's global ranking, which tracks house price movements in 44 countries.)

According to ABSA's Housing Review for the first quarter of 2009, the nominal prices of affordable housing, which refers to houses of between 40 and 79 square metres priced at R400 000 or less, slowed down to 7,3 % year-on-year in the third quarter of 2008 as compared to 2,1 % in the middle-income market and 10,4 % in the luxury market. This indicated that the middle-income housing segment was affected the most by interest rate hikes.

In the context of the trends observed in the local property market, the government housing programme may be under increased pressure as more households look to the state for assistance in meeting their housing needs. Should this come about, the department's social housing will have to be prioritised so as to deliver more affordable rental housing.

2.4.1.6 Economic performance

South Africa's economic performance surprised the market in the fourth quarter by growing below expectations signalling a need for quick action on interest rates. The seasonally adjusted real GDP at market prices for the fourth quarter of 2008 decreased by an annualised rate of 1,8 % compared to the third quarter of 2008. The corresponding real annualised economic growth rates for the first three quarters of 2008 were 1,7 % (1st quarter), 5,0 % (2nd quarter) and 0,2 % (3rd quarter) compared to the figures for the previous year (Statistics South Africa (Stats SA) 2009).

2.4.1.7 Employment

The latest (2009) Labour Force Survey of Stats SA shows that the country's unemployment rate has increased from 23 % to 29,1 %. While unemployment declined by 249 000 (6,0%), there was a 97 000 increase in the number of discouraged work seekers. The economically active portion of the working-age population (the labour force) declined (59 000), which resulted in a lower labour force participation rate, which indicates that unemployment rate in South Africa is higher than reported. This poses a challenge to government to provide goods and services, including housing for those who cannot afford it on their own.

2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT IN 2008/2009

The year under review was a period of consolidation of the organisational structure implemented in 2007/2008. The department recruited more personnel to fulfil the many new roles, which necessitated the acquisition of additional office accommodation, operating support infrastructure and consumables. Training requirements also increased. Although the expanded staff component meant progress in the department's ability to service its expanded mandate on human settlements, the rapid influx of new appointees also brought about increased pressure on organisational culture and change management. The effectiveness and efficiency of the growing administrative component working towards attaining BNG goals had to be monitored with great care. Cross-functional dependencies, new inter-relationships and possible overlaps and synergies, where identified, demanded rationalisation and/or realignment.

Overall, the period under review was characterised by increasing organisational stability that resulted from the department's enhanced capacity and capability to meet the demands of BNG.

The department's intervention in the Eastern Cape Province in terms of section 100(1)(a) of the Constitution placed additional demands on the department. Dedicated resources, personnel and focus were required in supporting the Eastern Cape in turning housing delivery around. Key personnel held dual responsibilities and had to discharge their primary functions in addition to actions in support of the intervention.

Measures for reporting, as well as operating standards and systems, showed process maturity but still required continuous monitoring. Capacity gaps diminished in terms of skills, human capital and organisational alignment to the department's vision, which bore testimony to the positive yield of the department's reorganisation. As the last phase of the turnaround process, the department embarked on the development of a service delivery improvement plan to consolidate its responsiveness and service delivery orientation.

2.6 STRATEGIC OVERVIEW OF AND KEY POLICY DEVELOPMENTS IN THE 2008/2009 FINANCIAL YEAR

In line with government's constitutional responsibility to ensure that every South African has access to adequate housing on a progressive basis and within its available resources, the Department of Housing aims to promote an adequate supply of affordable permanent residential structures with secure tenure and access to basic services, privacy and protection, as well as to regulate the single residential property market.

After the approval of BNG by cabinet in September 2004, the department sought to adjust its focus in line with its strategic positioning. BNG builds on existing housing policy articulated in the 1994 White Paper on Housing, but shifts the strategic focus from merely ensuring the delivery of affordable housing to ensuring that housing is delivered in settlements that are both sustainable and habitable.

The department's mandate in the built environment is not limited to low-income housing; it includes the development and monitoring of policy, as well as policy implementation through the development of human settlements. Priorities are the continuing quest to address the gap in demand and supply, to provide energy-efficient housing, to monitor the performance of the housing development market, and to form viable partnerships for the speedy delivery of housing.

The following are strategic priorities of BNG:

- Accelerate housing delivery
- Improve the quality of housing products and environments to ensure asset creation
- Ensure a single, efficient formal housing market
- Restructure and integrate human settlements
- Use the provision of housing as a job creation strategy
- Assess property as an asset for wealth creation and empowerment.

The main challenges facing the housing sector were intergovernmental co-ordination towards accelerated delivery, specifically in relation to the capacity of provinces and local government to deliver on national priorities. Efforts were made to ensure seamless performance in the three spheres of government with central coordination at MinMEC and its sub-committees on housing delivery.

2.6.1 Key policy developments

2.6.1.1 National Housing Code

The revised National Housing Code was approved and aligns housing policy and programmes with BNG. The revised code is much more flexible and provides guidelines in catering for locally specific development conditions. The Integrated Residential Development Programme promotes integrated development and sustainable human settlements and facilitates the implementation of inclusionary housing requirements. The Informal Settlement Upgrading Programme provides guidelines for upgrading informal settlements in pursuance of government targets.

2.6.1.2 Farm Worker and Occupier Housing Assistance Programme (FHAP)

FHAP was approved by MinMEC and incorporated in the National Housing Code. The programme makes provision for housing assistance to qualifying farm residents who will hold rental or freehold tenure. It also includes assistance to beneficiaries of the Department of Land Affairs Labour Tenants Programme.

2.6.1.3 Environmental efficiency in the housing sector

The department cooperated with the National Home Builders Registration Council (HBRC) to determine possible additional measures to improve energy efficiency in the subsidised housing sector. This followed the completion of the guidelines for environmental efficiency in the housing sector and their inclusion in the National Housing Code in the previous financial year. The department also participated in an interdepartmental task team that dealt with pollution in the Vaal/Witbank development axis.

2.6.1.4 Military Veterans Housing Assistance Programme

Following MinMEC's approval of a policy to assist military struggle veterans in securing housing, the department cooperated with the South African National Defence Force (SANDF) in its implementation. The Minister of Housing called a national summit in Port Elizabeth to give special attention to the housing and development needs of the veterans. The SANDF and provincial housing departments were assigned primary responsibility for implementing the programme which forms part of a broader government programme for socio-economic assistance to military veterans.

2.6.1.5 Housing programme for persons with special housing needs

This programme focuses mainly on children who have lost both their parents or guardians through death and are currently destitute. It is foreseen that the programme may provide relief in a variety of ways ranging from community-based projects to institutionalised care facilities.

A draft housing assistance programme has been completed and will be presented to MinMEC for consideration in the new financial year.

2.6.1.6 Insurance cover for subsidy-financed housing

The initiative is well advanced and in process of consultation with key stakeholders before submission for final consideration.

2.6.1.7 Framework for central planning in the development of human settlements

In its endeavours to respond to difficulties in the development and delivery of human settlements, the department prioritised the development of a framework to define a seamless process so as to achieve the following:

- greater coordination and alignment of various planning instruments and economic policies that constitute the heart of sustainable human settlements
- directing resource allocation and distribution in an overall coordinated response to human settlements
- restructuring the funding mechanism and consolidating all housing-related grants and funding streams
- achieving long-term planning through a government-wide planning structure.

2.6.1.8 Legislation

During the 2008/2009 financial year, the Department of Housing developed and introduced for promulgation several pieces of housing legislation to consolidate national housing policy towards the alleviation of poverty and the provision of a better life for all. Most of the legislation promulgated was aimed at enhancing the housing delivery process. In addition, the legislation was geared to keeping abreast of the objectives and principles of BNG, which is aimed at promoting the establishment, development and maintenance of socially and economically viable communities and safe, healthy living conditions.

Legislation promulgated to enhance and fast-track housing development and delivery, in support of the national housing policy, are discussed below.

2.6.1.8.1 Housing Development Agency Act, 2008 (Act 23 of 2008)

The Housing Development Agency Act, 2008 was tabled and promulgated during the 2008/2009 financial year. The primary aim of the Act is to establish the Housing Development Agency (HDA) which is tasked with the responsibility to identify, acquire, hold, assemble and release state-owned and private land to fast-track housing development processes for the creation of sustainable human settlements. The HDA will provide housing development services, monitor that there is centrally co-ordinated planning of, and budgeting and provisioning for all infrastructure required for the development of sustainable human settlements.

2.6.1.8.2 Social Housing Act, 2008 (Act 16 of 2008)

The primary aim of the Social Housing Act, 2008 is to establish and promote a sustainable social housing environment; define the functions of national, provincial and local governments in respect of social housing; provide for the establishment of the Social Housing Regulatory Authority (SHRA) which will regulate all social housing institutions that obtain public funds; allow for the undertaking of approved projects by delivery agents other than state, with the benefit of public money; give statutory recognition to social housing institutions; and provide for matters connected therewith.

2.6.1.8.3 Rental Housing Amendment Bill [B30B-2007]

The Rental Housing Amendment Bill, 2007 amends certain provisions of the Rental Housing Act, 1999 (Act 50 of 1999).

The Act defines government responsibility in respect of rental housing property; creates a mechanism to promote the provision

of rental housing property; promotes access to adequate housing by creating a mechanism to ensure the proper functioning of the rental housing market; makes provision for the establishment of rental housing tribunals; defines the functions, powers and duties of such tribunals; lays down general principles for conflict resolution in the rental housing sector; provides for the facilitation of sound relations between tenants and landlords and, for this purpose, to lay down general requirements in respect of leases; repeals the Rent Control Act, 1976 (Act 80 of 1976); and provides for matters connected therewith.

2.6.1.8.4 Rental Housing Regulations

The Regulations were developed and certified by the Office of State Law Advisers during the 2008/2009 financial year to support and complement the effective implementation of the Rental Housing Amendment Bill, 2007 once it has been promulgated.

2.6.1.8.5 Sectional Titles Amendment Bill [B8B-2006]

The main aim of the Bill is to give effect to cabinet's strategy to bring all housing-related legislation currently administered by other departments under the Department of Housing. In terms of BNG, the mandate of the department has been expanded to encompass the entire residential property market and one of its mandated tasks is to ensure that the envisaged transfer of all legislative matters is achieved. The Bill has three functions:

- to remove the scheme management provisions from the Sectional Titles Act, 1986 (Act 95 of 1986)
- to incorporate the scheme management provisions in a new statute that will be administered by the Minister of Housing
- to rearrange the scheme management provisions so as to make them more understandable to members of the public and persons and authorities who must implement them, but without changing their content.

The Bill was certified by the Office of the State Law Advisers during the year under review.

2.6.1.8.6 Community Scheme Ombud Service Bill

The principal objective of the Bill is to establish a Community Scheme Ombud Service that will provide a dispute resolution service for all community schemes, in other words, for property developments (including sectional titles schemes, share block companies, home owners associations and housing schemes for retired persons) that involve community governance, shared financial responsibility and land or facilities used in common.

The Bill has three functions:

- to establish the Community Scheme Ombud Service as a national public entity under the executive authority of the Minister of Housing
- to provide a framework for the avoidance and resolution of disputes in community schemes
- to take custody of documentation related to community scheme governance.

The Bill was certified by the Office of the State Law Advisers during the year under review.

2.6.1.8.7 Inclusionary Housing Bill

The Bill aims to harness private initiative – which mainly pursues housing delivery to middle- and higher-income households – to join in providing affordable housing so as to achieve a better socio-economic balance in residential developments and contribute to the supply of affordable housing.

The Bill was certified by the Office of the State Law Advisers during the year under review.

2.7 DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

2.7.1 Collection of departmental revenue

Departmental receipts were projected to amount to R1 053 000 in 2008/2009. Receipts came largely from financial transactions such as the recovery of subsidies erroneously paid and advances. The increase in departmental revenue relates to the increased activities around debt recovery from officials, as well as the higher success rate of the Special Investigations Unit (SIU) in recovering subsidies paid to dishonest beneficiaries such as officials who did not comply with departmental policies.

Table 2.2 Breakdown of sources of departmental revenue

	2005/06	2006/07	2007/08	2008/09		Deviation from target (%)
	Actual (R'000)	Actual (R'000)	Actual (R'000)	Target (R'000)	Actual (R'000)	
Tax revenue	–	–	–	–	–	–
Non-tax revenue	108	850	265	578	320	45
Sale of goods and services produced by the department	100	111	222	120	74	38
Interest, dividends and rent on land	8	739	43	458	245	47
Sale of capital assets (capital revenue)	–	–	128	–	–	–
Financial transactions (recovery of loans and advances)	837	1 020	282	475	2 072	336
TOTAL DEPARTMENTAL RECEIPTS	945	1 870	675	1 053	2 392	127

2.7.2 Departmental expenditure

Departmental expenditure is set out in the table below.

Table 2.3 Departmental expenditure during the 2008/2009 financial year

Programme	Voted for 2008/09 (R'000)	Roll-overs and adjustments (R'000)	Virements (R'000)	Total voted (R'000)	Actual expenditure (R'000)	Variance (R'000)
Programme 1: Administration	126 509	13 300	500	140 309	138 635	1 674
Programme 2: Policy and Research	105 542	-10 000	-3 500	92 042	89 045	2 997
Programme 3: Service Delivery Support	182 926	13 568	38 000	234 494	232 606	1 888
Programme 4: Housing Development Funding	10 171 546	325 096	-35 000	10 461 642	10 459 986	1 656
TOTAL	10 586 523	341 964	–	10 928 487	10 920 272	8 215

2.7.2.1 Programme 1: Administration

Programme 1 was allocated R126,5 million, which was increased in the adjustment estimate by a roll-over of R3,3 million for equipment, as well as a virement from Programme 2 of R10 million specifically to increase the allocation of the Special Investigations Unit (SIU). R500 000 was shifted from Programme 4: Housing Development Funding to offset costs related to provincial support. The total budget of Programme 1 amounted to R138,6 million. The variance of R1,6 million can be attributed to under-spending on personnel and personnel-related costs owing to vacancies experienced throughout the year as a result of staff turnover.

2.7.2.2 Programme 2: Planning and Research

The programme was initially allocated R105,5 million for the 2008/09 financial year and was adjusted downward in the adjustment estimate by R10 million that was shifted to Programme 1 and R3,5 million that was shifted to Programme 3, bringing the total budget to R92 million. The variance of R1,6 million can be attributed to under-spending on personnel and personnel-related costs owing to vacancies experienced throughout the year as a result of staff turnover. Total spending on Programme 2 amounted to R89 million.

2.7.2.3 Programme 3: Service Delivery Support

The programme's allocation of R182,9 million for the 2008/09 financial year was adjusted in the adjustment estimate by a roll-over of R13,5 million and R38 million shifting from Programme 2 and Programme 4 to fund the continuation of communication campaigns, bringing the total allocation of the programme to R234,4 million. The programme spent a total of R232,6 million. The under-spending of R1,8 million can be attributed to funds transferred to GCIS for media campaigns still underway. However, GCIS could not process any payments and as a result the amount was classified as an advance.

2.7.2.4 Programme 4: Housing Development Funding

The programme was allocated R10,1 billion, of which R9,8 billion was allocated to the Integrated Housing and Human Settlement Development grant and R227,7 million to the department's entities. The allocation of the Integrated Housing and Human Settlement Development Grant was adjusted in the adjustment estimate by a roll-over of R74,6 million and additional funding of R250,4 million, a total adjustment of R325 million. The programme spent a total of R10,4 billion. The variance of R1,6 million can be attributed to under-spending on personnel and personnel-related costs owing to vacancies experienced throughout the year as a result of staff turnover.

2.7.3 Transfer payments

Table 2.3 Transfers to public entities

Institution	Amount transferred (R'000)	Estimated expenditure (R'000)
Social Housing Foundation	217 738	217 738
Thubelisha Homes	10 000	10 000
TOTAL	227 738	227 738

Full details of the services, as well as the narrative of the performance of the institutions, are outlined in part 4 of this report.

2.7.4 Conditional grants and earmarked funds

2.7.4.1 Integrated Housing and Human Settlement Development Grant

The Integrated Housing and Human Settlement Development Grant is administered under Programme 4.

The grant funds the following key elements of housing delivery:

- internal municipal infrastructure (such as roads, water and sewerage connections, street lighting and storm-water drainage) is to a large extent still financed from the grant until funds from the Municipal Infrastructure Grant become available for township development
- housing for qualifying beneficiaries through the consolidation subsidy or existing housing subsidies (escalated by inflation each year) and new subsidies, such as the proposed social housing capital grant
- institutional subsidies, including grant funding for setting up housing support centres, community development associations (for People's Housing Programme projects) and the proposed establishment grant for social housing institutions
- land acquisitions to accommodate well-located housing development could be funded from the grant in cases where provinces and municipalities did not have land available.

The purpose of the Integrated Housing and Human Settlement Development Grant is:

- to finance the implementation of national housing programmes to create quality living environments
- to facilitate the establishment and maintenance of habitable, stable and sustainable human settlements in which all citizens will have access to selected socio- economic amenities
- to progressively eradicate informal settlements on a phased basis, in accordance with the goals set out.

Table 2.4 Adjusted grant allocation for 2008/2009 as at 31 March 2009

Province	Voted initial allocation 2008/2009 (R'000)	Adjustment appropriations and transfers					Adjusted budget (R'000)
		National level				Provincial level	
		Additional appropriations (R'000)	Funds withheld (R'000)	Funds reallocated (R'000)	Adjusted allocation (R'000)	Appropriated (R'000)	
Eastern Cape	1 251 018		-270 000		981 018		981 018
Free State	772 410	18 712		68 000	859 122		859 122
Gauteng	2 579 974	74 698		152 000	2 806 672		2 806 672
KwaZulu-Natal	1 575 586	46 467			1 622 053		1 622 053
Limpopo	783 247	41 559			824 806		824 806
Mpumalanga	629 210	17 460		50 000	696 670	105 000	801 670
Northern Cape	161 312	5 962		52 000	219 274		219 274
North-West	896 101	18 361	-52 000		862 462	89 662	952 124
Western Cape	1 203 984	101 878			1 305 862		1 305 862
Other					-		-
TOTAL	9 852 842	325 097	-322 000	322 000	10 177 939	194 662	10 372 601

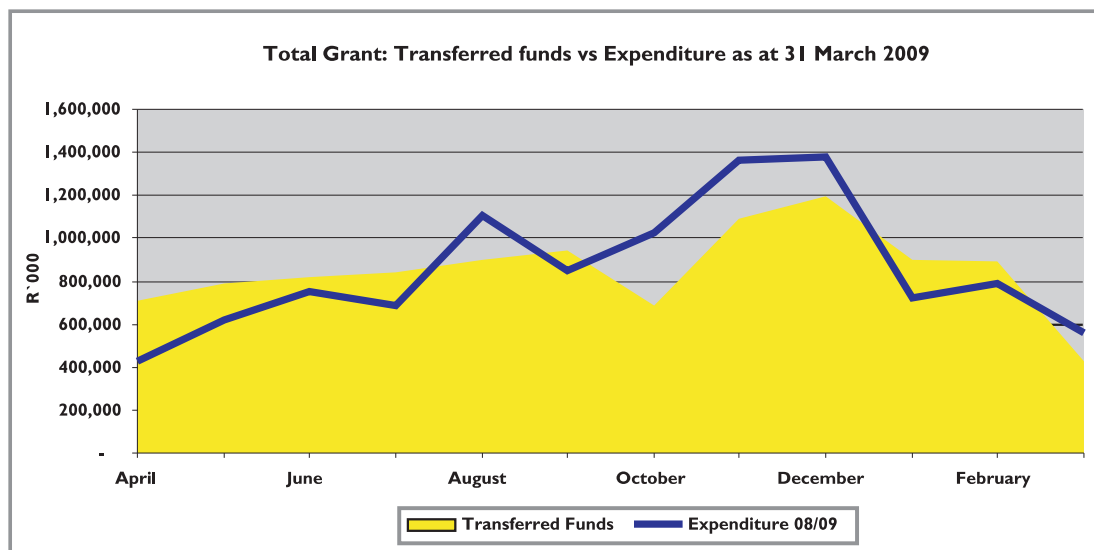
The initial allocation to the Integrated Housing and Human Settlement Development Grant was R9,9 billion. During the adjustment budget process an allocation of R325,1 million was made, which comprised an inflationary adjustment of R250,4 million and a roll-over of R56,1 million for the Western Cape and R18,5 million for Limpopo.

As a result of the application of section 26 of the Division of Revenue Act, 2008 (DORA), R270 million was stopped from being transferred to the Eastern Cape and reallocated as follows: R152 million to Gauteng, R68 million to Free State, and R50 million to Mpumalanga.

In addition, R52 million due to North-West was stopped and reallocated to Northern Cape as a result of inter-provincial agreements reached between the two provinces to finance projects in Northern Cape in terms of cross-border re-demarcation changes. The adjustments brought the total amount transferred to provinces at national level to R10,2 billion for the 2008/09 financial year.

The Mpumalanga provincial government provided an additional R105 million for the grant in Mpumalanga from its equitable share allocation and R89,6 million was rolled-over in North-West. This resulted in R10,4 billion being available for spending.

Figure 2.3 Transferred funds per month vs. expenditure per month for the 2008/09 financial year



Funds were transferred monthly in terms of DORA, 2008 and Practice Note 3/2008 issued by National Treasury. Business plans were approved by the accounting officer prior to transfer in terms of the approved payment schedule.

The graph in figure 2.3 illustrates the monthly projected cash flow as depicted by the payment schedule (funds transferred) to provinces against the actual monthly expenditure as reported by the provinces. In terms of the graph, spending started gradually below the cash flow projection, picked up momentum by the end of the first quarter, and accelerated in the second quarter that ended in September 2008. The third quarter showed spending levels above projections as all projects planned for the year reached construction stage. The drop in the last quarter reflects the planned trends and therefore largely reflects a positive correlation with projected spending levels.

Table 2.5 and the graph in figure 2.4 show that almost 100 % of funds available were spent by the provinces after taking into account all the adjustments and inter-provincial reallocations mentioned above. The grant spent amounted to R10,2 billion as at 31 March 2009, representing a 100 % spending rate of the R10,1 billion transferred to the provinces. Constant monitoring of spending and housing delivery matters was done in partnership with the provinces and all processes prescribed in the DORA were followed to ensure optimal expenditure. The department retained no grant funds for administrative purposes.

2.7.5 Report in terms of the Division of Revenue Act, 2008 (Act 2 of 2008) (DORA)

The department experienced problems in respect of full compliance with due submission of monthly reports by some provinces as required in terms of section 12(1)(a) of the (DORA). This, in turn, created challenges for the department in meeting its responsibilities in respect of submitting monthly reports to National Treasury, as required by the DORA. Some provinces submitted their monthly reports electronically and did not have them certified or signed off by the receiving officer until after the 15th. On average, submission from provinces were two days late. In all such instances, the department raised the issue with the relevant provincial department and obtained an undertaking that future reports would be submitted on time. Despite these challenges the department succeeded in meeting its reporting obligations.

Six provincial business plans were approved by the accounting officer on 31 March 2008, in line with section 10(1)(a)(iii) of the DORA. These plans were delivered to National Treasury on the same date and transfers to the provinces were made on 8 April 2008. The three remaining business plans were received after 31 March 2008 and approved by the accounting officer on 11 April 2008; payments were made on 15 April 2008. It must be emphasised that the provincial departments indicated that late approval of the plans by provincial treasuries was the cause of delayed submission. However, it must also be noted that transfer payments to the affected provinces were made after submission of the relevant documents to National Treasury. The department reviewed the processes involved so as to coordinate the functions of the various provincial role players and build capacity. The process put in place to discuss pre-final business plans during the provincial reviews held in January and February each year will assist to determine early on whether provinces will be able to submit final business plans on time and to embark on remedial action where the deadline is in jeopardy.

An extra transfer to the amount of R200 000,00 was made in error to the Gauteng in July 2008 as overpayment to the approved payment schedule for the month; the mistake was only discovered in January 2009. To recover the overpayment, the amount was set off against the last transfer made in January. Although time was too limited to obtain formal approval from National Treasury before adjustment of the error, the official of National Treasury confirmed that the January payment should be adjusted to accommodate the deduction of R200 000,00 for the transfer to be effected on time. In future all necessary steps will be put in place to avoid such problems and to ensure that written approval or confirmation is obtained from National Treasury before any such corrective action or set off is undertaken.

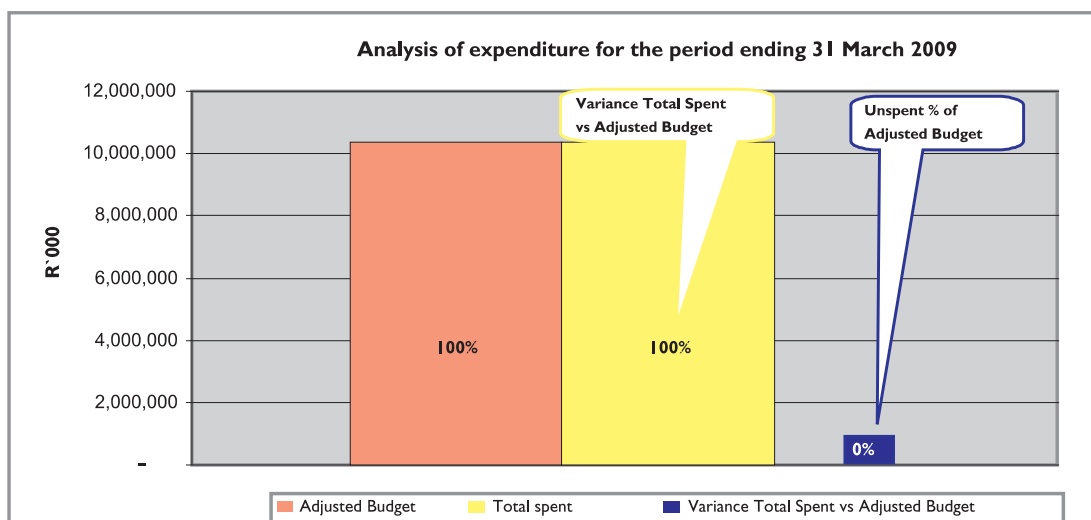
Two provinces – Free State and Northern Cape – had unspent funds amounting to R3,463.61 and R31.44, respectively, which were not surrendered during the reporting period. The Limpopo and Eastern Cape provincial departments surrendered their unspent funds to their provincial treasuries and the funds were then transferred to the National Department of Housing in June 2009, which was after the stipulated timeframe of April 2009 given in Practice Note 12 of 2008/09.

The performance evaluation report required in terms of the DORA was submitted to National Treasury one month late because staff shortages in both the national and provincial departments meant that full project-level verification of key projects took longer than anticipated. Remedial steps have since been taken to address staff shortages and implement ongoing project-level verification with consolidated reports being compiled every quarter. The department's monitoring unit was restructured to ensure that the report will be submitted on time in future.

Table 2.5 Expenditure as at 31 March 2009

	Adjusted budget (see table 2.4 for detail)	Year to date (1 April 2008 to 31 March 2009)					
		National allocation spent	Provincial allocation spent	Total spent	Variance: total spent vs. adjusted budget	Funds spent, as a percentage of adjusted budget	Funds unspent as a percentage of adjusted budget
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(%)	(%)
Eastern Cape	981 018	981 016		981 016	2	100	0
Free State	859 122	859 119		859 119	3	100	0
Gauteng	2 806 672	2 793 779		2 793 779	12 893	100	0
KwaZulu-Natal	1 622 053	1 627 664		1 627 664	-5 611	100	0
Limpopo	824 806	824 480		824 480	326	100	0
Mpumalanga	801 670	696 670	99 999	796 669	5 001	99	1
Northern Cape	219 274	219 274		219 274	-	100	0
North-West	952 124	862 462	89 620	952 082	42	100	0
Western Cape	1 305 862	1 305 862		1 305 862	-	100	0
Other	-						
TOTAL	10 372 601	10 170 326	189 619	10 359 945	12 656	100	0

Figure 2.4 Expenditure as at 31 March 2009



2.8 PROGRAMME PERFORMANCE

2.8.1 Programme I: Administration

Purpose: To provide strategic leadership and administrative and management support services to the department, and to manage intergovernmental and international relations and communication.

Measurable objective: Administration is a non-core but essential component in the Department of Housing in that it renders support services to line functions. The following are the strategic objectives of the programme for the MTEF period 2008 to 2011:

- Executive Support Services provides executive support to the DG
- Internal Audit, Risk Management and Special Investigations coordinate the provision of internal audit, risk management and special investigations services
- Human Resources Management manages and provides human resources management, labour relations and payroll administration
- Corporate Support provides corporate support to enhance the quality of work life
- Legal Services provides sound legal services, advice and legal opinions to expedite delivery
- Information Technology and Systems provides information technology systems, services, infrastructure and business application support
- Strategic Management manages the overall organisational planning and supports the strategic management of the department and its operations
- Transformation develops and manages transformation programmes in compliance with directives in the National Policy Framework and international human rights instruments
- International Relations and Inter-governmental Relations (IGR) facilitates and supports the achievement of the Department of Housing's mandate through participation in and management of international, inter-governmental and interdepartmental relations
- Communication Services manages the communication and public relations functions
- Housing Institutions and Fund Mobilisation provides oversight management of housing institutions and monitor, analyse and identify housing finance investment opportunities
- Management Information Services manages the flow of housing data and information, and provides solution-driven management information services.

2.8.1.1 Sub-programme: Corporate Services

2.8.1.1.1 Recent outputs of the Chief Directorate: Human Resources Management

The Human Resources Unit developed its own internal Service Delivery Improvement Plan which stipulates processes, norms and standards to guide performance within the branch.

The Workplace Skills Plan was developed and implemented. Development programmes were initiated across all levels in the department. The prescribed norm of 5% in terms of the internship programme intake was exceeded.

In terms of the backlog on performance management, particularly in respect of SMS, positive results were attained. Various policies were tabled in the Departmental Bargaining Chamber for ratification. The Human Resource Plan was endorsed and signed off by the Minister and submitted to the Department of Public Service and Administration, as required in terms of legislation.

Reaching an acceptable norm in the vacancy rate posed a challenge owing to limitations in office space accommodation and the length of the recruitment process. However, processes are underway to resolve this limitation in the coming year.

All security standards were adhered to in terms of physical security, in both the Pretoria and Cape Town offices, including interim office accommodation for the Eastern Cape Intervention Team in East London.

The process of enhancing the department's compliance with the requirements of the National Archives is in progress.

Various awareness sessions were conducted in the following fields:

- Labour relations
- Emergency and disaster management
- Records management.

2.8.1.1.2 Recent outputs of the Chief Directorate: Legal Services

The Legal Services Unit processed various pieces of legislation that were promulgated. The function of legal compliance was capacitated to ensure compliance in the coming year. Legal opinions were provided in cases where the Minister of Housing was cited as a respondent, particularly in the KwaZulu-Natal (KZN) and Delft court cases.

The following legislative changes were effected during the period under review:

- Promulgation of the Housing Development Agency Bill. The institution was launched and it is now in operation
- Promulgation of the following pieces of legislation:
 - o Social Housing Act
 - o Rental Housing Amendment Act
 - o Housing Consumer Protection Measures Act
- A framework was developed to assist provinces in developing legislation to curb the spiralling of informal settlements. However, this was opposed in a court of law in KZN by a group named Abahlali Basemjoudolo. The court ruled in favour of the department and the matter has been taken before the Constitutional Court.

2.8.1.1.3 Recent outputs of the Chief Directorate: Information Technology and Systems

The Information Technology Unit continued to meet the ever-changing needs of employees in terms of IT equipment procurement. The Service Level Agreement with SITA was reviewed. Processes were put in place to strengthen the department in terms of IT resources. The ITC Strategy was developed and presented to management. Procedures and guidelines were developed and a new anti-virus system installed. The Disaster Recovery Plan and Implementation Plan were approved.

An Occupational Health and Safety Audit was conducted and matters raised were earmarked for urgent attention in the coming year.

Table 2.6 Sub-programme: Corporate Services: service delivery achievements

Chief directorate	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Legal Services	Developed Housing Amendment Act	Approved Housing Amendment Act, which aligns the Housing Act, 1997 with DORA and the PFMA, addresses problems encountered with sections 10A and 10B of the Housing Act, and substitutes a clause in the provincial housing development regime	Deliberations on Bill in parliament	The amended Bill was submitted to minister for approval to take to cabinet
	Developed Prevention of Illegal Eviction from and Unlawful Occupation of Land (PIE) Amendment Act	Approved PIE Amendment Act	Promulgation of Act after parliament has approved the Bill	The Bill is now the responsibility of the Department of Land Affairs
	Developed Housing Consumers Protection Measures Amendment Act	Approved Housing Consumers Protection Measures Amendment Act	Promulgation of Act after parliament has approved the Bill	Housing Consumer Protection Measures Amendment Act Promulgated
	Developed Rental Housing Amendment Act	Approved Rental Housing Amendment Act	Promulgation of Act after parliament has approved the Bill	Rental Housing Amendment Act passed
	Developed Social Housing Act	Approved Social Housing Act	Promulgation of Act after parliament has approved the Bill	Social Housing Act passed
	Developed Housing Development Act	Approved Housing Development Act	Promulgation of Act after parliament has approved the Bill	Housing Development Act passed and the institution in operation
	Developed amendments to Housing Consumers Protection Measures Regulations	Amended regulations to support and assist the implementation of the Housing Consumers Protection Measures Act	Promulgation of regulations	Housing Consumers Protection Measures Regulations amended
	Developed Social Housing Regulations	Regulations to support and assist the implementation of the Social Housing Act	Submit regulations to Minister for approval after Act has been promulgated	Regulations were not developed owing to late promulgation of the Bill. This is now planned for the year 2009/10
	Developed Housing Development Agency regulations	Regulations to support and assist the implementation of the Housing Development Agency Act	Submit regulations to Minister for approval after Act has been promulgated	Regulations were not developed owing to delay in passing the Bill. This is now planned for the year 2009/10
	Taken steps to bring all housing-related legislation under the administration of Department of Housing	Approved legislation formerly administered by Department of Land Affairs which is to be administered by Department of Housing	Take Bill through parliamentary process	Discussions commenced with DTI and the Department of Land Affairs
		Approved legislation formerly administered by Department of Trade and Industry which is to be administered by Department of Housing	Take Bill through parliamentary process	Bill not yet submitted pending discussions
	Provision of sound legal opinions	Timeous submission of legal opinions and advice	Address all legal queries and opinions	Legal opinions provided for all legal queries
Corporate Support	Compliance to all security standards	Percentage of compliance to physical and information security measures	100 % compliance	Security standards adhered to
	Timeous acquisition of office space and reasonable accommodation	Service Level Agreement with all stakeholders	Review and implement SLA	Additional office space not acquired. The process met with challenges

Chief directorate	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
	Compliance with requirements of National Archive	Percentage of compliance	Achieve 50 % compliance	Final draft records management policy and procedure (Phase I) Records of management audit functional needs analysis session completed
Human Resources Management	Developed norms and standards and procedure guidelines	SLA with line function	Service Delivery Improvement Plan approved and implemented	Service Delivery Improvement Plan for branch developed and norms and standards incorporated
	Successful implementation of workplace skills plan	Implemented workplace skills plan	Annual Training Report	Annual training Report was developed based on quarterly reports. Submitted to PSETA
	Facilitated improvement of individual performance	Structure for timeous assessment of performance appraisals	Annual performance appraisals Aligned roles and structure	99% appraisals below SMS finalised. Commenced through the rationalisation process and implementation
	Continuous management of disputes and grievances	Percentage of grievances and disputes managed	Manage all grievances and disputes	All grievances and disputes managed Disciplinary case concluded
	Timeous placement of human resources	Reduced vacancy rate Competency assessment reports	Achieve 10 % vacancy rate 80 % of senior managers assessed	23 % vacancy rate achieved 80 % of senior managers assessed
Information Technology and Systems	Effective access to IT networks	Systems and equipment availability as per departmental SLA	Implement SLA, norms and standards	SLA implemented and Service Delivery Improvement Plan with norms and standards developed
	Implementation of an approved ICT strategy	Approved ICT strategy	Medium-term ICT strategy implemented	ICT strategy tabled before management and is work in progress

2.8.1.2 Sub-programme: Chief of Operations

2.8.1.2.1 Recent outputs of the sub-programme

The branch, through the Chief Directorate: Internal Audit, Risk Management and Special Investigation, finalised 513 cases involving civil servants. Convictions resulted in suspended sentences and conditions to repay subsidy amounts. One thousand four hundred and forty acknowledgements of debt (value: R18 399 778,00) were signed by civil servants who had defrauded the housing subsidy system. At the end of the year under review, the department had received R1 797 799,00 in cash civil recoveries. Seven hundred and ninety five disciplinary files involving government officials were prepared and submitted to various departments, both national and provincial, and a Low-income Housing Steering Committee was established in conjunction with the Department of Public Service and Administration to coordinate disciplinary processes against civil servants who benefited unlawfully from low-income housing subsidies. In March 2009, a service level agreement on the investigation of housing contracts was concluded between the Special Investigation Unit (SIU) and the department.

The Auditor-General once again assisted the department by issuing a municipal audit report which showed that between 1994 and 2004, 2 584 municipal files (out of 6 905 municipal officials who received low-income houses unlawfully), were handed to the SIU for investigation. Reviews were conducted at nine provincial departments of housing as required by the Framework for Integrated Housing and Human Settlement Development Grant (IHAHSD) to determine the adequacy of systems in place to provide assurance that conditional grants are appropriately managed and controlled and that reports are issued. The Chief Directorate: Internal Audit, Risk Management and Special Investigation executed more than 90 % of its operational internal audit plan. This resulted in the enhancing of the activities of intergovernmental forums that serve as a platform for engagement, coordination and cooperation between the National Department of Housing and provincial housing departments on issues of housing. Seven audit committee meetings and four risk management meetings were coordinated during the year under review. A strategic

risk assessment exercise identified, evaluated and allocated responsibility for managing and controlling the risks facing the department. Control measures implemented by management were monitored throughout the year. The Risk Management Committee operates in accordance with an approved Risk Management Charter to monitor the quality and reliability of the department's risk management processes.

2.8.1.2.2 Recent outputs of the Chief Directorate: Intergovernmental Relations and International Relations

The chief directorate achieved its targets for the period under review. Since it was newly established, it faced capacity constraints in co-coordinating and facilitating inter-departmental relations. The Framework on a Central Planning Approach to Creating Sustainable Human Settlements was developed. Significant improvements were made in intergovernmental relations through sustained participation in various inter-sphere forums and by enhanced consultation and interaction with provincial departments on setting priorities and monitoring performance.

The year under review also saw the sustained implementation of the municipal accreditation programme. On the international front, notable progress in raising South Africa's profile in the global debate on human settlements was made through participation in the African Ministerial Conference on Housing and Urban Development (AMCHUD), the World Urban Forum and several multilateral platforms.

Existing partnerships with India and Brazil were consolidated by the conclusion of a trilateral agreement on cooperation in human settlement development, while the implementation of existing cooperation programmes with The Netherlands, Denmark and Cuba remained on track. Despite another technical visit to the Democratic Republic of Congo, no progress could be made in assisting the DRC in its housing programme. This was because of severe shortcomings in terms of the policy framework and institutional requirements of the DRC, which will necessitate a new approach.

2.8.1.2.3 Recent outputs of the Chief Directorate: Housing Institutions and Funding Mobilisation

The chief directorate achieved most of its service delivery objectives. Corporate plans of housing institutions were approved and followed by quarterly performance reviews. Notable achievements included the establishment of the Housing Development Agency (HDA) and the National Home Builders Registration Council (NHBRC) Advisory Committee, as well as the appointment of new members of the NHBRC.

The closure plans for Servcon Housing Solutions and Thubelisha Homes were approved and the People's Housing Partnership Trust ceased operations as part of the closure of Servcon and Thubelisha Homes.

The structure and capacity of the chief directorate are being rationalised to enhance its oversight role.

2.8.1.2.4 Recent outputs of the Chief Directorate: Management Information Service

The chief directorate enhanced the Housing Subsidy System (HSS) enhanced and additional training on the system – also for various managers – was undertaken. Efforts to make the HSS the only reporting mechanism in all housing departments across the spheres continued to be priority. The National Housing Demand Database was implemented as a technical solution, but the process to establish a register of national needs remains a priority in the medium term. The Informal Settlement Atlas, a component of the overall housing investment atlas, was developed in support of the upgrading of informal settlements. The mid-year hearings on and reviews of provincial performance and planning resulted in an improved delivery dialogue and synchronisation among the spheres of government, and thus enhanced the capability to plan and implement multi-year projects.

2.8.1.2.5 Recent outputs of the Chief Directorate: Transformation

The chief directorate embarked on a comprehensive consultative process to develop several departmental transformation policies in line with the government's Transformation Agenda. These included the departmental Health and Wellness Policy and related programmes, the Employment Equity Plan and the Service Delivery Improvement Plan. The department's participation in the government's annual calendar of events was facilitated. The chief directorate also consolidated the department's transformation programme.

2.8.1.2.6 Recent outputs of the Chief Directorate: Communication Services

The chief directorate played a significant role in engaging the members of the general public and in enhancing their appreciation of the national housing programme. Unprecedented public outreach initiatives were implemented to further inform and empower the public on housing options. This helped inform public debates on the adequacy of our housing programmes.

In particular, communication was packaged to highlight responsibilities in respect of housing finance i.e. servicing a bond and obligations of rented accommodation – in the light of economic downturn. It is envisaged that the public dialogue will be sustained in the medium term through mass media communication campaigns and programmes.

2.8.1.2.7 Recent outputs of the Chief Directorate: Strategic Management

The chief directorate enabled the branch to submit the departmental consolidated annual and quarterly performance reports for the financial year timeously and also to submit the corresponding performance evaluation reports in time to the Director-General. The departmental annual performance report was tabled in parliament as per the parliamentary schedule. In the period under review, the chief directorate held workshops and briefing sessions to provide guidance during departmental planning and performance monitoring review processes.

Table 2.6 Sub-programme: Chief of Operations: service delivery achievements

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Housing and Corporate Secretariat	Provide secretariat support to policy and decision-making structures	Record of proceedings	100 % of record of proceedings	Record of proceedings for 115 meetings
		Updated database of decisions	Updated database of decisions	Updated database of decisions
		Administrative support provided	Provide administrative support to policy and decision-making structures	Provided administrative support to policy and decision-making structures
Internal Audit	Approved internal audit plans –strategic and operational	Approved internal audit plans – strategic and operational	Approved internal audit plans – strategic and operational	Strategic and operational internal audit plan developed and approved by Audit Committee with management inputs
	Internal audit services	Internal audit reports as per approved operational plan	100 % completion of approved operational audit plan	Completed 92 % of approved operational plan
		Quarterly reports to Audit Committee	Six meetings of Audit Committee	Seven meetings of Audit Committee facilitated and coordinated
		Audit Committee Meeting		
		Report on assessment of quarterly performance reports	Four reports on assessment of quarterly performance	One report issued
		Monthly and/or quarterly reports	Four reports on intergovernmental audits	Draft report on intergovernmental audits issued
Departmental risk management facilitation services		Approved and implemented departmental Risk Management Policy and Framework	Approved Risk Management Policy and Strategy	Risk Management Policy, Framework and Strategy
			Risk management process embedded in job profiles/ performance agreements	Recognition of risk management into job profiles/performance agreements of senior managers formalised
			Departmental risk management workshop	Strategic risk assessment workshop held
			Updated and approved risk register	Risk register updated for period under review
			Risk management impact analysis/culture survey	Independent review of effectiveness of risk management process still in progress

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
		Risk Monitoring Report	Three status reports on implementation of risk treatment plans	Two status reports on implementation of risk treatment plans issued
		Agenda, minutes and reports of each Risk Management Committee meeting	Four Risk Management Committee reports	Four Risk Management Committee reports issued
		Coordination of risk assessment at provincial level in respect of DORA	Provincial risk portfolio reported	Report issued to provinces
Special Investigation	Enhanced anti-corruption programme and mitigate fraud	Approved anti-corruption policy and strategy	Implement anti-corruption policy and strategy	Approved and implemented anti-corruption policy and strategy
		Case management system	Updated case management system in respect of 100 % of cases received	Updated case management system in respect of 100 % of cases received
		Reporting on allocated cases	Twelve monthly reports on allocated cases submitted to DG	Twelve monthly reports on allocated cases submitted to DG on allocated cases
		Developed and implemented awareness programme and impact analysis of programme	Eight Fraud and Corruption Awareness sessions conducted.	Eight sessions conducted
		Housing investigation reports (internal cases)	Internal investigation reports submitted as part of monthly reports to DG	Internal investigation reports submitted as part of monthly reports to DG
		Housing investigation reports (external cases)	100 % of cases recorded in monthly reports submitted to DG	100 % of cases recorded in monthly reports submitted to DG
		Case reports	Twelve monthly and four quarterly reports submitted to DG	Twelve monthly and four quarterly reports submitted to DG
		Approved Amnesty Strategy	Develop and implement Amnesty Policy	Amnesty concept approved for implementation to define policy and related controls
		Ongoing internal and external investigations	Established project plan to intensify coordinated investigations by SIU across provinces	Plans established to intensify investigation through drafting of SLA and reviewing functions of oversight committees
Housing Institutions and Fund Mobilisation	Oversight management provided to housing institutions	Approved business plans, corporate governance, and performance monitoring reports in respect of housing institutions	Approval of corporate plans and four quarterly reports	Corporate plans of six housing entities approved Four quarterly reports produced
		Mid-term and annual performance reports produced (financial, non-financial and corporate governance)	One mid-term and one annual performance report	One mid-term performance report produced and one annual performance report issued
		Number of institutions rationalised	Establish HAD Close PHPT Close Thubelisha Homes and Servcon Housing Solutions Establish SHRA	HDA established and launched PHPT ceased operations and remaining legal aspects finalised Closure of Thubelisha Homes and Servcon Housing Solutions are in advanced stage SHRA establishment delayed by late promulgation of Act

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Management Information Services	Provide integrated business data for planning, policy development and monitoring	Availability and accessibility of business data	Availability and accessibility of business datasets in respect of all provinces	Change control processes to access available data updated and maintained <ul style="list-style-type: none"> • Quarterly Steering Committee • National Change Committee • Monthly Technical Steering Committee Support and data alignment services provided on site to nine provincial housing departments Training conducted based on requests received from various role players
				Seven hundred and fifty eight deletion requests processed from provincial housing departments Members of the public enquiring about status of their housing applications assisted by providing them with relevant information
		Available housing demand database/ register	Develop, manage and maintain the National Housing Demand Database (NHDD)	NHDD project been initiated in five provinces: <ul style="list-style-type: none"> • Western Cape • Eastern Cape • Northern Cape • Limpopo • Mpumalanga
	Business information	Business information available for management support	Developed and enhanced business information portal/ tool	Quarterly business information available Maintained data in warehouse for HUIMS as portal/tool Information made available in support of decision making Quarterly National Housing Journal
	Information products	Information products available	Development and distribution of four information products	Four information products developed and distributed: <ul style="list-style-type: none"> • MapServer • Housing delivery progress scoreboard • Housing journal • Housing reports/fact sheets Informal Settlement Atlas developed and distributed Housing Investment Atlas 90% completed
	Information and knowledge services	Accessible information and knowledge services	Reviewed and maintained information and knowledge services	Five information and knowledge services provided: <ul style="list-style-type: none"> • Library • Web services • PAIA service • Blue Pages • Knowledge zone (info hub)

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Strategic Management	Approved departmental strategic and performance plans	Approved departmental strategic and performance plans	Approved departmental strategic and performance plans	Departmental strategic and performance plans approved
	One Departmental Strategic and Performance Plans Analysis Report	One Departmental Strategic and Performance Plans Analysis Report	One Departmental Strategic and Performance Plans Analysis Report	One Departmental Strategic and Performance Plans Analysis Report
	Approved Departmental Annual Report	Approved Departmental Annual Report	Approved Departmental Annual Report	Departmental Annual Report approved
	Five departmental quarterly performance and evaluation reports	Five departmental quarterly performance and evaluation reports	Five departmental quarterly performance and evaluation reports	Five departmental quarterly performance and evaluation reports submitted
Intergovernmental and International Relations	Management and facilitation of inter-sphere housing delivery cooperation	Approved systems and procedures to enhance vertical integration across spheres of government	Implementation and review of inter-sphere systems and procedures	Enhanced capacity and compliance assessments procedures to support municipal accreditation achieved Booklet produced on municipal accreditation operational management and process flow Impact assessment and evaluation in respect of the municipal accreditation programme concluded
				Thirteen bilateral engagements with all provinces to advance municipal accreditation Five national accreditation task team meetings convened where: <ul style="list-style-type: none"> • provincial progress reports were considered • prioritised municipalities shared best practices and lessons • support requirements were determined Dispute between City of Cape Town and Cape Province processed
International Relations	International partnerships with practical implementation frameworks	Number of initiatives with international partners formalised for implementation	100 % of initiatives concretised and in implementation	Handed over chair of AMCHUD to Nigeria during Second African Ministerial Conference on Housing and Urban Development Concluded IBSA Trilateral Cooperation Agreement on Human Settlement Undertook technical visit to DRC to review implementation of cooperation agreement

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
				Hosted consultative workshop with NGOs of slum dweller representative groups Participated in Fourth World Urban Forum
				Department elected to Cities Alliance Executive Committee Hosted Angolan Ministerial delegation Hosted Cuban Ministerial delegation
	Donor partnerships with practical implementation frameworks	Number of initiatives with international donor or partners	100 % of initiatives concretised and in implementation	Agreed on scope and focus of extension to MoU with The Netherlands in respect of social housing Project with DANIDA on energy efficiency implemented at N2 Gateway project National Slum Upgrading Support Programme implemented with support from Cities Alliance
Transformation	Developed and implemented departmental transformation programme	Approved transformation programme interventions	Multiple transformation programmes	Draft Service Delivery Improvement Plan developed Developed enabling policies and programmes: <ul style="list-style-type: none"> • Employment Equity Plan • Disability Management Plan • Change management Plan • HIV & AIDS; STI & TB Workplace Policy and Strategy • Employee Health and Wellness Policy reviewed • Bereavement Policy implemented • Sport and Recreation Plan
	Management of sector transformation programme	Approved sector-wide transformation programme implemented	Implementation of sector-wide transformation programme	Initial consultation on structure, form and alignment of sector-wide transformation programme undertaken

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Communication Services	Develop and manage Public Information and Marketing Strategy and Plan	Developed and managed Public Information and Marketing Strategy and Plan	Approved Public Information and Marketing Strategy and Plan implemented	Public Information and Marketing Strategy and Plan approved and the following implemented: <ul style="list-style-type: none"> • face-to-face interaction with beneficiaries and other stakeholders on housing issues • A re ageng Mzansi Industrial Theatre road shows • exhibition programme • door-to-door campaigns • Ministerial Imbizo in Limpopo • participation during GCIS Imbizo and NCOP provincial hearings • beneficiary interviews and radio testimonials • Housing week in North-West • Sixteen Days of Activism Campaign in Free State
	Media Relations Programme implemented	Comprehensive Media Relations programme	Monthly Media Relations Programme Support 30 Ministerial media events Coordinate media events	Media Relations Programme implemented monthly Supported 40 Ministerial media events Coordinated 36 media events
		Feature articles, and responses to media	Develop 24 feature articles Prepare media responses	Fifty four feature articles developed Twenty six media responses prepared
		Housing Communicator's Forum meetings Media builds and provincial visits	Convene four Housing Communicator's Forum meetings Organise two media builds	Convened five Housing Communicator's Forum meetings One media build arranged
	Corporate Communication Strategy and Plan implemented	Ongoing organisation of departmental events Production and design of departmental publications Manage and implement Internal Communication Strategy and Plan	Organise departmental events on demand Provide production and design services Manage internal communication vehicles	Multiple departmental events organised and supported Designed and produced departmental publications on demand Managed and implemented corporate communication vehicles (Strategy and Plan) with the following results: <ul style="list-style-type: none"> • eight newsletters produced and distributed

Chief directorate or entity	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
				<ul style="list-style-type: none"> • ongoing SMS messages to staff on key departmental events • suggestion boxes re-installed • upgrading of brochure stands and display boards underway • corporate branding • monthly Corporate Diary • multiple staff information sessions • operation of client information desk

2.8.2 Programme 2 : Policy and Research

Purpose: To develop and promote national sustainable human settlements and housing policies, supported by a responsive research agenda; to monitor and assess the implementation, performance and impact of national housing policies and programmes; and to provide integrated business information.

Measurable objective: Enabling policy for adequate housing for all South Africans in sustainable human settlements; improve housing policy and programmes based on the analysis of accurate, strategic and statistically sound information and data monitored through operational and other systems.

2.8.2.1 Recent outputs of the Chief Directorate: Policy

2.8.2.1.1 New National Housing Code

The National Housing Code was reviewed to align housing policy and programmes with the BNG and approved by MinMEC and the Minister in February 2009. It will be published in the new financial year. The code is now much more flexible and provides guidelines in catering for locally specific development conditions.

2.8.2.1.2 Integrated Residential Development Programme

The programme promotes integrated development and sustainable human settlement and will facilitate the implementation of inclusionary housing requirements.

2.8.2.1.3 Programme for the Upgrading of Informal Settlements

The programme provides guidelines for upgrading settlements, in pursuance of government’s targets in this regard.

2.8.2.1.4 Policy developments and enhancements

The Chief Directorate: Policy embarked on several instances of policy development and refinement to articulate parameters in addressing address emerging concerns and practice in respect of housing development. This was undertaken to ensure greater alignment between practice and BNG for the creation of sustainable human settlements. In all instances the Constitution of the Republic of South Africa remained the cardinal reference. Highlights in policy development are outlined below:

(a) Farm Worker and Occupier Housing Assistance Programme: The programme was approved and incorporated in the National

Housing Code. It provides for housing assistance to qualifying farm workers and occupiers who will hold rental or freehold tenure. It also includes assistance to beneficiaries of the Department of Land Affairs' Labour Tenants Programme.

(b) Environmental efficiency in the housing sector: The branch worked with the NHBRC to determine additional measures to improve energy efficiency in the subsidised housing sector. This is in line with the guidelines for environmental efficiency in the housing sector that form part of the new National Housing Code.

(c) Policy and Programme for Housing Assistance to Military Veterans of the Struggle: Following the approval of a policy for assistance to veterans by MinMEC, the department worked with the SANDF on the implementation of the programme. A national summit was called by the Minister in Port Elizabeth to give special attention to the development needs of military veterans. The SANDF and provincial housing departments were assigned primary responsibility for the implementation of the programme that forms part of a broader government programme for socio-economic assistance to military veterans.

(d) Policy advice and assistance to stakeholders: Assistance was rendered through advisory services, policy interpretation and presentations to a number of stakeholders. The chief directorate is also engaged in ongoing activities related to AMCHUD and sessions of the Governing Council of the United Nations Human Settlements Programme (UN HABITAT).

2.8.2.2 Recent outputs of the Chief Directorate: Research

2.8.2.2.1 Research to inform the review of the Comprehensive Plan for Sustainable Human Settlements (BNG)

Research undertaken to review BNG was completed. The review focused mainly on the upgrading of informal settlements, social housing, and the property market.

Several research initiatives were also undertaken to inform policy making and respond to and/or contribute to sector discourse on current and topical issues from time to time – especially where the Minister was a participant.

2.8.2.2.2 Collaborative project with Department of Science and Technology (DST) on research and development capacity in the housing sector

Engagements with DST were pursued towards the implementation of an MoA between the two departments. The research project was initiated but stalled because of challenges in respect of the appointment of service providers.

2.8.2.3 Recent outputs of the Chief Directorate: Monitoring, Evaluation and Impact Assessment (MEIA)

The MEIA Policy and Implementation Framework for the Housing Sector were approved and launched.

The MEIA Information System was implemented and makes provision for measuring provincial performance in terms of targets set in provincial business plans. Relevant officials were trained to use the system.

2.8.2.3.1 Beneficiary occupancy audit

Service providers were appointed to conduct a beneficiary occupancy audit in seven of the nine provinces. In terms of this exercise, a representative 10 % sample of all housing units completed since April 1994 are audited to establish beneficiary occupancy.

Beneficiary Occupancy Audit of Seraleng Housing Project, Rustenburg: A service provider specifically conducted an occupancy audit of the Seraleng Housing Project in Rustenburg in order to determine to what extent completed houses are occupied by unauthorised beneficiaries. The aim of the audit was to assess the profile of occupiers and to make recommendations on how to regularise the situation on the ground.

2.8.2.3.2 Verification of demand database of N2 Gateway Project

A verification and validation exercise was undertaken of the demand database of potential beneficiaries in the informal settlements surrounding the N2 Gateway Project. The aim of the exercise was to verify the particulars of "housed" beneficiaries and to assist in the dissemination of beneficiary awareness and empowerment information and material.

2.8.2.3.3 Monitoring reports

Monitoring reports were developed and submitted on the performance of Provincial Housing Departments for the first three quarters of the 2008/09 financial year in terms of their Provincial Business Plans as well as for project-level monitoring conducted in all Provinces except the Eastern Cape.

2.8.2.3.4 Impact of the upgrading of informal settlements on beneficiaries

The department, in collaboration with the World Bank, explored the feasibility of the Impact Study on the Upgrading of Informal Settlements Programme on the Lives of Beneficiaries. Terms of reference for data collection were developed and submitted for approval.

Table 2.7 Programme 2: Policy and research – service delivery achievements

Chief directorate	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Policy	National Housing Code	Published new code	Publication of new code	Revised code approved by Minister in February 2009 and will be published in new financial year
	Policy and guidelines	Approved policy and guidelines	Approved policy enhancements and/or developments	Policy on Insurance Cover for Subsidy Houses completed
				Policy on Tenure Options for the Housing Subsidy Scheme completed
				Housing Programme for Persons with Special Housing Needs completed
				Policy for Housing Assistance to Farm Residents and Occupiers approved
				Policy for Housing Assistance to Military Veterans of the Struggle approved
				Environmental Implementation and Management Plans (EIPs/EMPs) approved for gazetting.
Policy interpretation and formulation model	Approved and operationalised model	Provincial visits undertaken and programme implemented	Model approved and will be rolled out in the new financial year, after publication of the National Housing Code	
Research	Initiate and undertake research on identified pertinent issues in housing and human settlement	Number of research reports contributing to the body of knowledge that support the development and implementation of housing and human settlement policies	Number of research reports	Nine research papers completed: Informal Settlement Upgrading; Social Housing; Property Markets; Affordability Model for beneficiaries earning between R3501 to R7000; Policy alternative to address the problem of beneficiaries selling or renting their houses prematurely; Alternative Technology; Analysis of the Property Market in South Africa; Housing Allocations; Airport Noise Standard and Rezoning for Residential Areas

Chief directorate	Output	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
	Manage and provide research support	Number of reports completed as requested	100 % of research requests completed	The following research inputs/ briefings were completed: Keynote address for "Women from Sri Lanka" conference at :UCT; Housing and Xenophobia; Ministerial imbizo to address to black contractors; Minister's response to questions from <i>Engineering News</i> ; Minister's address to the International Union of Housing Finance; Govan Mbeki Housing Awards; Minister's address to Institute of Estate Agents of South Africa (IEASA) conference
	Undertake research to determine relevant macro-economic trends	Provide constant reports on analysis of key macro-economic variables and their impact	Quarterly reports or when required	Quarterly reports on trends in the macro-economic environment submitted
Monitoring and Evaluation	Monitoring reports	Updated monitored information on prioritised policies and programmes	Quarterly monitoring reports	Project level (physical) monitoring conducted in all provinces to verify actual delivery; draft reports pending approval
	Impact evaluation studies	Number of impact assessment reports produced	Draft reports on findings	2 Assessments underway and yet to be completed
		Approved Monitoring, Evaluation and Impact Assessment (MEIA) System	Approved MEIA System	MEIA System developed and approved. Training provided for national and provincial officials
	Monitoring reports on performance of provincial housing departments	Number of monitoring reports	Quarterly monitoring reports	Quarterly progress reports submitted

2.8.2.4 Reasons for major variances in targets and achievements

2.8.2.4.1 Chief Directorate: Policy and Research

The increased and dynamic research requirements of the department and the sector compelled the Research to undertake far more research than was planned.

2.8.2.4.1 Chief Directorate: Monitoring and Evaluation

Technical monitoring of housing units at project level required additional work to be undertaken. Potential additional capacity may be assembled in this regard. Furthermore, the priority attached to meeting the housing needs of military veterans required additional monitoring of the implementation of the programme. The chief directorate also assisted with the implementation of the evaluation process for the Govan Mbeki Housing Awards (for Province, Metro and Municipality of the Year).

During the year under review, the chief directorate was also required to embark on a series of verification audits:

- A total of 894 667 properties were audited to ascertain the occupancy of such units on a sample basis
- Beneficiary occupancy audits were conducted in seven provinces
- Verification and validation of potential beneficiaries on the Demand Database for the N2 Gateway Project were undertaken

2.8.3 Programme 3 : Service Delivery Support

Purpose: To provide implementation and delivery support; build capacity; and liaise and communicate with stakeholders in respect of housing and human settlement programmes.

Measurable objective: Provide effective implementation and delivery support for sustainable human settlement development through capacity building, stakeholder liaison and information management and dissemination.

2.8.3.1 Recent outputs of the Chief Directorate: Capacity Development

The chief directorate advanced the professional development of the housing sector by introducing housing qualifications options and a framework, as well as by implementing the housing scholarship programme. Notable achievements during the year under review are listed below:

2.8.3.1.1 Sustainable Communities Support Programme

The chief directorate concluded a three-year agreement with the Sustainability Institute for the implementation of the Sustainable Communities Support Programme.

2.8.3.1.2 WITS Business School Certificate Programme on BNG

Sixty seven officials from all three spheres of government attended the Housing Policy Development and Management programme. Forty five officials completed the programme at the end of June 2008 and twenty two completed it at the end of November 2008. All were awarded certificates.

The training programme is at NQF Level 7 and its main aim is to educate trainees on BNG and other housing policies and legislation, and also on how they can assist in ensuring effective implementation of housing programmes and contribute to increased service delivery. Thirty three new candidates from all three spheres of government embarked on the programme in February 2009.

2.8.3.1.3 Induction programme for housing officials

The chief directorate, in collaboration with various other directorates and chief directorates, coordinated and facilitated two induction sessions for the 111 officials in the Eastern Cape Department of Housing. It also coordinated and facilitated seven internal Induction programmes for 112 officials in the National Department of Housing.

2.8.3.1.4 Beneficiary empowerment training programme for N2 Gateway community development workers

The training programme for community development workers responsible for consumer education on the N2 Gateway project was implemented and twenty eight community development workers were trained. The User-friendly booklet on frequently asked questions was developed.

2.8.3.1.5 Training programme on Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)

The chief directorate, in collaboration with the Office of Disclosure, implemented a Train-the-Trainer programme on the Act. Forty seven officials underwent training on the generic programme.

2.8.3.1.6 Cuban technical programme

Six bi-monthly SA/Cuban Technical Support Programme Task Team meetings and one site visit were coordinated to review progress and challenges, and share best practices.

2.8.3.1.7 Review and generation of unit standards and additional housing qualifications

Quarterly meetings for the members of the Housing SGB were revived and resulted in the following housing qualifications being generated, reviewed and captured on SAQA's NLRD:

- Higher Certificate in Housing (NQF Level 5) – new
- Further Education and Training in Housing (NQF Level 4) – new

- General Education and Training in Housing (NQF Level 1) – new
- Unit Standard in Housing (ABET unit standard levels 1, 2 and 3) – new
- National Certificate in Social Housing Property Management (NQF Level 6) – reviewed
- National Certificate in Social Housing Property Development (NQF Level 6) – reviewed
- Further Education and Training Certificate (NQF Level 4) – reviewed.

2.8.3.1.8 Housing Scholarship Programme

Provincial steering committees were established to screen applicants for the Housing Scholarship, and to facilitate student placements, vacation work, the mentorship programme and monitoring of students' academic progress. One hundred and twenty eight students are recipients of the Housing Scholarship for 2009.

2.8.3.2 Recent outputs of the Chief Directorate: Human Settlement Planning

The department sought to guide and support provincial housing departments in preparing their multi-year housing development plans for the 2008/09 financial year, as well as to enhance the capacity of the National Department of Housing in respect of human settlement development planning.

The Planning Support Programme made positive strides in meeting all the set objectives achieved targets within set time-frames. The response to the initiative was such that the chief directorate was requested by various provincial housing departments to replicate the initiative within their respective departments.

2.8.3.2.1 Multi-year housing development plans (MHDPs)

A key deliverable of the Planning Support Programme is the support rendered to provinces in respect of the formulation of their respective multi-year housing development plans and business plans. The majority of multi-year housing development plans were completed.

2.8.3.2.2 Municipal housing sector plans

The chief directorate engaged with the Eastern Cape and Free State provincial housing departments and helped municipalities evaluate the quality and enhance the credibility of housing sector plans.

2.8.3.2.3 Eastern Cape Intervention

The department identified that provincial housing departments would benefit from the provision of additional capacitating support in respect of its planning and budgeting functions, amongst others. To this end, the chief directorate rendered additional planning related support, as follows:

- developing and updating the Multi-Year Housing Development Plan
- reviewing and assessing municipal housing sector plans
- developing and implementing municipal support programmes to review municipal housing sector plans
- designing a matrix to better align provincial housing development plans, infrastructure development plans and other housing plans in the Eastern Cape Provincial Department of Housing
- providing support in the preparation of the 2009/1010 Conditional Grant Business Plan

2.8.3.2.4 Secretariat of the African Ministerial Conference on Housing and Urban Development (AMCHUD)

Members of the chief directorate were seconded to the AMCHUD secretariat for a substantial part of the reporting period. Their involvement related specifically to the institutionalisation of the secretariat, support to the bureau, as well as the overall hosting of the AMCHUD II Conference.

2.8.3.3 Recent outputs of the Chief Directorate: Programme Implementation Support

The chief directorate was established to provide implementation support to provincial housing departments and municipalities in the implementation of housing programmes and projects in accordance with the principles of BNG, the National Housing Policy and the prescripts of the various housing programmes. In this regard, the chief directorate focused its activities on providing support in the unblocking of stalled housing projects, the upgrading of informal settlements and the identification of and support required to speed up the implementation of slow-moving projects.

A major initiative was the provision of support in the Eastern Cape following a cabinet decision that the department had to intervene in this province in terms of section 100 of the Constitution. This decision placed tremendous pressure on the chief directorate given the fact that it was severely under-staffed and under-funded. As a result, the major part of the chief directorate's time and effort were expended in the Eastern Cape Province, to the detriment of other poorly performing provinces.

An investigation was launched to determine the number of informal settlements in South Africa, their location and socio-economic profile.

Information on stalled and slow-moving housing projects is more readily available from the Housing Subsidy System (HSS) and served as a database to guide the chief directorate's activities and the identification of priority projects to be supported. During the year under review, 109 projects were unblocked and completed and 106 were unblocked and are under construction.

A Project Programming and Implementation Guide is being finalised and will assist housing implementers to understand the housing development process, to plan projects better, to manage projects more efficiently, and to monitor project progress. This guide will be completed during the first quarter of 2009/2010.

A National (slum) Upgrading Support Programme (NUSP) was established in collaboration with the Cities Alliance. Sixteen priority projects were studied with a view to identify best practices in informal settlement upgrading. It is envisaged that the learning achieved in this manner will lend further substance to policy refinement and the development of a new and/or improved implementation strategy at project level. The initiative will also provide critical support to projects during their first years. A team of national and international experts support the programme by providing expertise, advice and guidance. The provinces have completed a total of 110 858 units and are in the process of completing 245 082 units in terms of the informal settlement upgrading programme.

2.8.3.4 Recent outputs of the Chief Directorate: Priority Projects

The chief directorate maintained its facilitative and management role in respect of the implementation of identified priority projects of national significance in different provinces. Extensive engagements were undertaken with provincial housing departments, municipalities and implementation agents to assist these spheres of government to deliver on their mandates in respect of priority projects.

Despite being severely under-capacitated, the chief directorate performed as follows:

2.8.3.4.1 Eastern Cape

a) Zanevula Housing Project: Three thousand housing units were handed over to beneficiaries and processes were put in place for the preparation of 4 300 sites for the next phase of the project. Processes were initiated for the development of socio-economic amenities and their funding. In addition, the rectification of storm-damaged houses commenced and investigations of the provision of rental stock were embarked upon.

b) Duncan Village: Eight hundred housing units in the Greenfields development in Reeston were completed and handed over to beneficiaries. The application for R14 million for the construction of multi-purpose centres in Duncan Village and Reeston was approved by the provincial housing department and processes commenced to deliver these amenities.

2.8.3.4.2 Western Cape

N2 Gateway Project: Housing development is progressing and 4 000 housing units were handed over to beneficiaries.

2.8.3.4.3 Northern Cape

Lerato Park Housing Project: The Implementation Agreement among the three spheres of government and the implementation agent was finalised. The first phase of infrastructure provision and housing development will commence early in the 2009/10 financial year.

2.8.3.4.4 North-West

Khutsong Re-settlement Project: The area was re-demarcated and reincorporated into Gauteng province. The Cooperation Agreement between the political principals and the Implementation Agreement between the administrative principals were concluded. Town planning and design and initial engineering work commenced on the first phase of the project, which will deliver around 5 500 housing units.

2.8.3.4.5 Mpumalanga

Klarinet Housing Project: The Implementation Agreement was finalised and signed by the collaborating parties. The layout designs were completed and bulk and link infrastructure construction commenced. Housing construction will commence in the 2009/2010 financial year.

2.8.3.4.6 KwaZulu-Natal

Emnambithi Urban Renewal Project: Authorisation for the use of housing funds was obtained for the provincial housing department so that the rectification of the affected houses can proceed. It is anticipated that funding for this project will be made available in the next financial year.

2.8.3.4.7 Free State

Grassland: In Phase 2 of the project, 1 867 of the 2 855 planned units were completed and provided with rudimentary services and electricity. In Phase another 3 921 units were completed.

2.8.3.5 Recent outputs of the Chief Directorate: Stakeholder Mobilisation

The chief directorate developed a Framework of Engagement to guide the operations of participating stakeholders and those intending to collaborate with the department in housing delivery. The aim of the framework is to assist stakeholders, in collaboration with the department, to develop houses in compliance with BNG and housing policy, including related legislation.

The chief directorate engaged different stakeholders based on signed agreements. During the period under review, a Framework for the Govan Mbeki Housing Awards was approved by MinMEC. Provincial housing departments conferred Provincial Govan Mbeki Housing awards prior to the National Awards in October 2008, which also received extensive media coverage and served to motivate the sector to excellent performance. The Govan Mbeki Housing Awards are backed by a National Adjudication Team and an auditor.

2.8.3.5.1 Social Contract

The pre-plenary of the Social Contract was held on 24 November 2008 and the Social Contract Working Group Chairpersons met in February 2009 in preparation for the plenary session.

Signatories to the Social Contract were assembled in support and recognition of the resolution of some of the delivery bottlenecks through the launch of the Housing Development Agency (HDA) in March 2009. The establishment of the HAD served to increase confidence among sector stakeholders that government was serious in tackling bottlenecks that confronted role-players in the sector.

2.8.3.5.2 Stakeholders' newsletter

The chief directorate compiled and delivered two editions of the stakeholders' newsletter and circulated to all listed stakeholders. A quarterly newsletter featuring progress, current affairs and comment from stakeholders on the Social Contract was also produced.

2.8.3.5.3 Stakeholder relations

An agreement was concluded with the Department of Public Works (DPW) to access state land and assets for housing development. Included in MoU is the right to collaborate on integrated developments, led by the DPW.

2.8.3.5.4 National Economic Development and Labour Council (NEDLAC)

The chief directorate represented the department's interests and position at NEDLAC.

2.8.3.5.5 Women in Housing

The Women in Housing Framework was finalised and endorsed by the Technical MinMEC. The chief directorate conducted a successful Women's Build that delivered 52 houses in China Square, Kimberly. The team of volunteers participating in the build received further training from CETA.

A project of the Free State Provincial Department of Housing was supported and delivered 300 houses to vulnerable groups in Welkom.

2.8.3.5.6 Youth in Housing

The Youth in Housing Framework was endorsed by the Technical MinMEC and seeks to mainstream the participation of the youth in housing development. Eighty six young people completed two weeks' orientation and a mental toughness test. Support was also provided to the Western Cape, Mpumalanga, KwaZulu-Natal and Eastern Cape.

2.8.3.6 Recent outputs of the Chief Directorate: Rental Housing and People's Housing Process (PHP)

The chief directorate has as its purpose to manage the implementation of the (CoDHI) and rental/social housing programmes, as well as to provide regulatory support to and oversight of the rental/social housing and CoDHI sectors.

2.8.3.6.1 Road shows on the National Housing Rental Strategy

The National Rental Housing Strategy for South Africa was approved by the Technical MinMEC on the 6 August 2007 for submission to the Housing MinMEC, and was finally approved on 18 March 2008. The strategy envisages the delivery of 100 000 rental units by 2011/2012. Seventy five thousand will be social housing for middle-income earners (R3 500 to R7 500) and 25 000 will be community residential units (CRUs) for low-income earners.

To realise the outcomes and expected delivery targets contained in the strategy and to enhance the successful implementation of programmes and housing options, strong support systems and relations within and among the three spheres of government are required. These will only be achieved if each sphere understands what the strategy seeks to achieve, its components, and related roles and responsibilities. The main purpose of the road shows, which were conducted in partnership with SALGA, was therefore to ensure greater understanding of the strategy, its objectives and various components in order to enhance the role of municipal capacity building initiatives. Provinces planned, organised and funded the road shows. Road shows were conducted in eight provinces, while a suitable date still needs to be set for Mpumalanga.

2.8.3.6.2 National Social Housing Task Team

The National Social Housing Task Team (NSHTT) was established by the department in January 2004. The team comprises representatives of government (national, provincial and local), national housing support agencies (SHF and NHFC), organised representatives of social housing institutions (NASHO), and the Cities Network.

The overall purpose of the task team is to facilitate support for the implementation of government's National Rental Housing Strategy in general and to ensure that the capacity required to enhance delivery of the social housing programme in particular is in place. Functions include:

- facilitation of an understanding of shared rental housing development goals, targets, roles and responsibilities among role players and partners
- clear determination of factors that may hamper delivery on the set targets and setting up of shared tangible measures to deal with these
- establishment of sustainable partnerships on specific programmes deliverables and projects contributing towards effective delivery of rental stock.

The NSHTT is supported through various sub-task teams. Three NSHTT meetings were convened during the year under review and it was resolved that three additional meetings were required. Three additional sub-task teams were established to focus on informal, backyard and small landlords' issues, rental incentives, and rental policy issues.

2.8.3.6.3 Road shows of the Community Residential Unit (CRU)

The objective of these road shows was to provide provincial housing departments and their stakeholders with information on development options and opportunities offered by the CRU with regard to public housing stock. Policy was clarified and the first CRU pamphlet distributed.

Road shows were conducted successfully in all nine provinces and owing to the need for information, second road shows were conducted in Mpumalanga, Northern Cape, Eastern Cape and Western Cape.

2.8.3.6.4 Support programme for provinces

An extensive support programme was negotiated and developed for five provinces, viz. Free State, Western Cape, Limpopo, North-West and Mpumalanga.

a) North-West: The department decided to launch its pilot projects in North-West (Tlokwe and Rustenburg) since the province has reached quite an advanced stage with their CRU programme in that a thorough audit of all provincial and municipal stock has been completed. The province is currently advertising tenders for the appointment of a service provider to conduct feasibility studies.

b) CRU task teams: The unit's approved policy stipulates that, where needed, provinces can establish task teams to facilitate implementation of the programme. Terms of reference for the establishment of such task teams were prepared and in provinces that already had a Social Housing PSC, the CRU terms of reference were merged with those of the Social Housing PSC. Only Western Cape has a separate CRU PSC.

c) CRU reference group: The group's first meeting was held on 26 February 2009 to discuss the implementation of the programme and find solutions to challenges in respect of provincial progress reports, pilot projects and provincial audits. The group also serves as a platform for discussing areas of further support, policy alignment and all issues related to the CRU programme. It is highly beneficial for the CRU to receive sound opinions and advice from specialists who are well versed in the field of public housing.

d) Municipal support to Mpumalanga: Mpumalanga required special advice on how to set rent and manage its properties.

e) EEDBS: In this respect it is essential to keep track of houses that could not be transferred to individual beneficiaries so that they can be assimilated into CRU rental stock. A framework was prepared to ultimately advise provinces on what to do with houses that have not been transferred.

f) Challenges

- Limited government funding to support the programme
- Lack of capacity, both at provincial and local level
- Limited number of capacitated delivery agents
- Lack of political support at local level and provincial level, which is reflected by lack of commitment to fund the programme
- Lack of support from the private sector
- Lack of office space and tools of trade
- Lack of serviced land for development.

2.8.3.6.5 Rental Sector Regulation Support

Three quarterly meetings the Rental Housing Tribunal were held to identify technical support required by rental housing tribunals. Other areas attended to were training, the establishment of a centralised case management system, organisational structure and remuneration structure.

a) Case management system: The system was investigated and report tabled at the meeting held on 26 to 27 February in Mpumalanga.

b) Tenant protection and support: The directorate responded to all enquiries received in the period under review. A pamphlet was created to advocate and promote the work of the Rental Housing Tribunal.

c) Social Housing Regulatory Authority: The Social Housing Act, 2008 (Act 16 of 2008), which provides for the establishment of the Social Housing Regulatory Authority (SHRA), was passed by parliament. The process of establishing the SHRA has reached an advanced stage.

d) Challenges

- Understaffing – only three of seven positions are filled
- The unit has no director, which makes difficult to coordinate the work of the directorate
- Delays in the promulgation of Regulations
- Delays in the incorporation of the Rental Housing Amendment Bill [B30B-2006]
- Challenges in enforcing rulings.