

# MULTI-YEAR HOUSING DEVELOPMENT PLAN (MHDP)

April 2008

## **GUIDELINES FOR THE PREPARATION OF MULTI YEAR HOUSING DEVELOPMENT PLANS (MHDP) FOR 2008 - 2014**

### **Introduction**

This Guideline has been prepared by the National Department of Housing to guide Provincial Housing Departments to fulfil their legal requirement of preparing a Multi Year Housing Development Plan. It provides a format that will establish consistency across all Provinces.

### **Purpose of the Guideline**

This Guide for a MHDP provides the template for Provincial Departments of Housing to prepare a 5 - Year MHDP. It shows the key requirements needed in each Provincial Plan in order to assist the National Department to prepare their National Housing Development Plan.

It is based on the National Department of Housing's 5 - Year Strategic Plan Guidelines and the Strategic Planning and Annual Performance Plan Guidelines of the National Treasury. The Plan that is produced will meet the Treasury requirements of a 5 – year Strategic Plan and hence avoid duplication of effort in preparing Plans. Where Housing Departments form part of a larger Department, this Plan constitutes the Housing component and can be added to that of the other Department (e.g. Local Government) to form an overall Departmental 5 - year Strategic Plan. Unlike a full 5 - year Strategic Plan, the focus of the MHDP is on the housing delivery programmes and has an operational emphasis.

This MHDP Guideline has three main components:

**Part A** – Strategic Overview of the Housing Delivery Environment by the Department of Housing: this sets out the housing environment, the context within which housing is being delivered in the Province and a strategic analysis of the internal and external delivery environment to arrive at the most important housing issues and priorities that will focus the Department on its key housing goals, strategies, performance measures and most importantly, its budget.

**Part B** – The focus in this section is on the key Departmental housing programmes. It asks the Department to think strategically about each programme and set out its intentions (delivery targets, performance indicators and budgets) for the 5 - year period.

**Part C** – contains Appendices that hold more detail from Part A – As this is a strategic plan, considerable base information needs to be analysed in a strategic way. It need not all be set out in Part A, which must rather focus on the important strategic aspects. Additional information on the institutional aspects of the Department is also included here as is more detail on the legal and policy framework from which the Department derives its mandate.

Document available on the Department of Housing Website [www.housing.gov.za](http://www.housing.gov.za)

### **Table of Acronyms**

MHDP – Multi Year Housing Development Plan

NDOH – National Department of Housing

NSDP – National Spatial Development Perspective

PFMA – Provincial Financial Management Act

PPFA - Preferential Procurement Policy Framework Act

PSDP – Provincial Spatial Development Plan

SDP – Spatial Development Plan

SDF – Spatial Development Framework

## **Revised Format for Provincial Multi Year Housing Development Plans**

### **Contents**

#### **Part A: Strategic Overview**

##### **Overview of Strategic Plan (Executive Summary)**

###### **1. Vision**

###### **2. Mission**

###### **3. Values**

###### **4. Legislative and Policy Mandates**

###### **5. Housing situation Analysis**

5.1 Housing Delivery Environment

5.2 Spatial Analysis of Housing Delivery

5.3 Summary of Institutional/Organisational Housing Environment

5.4 Summary of Past Performance

###### **6. Housing Strategic Issues**

###### **7. Departmental policies, priorities and strategic goals**

7.1 Housing Policy Statement

7.2 Housing Priorities

7.3 Housing Principles

7.4 Housing Strategic Goals and Objectives

7.5 Risks to achieving Housing Strategies (Provincial wide)

###### **8. Information systems to monitor progress**

## **9. Description of strategic planning process**

### **Part B: Programme and sub-programme plans**

#### **1. Programme 1: Administration**

Situation analysis

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Reconciliation of Budget with Plan

##### **1.1 Sub-programme: Financial Management (Financial support, Provisioning administration, Financial Management)**

Situation analysis

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Reconciliation of Budget with Plan

##### **1.2 Sub-programme: Corporate Services (Human Resource Management, Corporate Support, Strategic Planning)**

Situation analysis

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Reconciliation of Budget with Plan

## **2. Programme 2: Housing Needs, Research and Planning**

Situation analysis

Quantification of the Housing Need

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Resource information

Reconciliation of Budget with Plan

## **3. Programme 3: Housing Development, Implementation, Planning and Targets**

Situation analysis

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Resource information

Reconciliation of Budget with Plan

#### **4. Programme 4: Housing Asset Management**

Situation analysis

Policies, priorities and strategic objectives

Analysis of constraints and risks and measures planned to overcome them

Description of planned quality improvement measures

Specification of measurable objectives and performance indicators

Resource information

Reconciliation of Budget with Plan

#### **5. Capital investment, maintenance and asset management plan**

#### **6. 5 Year Revenue**

6.1 Summary of Revenue

6.2 Departmental Revenue Collection

6.3 Conditional Grants

6.4 Donor Funding

#### **7. Co-ordination, co-operation and outsourcing plans**

7.1 Interdepartmental Linkages

7.2 Local Government Linkages

7.3 Public Entities

7.4 Public, private partnerships, outsourcing

#### **8. Financial Management**

8.1 Audit Queries

8.2 Compliance with PFMA

**Part C: Background information Appendices**

**1. Appendix One: Analysis of service delivery environment**

- 1.1 Environmental factors and emerging challenges
  - 1.1.1 Demographic profile of the province
  - 1.1.2 Employment, income and [other relevant information]
  - 1.1.3 Health, education, welfare etc] profile of people in the province
- 1.2 Policy changes and trends
- 1.3 Housing Needs Indicators
- 1.4 Evaluation of current implementation performance

**2. Appendix Two: Organisational information and the institutional environment**

- 2.1 Organisational design
- 2.2 Delegations and performance agreements
- 2.3 Capital investment, maintenance and asset management plan
  - 2.3.1 Long term capital investment and asset management plans
  - 2.3.2 Capital investment plan
- 2.4 Personnel
- 2.5 IT systems
- 2.6 Performance management system
- 2.7 Financial management
- 2.8 Audit queries

### 3. Appendix Three: Legislative and Policy Mandates

## **Part A: Strategic Overview of Provincial Housing**

The MHDP should begin with an Executive Summary of the MHDP by the Accounting Officer.

**Purpose of Part A:** The purpose is to highlight any significant shifts in policy or programmes, and focus on the most important aspects (i.e. strategic) that the Department intends achieving over the term of the Plan.

Part A comprises the following sections and logic:

### **1. Vision**

The Housing Department's vision should be provided here.

This section should also indicate how it links to the Province's overall vision and the National Department of Housing's Vision.

***National Department***

A nation housed in sustainable human settlements with access to socio-economic infrastructure

### **2. Mission**

The Department's Mission or Mission Statement should be provided here. It should also explain how it relates to the Vision, for example:

***National Department of Housing Mission***

To establish and facilitate a sustainable process that provides equitable access to adequate housing all within the context of affordability of housing and services and access to social amenities and economic opportunities.

(Note: Most Provincial Housing Departments will already have developed their Vision, so it is not expected that a new Vision will be developed for this Plan)

**3. Values**

This component sets out the values that inform what the Department strives to be and how it seeks to move in that direction through what it does. 'Values' also refer to the 'ethos' or culture of the Department, i.e. those things that the Department regards as important.

**4. Legislative and Policy mandates**

This section must set out the specific Constitutional and other legislative, functional and policy mandates that inform what the Department does and how it does it. An indication of recent changes and possible future changes to the Department's mandates should also be given. This is important as these changes in mandate should be reflected in the strategic plan itself. Attention should also be given to relevant court rulings.

Only the key legal mandates should be listed here as well as the manner in which that law or policy influences the strategy of the Housing Department. Where more detail is required for the strategic analysis, this should be included in Section C, Appendix 3, where a full list of laws impacting on the Department's housing delivery mandate can be outlined. It is important that the **implications** of the legislation are highlighted and that this section does not become a simple listing of legislation.

It is expected that the Constitution, the National Housing Act, the Provincial Growth and Development Strategy, the National Spatial Development Perspective (NSDP) and the Provincial Spatial Development Framework (SDF), the PFMA and any key Provincial legislation should be included in the main body of the report.

## **5. Housing situation analysis**

This section should outline all the housing information needs required for a strategic analysis and include all information that is relevant for the whole Department.

In this section the Department must present an overview perspective on the service delivery and institutional environment of the Department. This section should be based on the detailed information that Departments are expected to gather as part of the strategic planning process and which is identified in Part C, Appendix 1.

### **5.1. Housing delivery environment**

The following components need to be addressed in this section:

A summary of relevant demographic information on: population, households, income levels as well as the projection of this over the 5 year period (Appendix 1 will contain more detail e.g. statistics per municipality);

Summary tables of housing need: divide into adequate and inadequate housing categories and do projections for the 5 - year period (to inform a view on how to tackle backlogs);

A summary of land needs (this will link to the spatial analysis);

A summary of services needs and impacts on housing delivery (to promote more integrated housing development);

An overview summing up of the housing delivery environment constraints.

### **5.2 Spatial analysis of housing delivery:**

This section needs to outline the key imperatives from National and Provincial spheres that relate to where investment is to be directed, what spatial form the Province is aiming

to achieve and show how housing delivery has or will support this over the next 5 years.

**Suggested headings include:**

- NSDP key informants for the Province;
- Provincial Spatial Development Framework (should reflect the G&D Strategy);
- Input from municipal IDPs (if this has not already been integrated into the Provincial SDF, the key spatial elements of the municipalities' SDF's may need to be extracted [key elements are infrastructure investment, vacant land identified for development, key priority areas for housing, informal settlements]);
- Map of previous and current housing projects in the Province;
- Comment on the location of land identification and housing projects in next 5 years (period of this plan).

**5.3 Summary of the (internal) institutional housing environment:**

In this section, the Department needs to set out its internal arrangements for delivering housing and what are its main challenges (staffing, structure, financial management, etc). Detailed information need not be included here but must be provided in Appendix 2 while this section should focus on the key strategic aspects.

**5.4 Summary of Housing Past Performance**

This section must outline strengths and weaknesses of past performance and include a table of delivery (numbers of units and Rand amounts spent). It will be useful to explain past performance in terms of the previous 7 national strategic thrusts and how well the Department did in achieving them. Use indicators where possible and reflect back as far as credible information is available. (Information can be obtained from the NDoH from 2006 onwards, if required):

- Stabilising the housing environment;
- Mobilising Housing credit;
- Providing subsidy assistance;
- Supporting the Peoples Housing Process;
- Rationalising institutional capacities;
- Facilitating the speedy release and servicing of land;
- Co-ordinating government investment in development.
- Summary of past performance and how this informs the strategies for the next 5 years.

## **6. Housing Strategic Issues**

Based on the analysis of the legislative, policy, institutional, spatial and delivery environment, the Department should distil out their key strategic issues relating to housing in the Province. This can be in table form and categorised in a way that links to housing delivery or programmes in the next section.

## **7. Departmental policies, priorities and strategic goals**

This section follows logically from the strategic analysis and identification of housing issues. Here, the Department reflects on its key policy direction, what this means for its priorities over the next 5 years and how this leads to the identification of strategic goals for housing in the Province. It should take the lead from the Comprehensive Plan plus own Provincial emphases. Fundamental housing principles should also be included as they form the 'non – negotiable' base that all goals and objectives are measured against.

It is important that these goals should underpin the identification of more specific 'strategic objectives' relating to the programmes in **Part B**.

### 7.1 Housing Policy Statement

This section begins by setting out the main policy thrusts of the Department over the next 5 years. It is important to indicate how the Department’s policies are achieving the 9 Strategies of the Comprehensive Plan of the NDOH. This can be done in a table format as indicated below:

National Strategies	How Province is achieving this strategy
<b>1. Supporting the entire residential housing market</b>	Need to address how the Province is:  Addressing the whole housing market  Providing individual housing solutions  Increasing private sector participation  Creating links between primary and secondary residential markets
<b>2. Moving from housing to sustainable settlements</b>	Upgrading informal settlements  Changing housing typologies – densification, inclusionary housing and incentives  Renewal of Inner City areas  Improving the housing product
<b>3. Applying existing housing instruments</b>	Informal settlement upgrading instruments  Strengthening the social housing instruments  Enhancing the rural housing instrument
<b>4. Adjusting institutional arrangements within government</b>	Expanding the role of local government  Reforming provincial institutions  Strengthening inter and intra-governmental co-ordination
<b>5. Building institutions with capacity</b>	Municipalities  Social Housing institutions
<b>6. Enhancing</b>	How the restructured subsidy and beneficiary criteria will affect the

National Strategies	How Province is achieving this strategy
<b>financial arrangements</b>	Province How fraud, corruption and maladministration will be addressed
<b>7. Creating jobs and providing housing</b>	How strategies that do the following are included: Job creation EPWP Labour intensive approaches On site materials production
<b>8. Building awareness and enhancing information communication</b>	Improving communication through estate agents, municipalities, property brokers Mobilising communities Strengthening the People’s Contract
<b>9. Implementing systems for monitoring and evaluation</b>	Improving data systems Performance management Systems for monitoring and evaluation

## 7.2 Housing Priorities

In this section the key priorities for the Department for the next 5 years are outlined. These should link to the budget allocation to projects in **Part B**.

## 7.3 Housing Principles

It is often useful to set these out as they do guide the approach taken. These should support the principles of the NDoH as set out in the Housing Code, for example:

<b>Principle</b>	<b>Definition</b>	<b>Source/s</b>
<b>Equitable access or Equity</b>	Access to a housing benefit without discrimination (subject to meeting qualifying criteria)	Departmental Vision, Housing Act, Housing Code
<b>Adequate housing</b>	Refers to the concept of adequate housing as per Section 26 of the Constitution of the Republic of South Africa	Departmental Vision
<b>Provision of housing which is “integrated”</b>	Spatially, economically and socially integrated to enable communities to develop to their maximum potential	Housing Act Departmental Vision
<b>“Sustainable” housing provision</b>	Housing which is provided in the context of integrated settlements which are environmentally, physically, economically, financially and socially sustainable	Departmental Vision Housing Act Housing Code
<b>Subsidy assistance directed at targeted groups</b>	Limited public sector housing financial resources directed at those considered to have the greatest need for such assistance	Departmental Strategic Objectives Housing Act
<b>Efficient and effective management of housing assets</b>	A responsible attitude to the management of departmental assets to achieve efficiency and effectiveness concerns	Departmental Strategic Objectives

#### 7.4 Housing Strategic Goals and Objectives

Firstly, the Department’s housing Goals should be stated. However, it is often best to think of Goals along with the Objectives for achieving the goals, hence a table similar to that below can be used.

<b>Goal</b>	<b>Objectives</b>
<b>Restructuring of Spatial Development and the Development of Sustainable Communities</b>	Formulation of a multi-year housing development plan
	Assist municipalities to prepare housing sector plans for IDP’s (Chapters)
	Promote proactive and forward planning
<b>Upgrading/Eradication of Informal Settlements</b>	Establish a policy framework and supporting programme to upgrade informal settlements.
	Acquisition of land in favourable locations.
	Map and determine the extent of informal settlements.
<b>Wealth Creation through Housing</b>	Include beneficiaries in R3 500 – R7 000 per month income .range
	Promote the creation of a greater mixed income residential market and a more functional property market.
	Develop an administratively robust mechanism to channel housing subsidies to appropriate locations.
<b>Promotion of Rental / Social</b>	Provide subsidies for housing at Mokopane and Northam

<b>Goal</b>	<b>Objectives</b>
<b>Housing and Alignment of Housing Institutions</b>	Upgrade and redevelop public sector hostels
	Management of rental for redeveloped hostels
	Emergency housing needs are to be provided
<b>Improved Housing Delivery</b>	Eradicate blocked / incomplete projects and unblocking of blocked projects
	Strengthen management capacity
	Appoint trained/capacitated project managers with the DLGH

### 7.5 Risks to achieving Housing Strategies (Provincial wide)

This section should outline the broad Departmental risks anticipated to achieving the overall Goals and Strategies. Specific programme risks are included in the Section B for each programme.

### 8. Information systems to monitor progress

In this section the Department should give a brief description of the different information systems it is going to rely on to monitor and report on the implementation of the MHDP. The Department should list the relevant systems, give an evaluation of their functionality and reliability and indicate the extent to which the information in these systems is structured consistently.

Where problems are being experienced with information systems, these should be noted and an indication of the timeframe for resolving problems should be provided.

Departments should give information on at least the following systems:

- Financial Information Systems;
- Transaction processing system;
- Accounting information system;
- Internal audit system;
- Operational Information Systems;
- Information Reporting Systems.

## **9. Description of strategic planning process**

The meaningfulness and usefulness of a strategic plan is to a large extent determined by the extent and depth of staff involvement in its development. For this reason it is recommended that the Department describe the processes they followed to develop their MHDP. This will enable legislators and the public to evaluate the quality of the Department's commitment to the strategic plan and therefore the likelihood of it actually being implemented.

This would also be an appropriate place to supply information on the processes that the Department followed to obtain input into its planning process from partners (Government and non-Government) and stakeholders.

A flow diagram is a useful way to illustrate the process.

**Part B: Programme and Sub-programme Plans**

This part of the Multi Year Housing Development Plan must be devoted to programme-specific planning.

The ‘programme’ and ‘sub-programme’ sections of this template cover the structure of Housing Programmes at national sphere, as per the New Comprehensive Plan.

It is required to plan in detail for each sub-programme and to summarise the results at the end to provide an overall programme picture. Provinces are required to plan in a scientific manner and accommodate the planning of each project over its entire life cycle in order to arrive at more accurate planning of expenditure.

The Housing Programmes must be arranged in the following format as determined by the National Department of Housing:

<b>Programme</b>	<b>Sub-programme</b>
<b>Administration</b>	Office of the MEC  Corporate Services
<b>Housing Needs, Research and Planning ('planning' in this context means overall planning for meeting housing needs that is aligned to the policies of the Department)</b>	Administration  Needs  Policy  Planning  Research
<b>Housing Development, Implementation and Targets Implementation  (the implementation will involve addressing specific project</b>	Administration  <b>Financial Interventions</b>  Individual Housing Subsidies

Programme	Sub-programme
<p>planning over the 5 – year period)</p>	<p>Military Veterans</p> <p>Housing Finance-Linked Individual Subsidy programme</p> <p>Relocation Assistance</p> <p>Rectification of RDP Stock 1994-2002</p> <p>Rectification of housing stock pre 1994,</p> <p>Social and Economic Facilities</p> <p>Accreditation and support of Municipalities</p> <p>Accreditation of Municipalities (Level 1 and 2),</p> <p>Operational Capital Budget</p> <p>Unblocking of Blocked Projects</p> <p>Procurement of Land</p> <p>NHBRC enrolment fees</p> <p>Housing Chapters of IDP's</p> <p>Housing Assistance to Households affected by death of guardians</p> <p>Enhanced Extended Discount Benefit Scheme (only in this category from 2009)</p> <p><b>Incremental Interventions</b></p> <p>Project-Linked Subsidies (Current commitments)</p>

Programme	Sub-programme
	<p>Integrated Residential Development programme: Phased Approach: Phase 1, Planning and Services</p> <p>Integrated Residential Development programme: Phased Approach: Phase 2, Top structure construction</p> <p>Peoples Housing Process</p> <p>Informal Settlement Upgrading</p> <p>Consolidation Subsidies (current commitments)</p> <p>Emergency Housing Assistance (current commitments)</p> <p><b>Social and Rental Intervention</b></p> <p>Institutional Subsidies</p> <p>Social Housing (Operational Support),</p> <p>Social Housing Capital Grants for rental housing</p> <p>Urban Restructuring Programme (Higher density individual ownership and Social Housing)</p> <p>Affordable State Rental Programme (Public Sector Hostel Redevelopment) Community Residential Unit (CRU)</p> <p>(Backyard Rental Programme)</p>

Programme	Sub-programme
	<p><b>Rural Intervention</b></p> <p>Rural Housing Programme: Communal Land Rights</p> <p>(Farm Worker Housing Assistance )</p>
<p><b>Housing Asset Management</b></p> <p><b>Property Management</b></p>	<p>Administration</p> <p>Sale and transfer of Housing Properties</p> <p>Devolution of Housing Properties</p> <p>Enhanced Extended Discount Benefit Scheme (this programme to go to Programme 3 in 2009</p> <p>Housing Properties Maintenance</p>

The following sections provide detailed information for each of the Key Programmes, to assist Departments to provide consistent information. The following information must be provided:

(Note: it may be the case that the Provincial Housing Department is structured in such a way that the various departments/directorates do not align with the housing programmes above. This should not prevent the Department from providing the information in the format required and each Department is to ensure that their work plan for preparing this plan will address co-operation between directorates within a Department.

### **1. Programme 1: Administration**

By way of introduction, a brief description of the programme and how it is structured should be provided.

### **Situation analysis**

This section should include information relevant to the entire programme. It should examine:

- a) the demand for the services being produced by the specific programme;
- b) the existing services and performance;
- c) the key challenges over the strategic plan period; and
- d) any other starting points relevant to the policies, priorities and objectives to be included in the next section.

**Note:** Where there is only a situational analysis for the whole programme, an integrated situational analysis is required that covers all the sub-programmes. Where separate situational analyses are presented for one or more of the sub-programmes then the situational analysis at the 'programme' level should only deal with broad issues, while information relevant to each of the sub-programmes should be analysed at that level.

### **Policies, priorities and strategic objectives**

These should follow from the situational analysis. Any links to the Provincial Growth and Development Strategy and sector priorities (e.g. developed by the relevant national departments) should be made. In the 5 - year strategic plan, Departments are to provide information in Part B at a high level and it is considered appropriate to provide these up to the strategic objective level as well. It is suggested that a table with the following structure is used to specify strategic objectives relevant to the programme and sub programmes.

**Table 1: Strategic Objectives for Programme 1**

<b>Strategic Goals</b>		<b>Strategic Objectives</b>	
<b>1.1</b>	<b>Administrative Support to the OFFICE OF THE MEC</b>	1.1.1	Provide secretariat and administrative support to the office of the MEC.
		1.1.2	Implement decisions made by the MEC with regards to National Housing Programmes
		1.1.3	Convert strategic direction and political leadership of the MEC into action plans
<b>1.2</b>	<b>FINANCIAL MANAGEMENT</b>  <b>Manage the Department effectively</b>	1.2.1	Promote accountability by the Head of the Department at all managerial levels and devolve responsibilities to the most appropriate levels.
		1.2.2	Secure adequate resources for the delivery of housing.
		1.2.3	Introduce sound financial accounting processes
		1.2.4	Implement financial management accounting procedures to ensure compliance with the Public Finance Management Act (PFMA) and other relevant financial prescripts
		1.2.5	Ensure compliance to Procurement policies and the Preferential Procurement Policy Framework Act (PPPFA)
		1.2.6	Provide for an inspectorate function to promote financial control
		1.2.7	Manage existing housing stock income generated from rentals and sales

Strategic Goals		Strategic Objectives	
			Manage the disbursement of National Housing Programmes funding
1.3	<b>CORPORATE SUPPORT SERVICES</b>  <b>To provide for the establishment of a competent workforce through continuously benchmarking the internal functions and performance outputs against best practices.</b>	1.3.1	Promote Human Resource Management in the Department
		1.3.2	Co-ordination and integration of training programmes undertaken within the department in accordance with legal requirements as well as reporting requirements.
		1.3.3	Develop departmental compliance policies
		1.3.4	Implement transformation policies in the department
		1.3.5	Manage Labour Relations
		1.3.6	Implement sound Strategic planning and co-ordination processes for planning, monitoring, research and development
		1.3.7	Implement effective provisioning procedures and policies
		1.3.8	Manage Loss Control effectively
		1.3.9	Provide legal advice
		1.3.10	Provide effective auxiliary services
		1.3.12	Introduce sound systems for information management
		1.3.13	Provide in the Information Technology requirements of the Department
		1.3.14	Develop a communication strategy with the public and clients

Strategic Goals		Strategic Objectives	
		1.3.15	Provide administration and secretariat support to the Rental Tribunal

### **Analysis of constraints and risks and measures planned to overcome them**

This constraints analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing risks.

### **Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of the services the Department provides through this particular programme. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

### **1.1 Sub-programme: Financial Management (Financial support, Provisioning administration, Financial Management)**

#### **Situation analysis**

This section should include information relevant to the specific Sub-programme. It should examine:

- a) the demand for the services being produced by the specific sub-programme;
- b) give an appraisal of existing services and performance;

- c) identify the key challenges over the strategic plan period; and
- d) discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

This analysis should only cover information relevant to the specific Sub-programme.

### **Policies, priorities and strategic objectives**

These should follow from the situational analysis. Any links to the Provincial strategic position statement and sector priorities (e.g. developed by the relevant national department) should be made.

### **Analysis of constraints and risks and measures planned to overcome them**

This constraints analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing **risks** and devising mitigation measures.

### **Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of housing. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

## **1.2 Sub-programme: Corporate Services (Human Resource Management, Corporate Support, Strategic Planning)**

### **Situation analysis**

This section should include information relevant to this Sub-programme. It should examine:

- a) the demand for the services being produced by the specific sub-programme;
- b) give an appraisal of existing services and performance;
- c) identify the key challenges over the strategic plan period; and
- d) discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

This analysis should only cover information relevant to the specific sub-programme.

### **Policies, priorities and strategic objectives**

These should follow from the situation analysis. Any links to the provincial strategic position statement and sector priorities (e.g. developed by the relevant national department) should be made

### **Analysis of constraints and risks and measures planned to overcome them**

This constraints analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing **risks** and devising mitigation measures.

**Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of housing. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

**Resource information for Programme 1**

The Department should give an indication of the expected resource implications of the plans for the particular programme as whole, also identifying expected constraints. This discussion should not focus only on funding, but also deal with other issues such as management capacity, systems and other constraints that may affect implementation.

The discussion should indicate what measures the Department intends taking to overcome these resource constraints.

Departments should work within the resource envelope of the current MTEF plus 2 years to cover the MHDP five year period.

**Programme 2: Housing Needs, Research and Planning**

The introduction should provide a brief description of the programme and how it is structured.

**Situation analysis**

This section should include information relevant to the entire programme. It should include:

- a) the demand for the services being produced by the specific programme;
- b) give an appraisal of existing services and performance during the past year;

- c) identify the key challenges over the strategic plan period; and
- d) discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

**Quantification of the Housing Need**

As part of the situational analysis, the housing need in terms of backlog, housing eligibility and urban - rural ratios which will influence the allocation of housing funds and resources, must be indicated in this section.

The template below comprises eleven specified key housing need indicators that require inclusion.

**Table 2 Programme 2: Housing Need Indicators**

<b>Backlog indicators</b>	<b>Need</b>
<b>a) Level of overcrowding - this would provide an indication of the need for additional dwelling units</b>	
<b>b) Number of “inadequate” dwellings - this would give an indication as to the number of households currently living in inadequate shelter, requiring more adequate shelter</b>	
<b>c) Short term population growth trends 1996 to 2000 this would give an indication of possible new household formation trends since the latest census</b>	
<b>d) Longer term population growth trends 1995 to 2025 - taking into</b>	

Backlog indicators	Need
<p>account migration, urbanisation and HIV/AIDS trends, this would suggest longer term possibilities in terms of household formation</p>	
<p>e) Number of processed applications - this would give an indication of the number of eligible households who have actually applied for subsidised housing</p>	
<p>f) Supply of subsidised housing – this would indicate the rate at which supply of adequate housing is occurring in the province</p>	
<p>g) Subsidised housing constitutional eligibility indicator:</p> <p>Number of households earning less than R3 500 per month and in the income category R3 501 to R7 000 per month. Provinces could categorise the R3 501 – R7 000 group into say 5 categories for the budget purposes.</p>	
<p>h) Urban: rural proportion indicator:</p> <p>Ratio of the number of people living in defined rural areas to the number living in urban areas</p>	
<p>i) Spatial and non spatial trends:</p> <p>Provide an analysis of spatial and non-</p>	

<b>Backlog indicators</b>	<b>Need</b>
<b>spatial trends and patterns</b>	
<b>j) National, Provincial and Local priorities and policy directives</b>  <b>Indicate what needs to be achieved for each priority and policy directive</b>	
<b>j) Land needs in relation to development planning:</b>  <b>Indicate where the land needs are and when the land is required</b>	

This section can be concluded with a summary of needs and how it will impact on the Programme.

### **Policies, priorities and strategic objectives**

These should follow from the situational analysis. Any links to the Provincial Growth and Development Strategy and sector priorities (e.g. developed by the relevant national Department) should be made. It is suggested that a table with the following structure should be used to specify strategic objectives relevant to the programme.

**Table 3: Strategic objectives for Programme 2**

<b>Strategic Goals</b>	<b>Strategic Objectives</b>
<b>To facilitate and undertake housing delivery planning.</b>	1. To provide regulatory framework and policy for housing delivery.
	2. To conduct housing needs research

Strategic Goals	Strategic Objectives
	3. To properly plan housing development based on IDPs and National and Provincial Priorities
	4. To provide capacity and support to municipalities with regard to housing development planning.

### **Analysis of constraints and risks and measures planned to overcome them**

This constraints analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing risks and devising mitigation measures.

### **Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of the services the department provides through this particular programme. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

### **Specification of measurable objectives and performance indicators**

Specific and measurable objectives should be formulated based on the strategic objectives identified above. The extent of achievement of these specific objectives will be measured, at least in part, by the use of performance measure and indicators.

Where the situation analysis deals with the programme as a whole, the performance indicators should be presented for the whole programme. However, the performance

indicators should be as indicated in the templates for each National Housing Programme. These must be indicated for each sub-programme as well.

The following table provides a format for the specification of objectives and the measurement of performance.

**Table 4: Programme 2: Housing Needs Research and Planning (Performance output indicators, numbers only) 2009 - 2014**

National Housing Programme	Key Measurable Objective	Performance Measure	Year 0 (actual)	Base year (est.)	Year 1 (target)	Year 2 (target)	Year 3 (target)	Year 4 (target)	Year 5 (target)
2.1	To identify Housing Needs								
2.2	To develop policy guidelines, Proclamation of Acts and Amendments	No. of Acts passed and policy guidelines developed/ and approved							
2.3	To properly plan by October each year	Housing Strategic Development Plan in place	Submitted to National Housing by October of	Review and update Housing Plan by October	Review and update Housing Plan by October	Review and update Housing Plan by October	Review and update Housing Plan by October		

National Housing Programme	Key Measurable Objective	Performance Measure	Year 0 (actual)	Base year (est.)	Year 1 (target)	Year 2 (target)	Year 3 (target)	Year 4 (target)	Year 5 (target)
			each year	each year	each year	each year	each year		
2.4	To conduct research on demand for housing	No. of research projects conducted and nature of projects	No. & Nature of Research actually conducted	No. of research projects projected to be conducted	No. of research projects projected to be conducted	No. of research projects projected to be conducted	No. of research projects projected to be conducted		

**Resource information**

The Department should give an indication of the expected resource implications of the plans for the particular programme as whole, also identifying expected constraints. This discussion should not only focus on funding, but also deal with other issues such as management capacity, systems and other constraints that may effect implementation.

The discussion should indicate what measures the Department intends taking to overcome these resource constraints.

Departments should work within the resource envelope of the current MTEF plus two years to cover the MHDP 5 - year period.

**Reconciliation of budget with plan**

The changes of expenditure (if possible in nominal and real terms) by overall programme and National Housing Programme should be shown and the rate of change in spending of past years compared with that projected for the MTEF period (see table). A narrative account should be given of how spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

**Table 5: Programme 2: Programme budget by Key Measurable Objective (R million)<sup>1</sup>**

<b>National Housing Programme</b>	<b>Year-3 (actual) 2003/4</b>	<b>Year-2 (actual) 2004/5</b>	<b>Year-1 (actual) 2005/6</b>	<b>Base year (estimate) 2006/7</b>	<b>Year1 (budget) 2007/8</b>	<b>Year 2 (MTEF projection 2008/9</b>	<b>Year 3 (MTEF projection 2009/10</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Average annual change</b>
<b>2.1 To identify Housing Needs</b>										
<b>2.2 To develop policy guidelines, Proclamation of Acts and Amendments</b>										
<b>2.3 To properly plan provincial multi-year strategic housing plans by October</b>										

<b>National Housing Programme</b>	<b>Year-3 (actual) 2003/4</b>	<b>Year-2 (actual) 2004/5</b>	<b>Year-1 (actual) 2005/6</b>	<b>Base year (estimate) 2006/7</b>	<b>Year1 (budget) 2007/8</b>	<b>Year 2 (MTEF projection 2008/9</b>	<b>Year 3 (MTEF projection 2009/10</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Average annual change</b>
<b>each year</b>										
<b>2.4 To conduct research on demand for housing</b>										
<b>Total programme</b>										

**1. Note:** If possible, separate tables should be made for expenditure in nominal and real terms.

The last column provides the projected average annual change between base year and year 5.

### **Programme 3: Housing Development, Implementation and Targets**

The introduction should provide a brief description of the programme and how it is structured. It is very important to note that Programme 3 is specifically about the housing grant and how it is to be spent.

#### **Situation analysis**

This section should include information relevant to the entire programme. It should examine:

- a) the demand for the services being produced by the specific programme;
- b) give an appraisal of existing services and performance during the past year;
- c) identify the key challenges over the strategic plan period; and
- d) discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

Where there is a situational analysis for the whole programme, an integrated situational analysis is required that covers all the National Housing Programmes. Where separate situational analyses are presented for one or more of the National Housing Programmes, then the situational analysis at the 'programme' level should only deal with broad issues, while information relevant to each of the National Housing Programmes should be analysed at that level.

#### **Policies, priorities and strategic objectives**

These should follow from the situation analysis. Any links to the Provincial strategic position statement and sector priorities (e.g. developed by the relevant national Department) should be made.

It is suggested that a table with the following structure should be used to specify

strategic objectives relevant to the programme.

**Table 6: Strategic objectives for programme 3**

<b>Strategic Goals</b>	<b>Strategic Objectives</b>
To promote the effective and efficient delivery of housing opportunities in terms of National and Provincial Housing Programmes.	To provide individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy.

#### **Analysis of constraints and risks and measures planned to overcome them**

This constraints and risk analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing risks and devising mitigation strategies.

#### **Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of the services the Department provides through this particular programme. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

#### **Specification of measurable objectives and performance indicators**

Specific and measurable objectives should be formulated based on the strategic objectives identified above. The extent of achievement of these specific objectives will

be measured, at least in part, by the use of performance measure and indicators.

The following table indicates the measurable objectives and performance measures linked to actual achievements and planned performance. The budget indicators are not reflected in this table (they are provided in another table below). Please note where more than one performance measure is indicated under a specific National Housing Programme a target must be provided for each one. Departments should provide detail on each of the programmes that they implement.

**Table 7 Programme 3: Key Intervention Categories and National Housing Programmes (Numbers) 2009 - 2014**

National Housing Programme	Key Measurable Objective	Performance Measure	Previous Year (actual)	Current Year (estimate)	Year 1 (target)	Year 2 (target)	Year 3 (target)	Year 4 (target)	Year 5 (target)
<b>3.1 Financial Interventions:</b>	<b>Programmes facilitating immediate access to Housing Goods and Services creating enabling environments and providing implementation support.</b>								
3.1.1 Individual Housing Subsidies R0 – R3 500	To provide for x number of Individual subsidies to qualifying beneficiaries in accordance with National Housing Programme	Number of Properties transferred or mortgage bond registered							
3.1.2 Housing Finance-linked Individual	To provide for x number of Housing financed linked	Number of Properties transferred or							

<p>Subsidy Programme</p> <p>R3 501 – R7 000</p>	<p>Individual subsidies to qualifying beneficiaries in accordance with National Housing Programme</p>	<p>mortgage bond registered</p>							
<p>3.1.3 Relocation Assistance</p>	<p>To provide for x number of Relocation subsidies to qualifying beneficiaries in accordance with National Housing Programme</p>	<p>Number of relocation subsidies approved and paid including in situ rightsizing</p>							
<p>3.2.4 Enhanced Extended Discount Benefit Scheme</p>	<p>To provide for x number of transfers into Enhanced Extended Discount Benefit Scheme to qualifying</p>	<p>Number of transfers of ownership registered</p>							

	beneficiaries in accordance with National Housing Programme								
3.1.5 State Asset Maintenance Programme	To provide for x number of Maintenance contracts	Number of Maintenance contract concluded and finalised							
3.1.6 Rectification of RDP Stock 1994-2002	To provide for x number of Rectified RDP houses	Number of Houses rectified							
3.1.7 Rectification of housing stock pre 1994	To provide for x number of Rectified houses in accordance with the National Housing Programme	Number of Houses rectified							

<p>3.1.8 Social and Economic Facilities</p>	<p>To provide for x number of facilities in accordance with the National Housing Programme</p>	<p>Greenfields: Number of completed social and economic amenities for each project</p> <p>Existing Towns: Number of completed social and economic amenities for each project</p>							
<p>3.1.9 Accreditation of Municipalities (Operational Support)</p>	<p>To provide Operational Support to x number Accredited Municipalities in accordance with the National Housing Programme</p>	<p>Number of Accredited Municipalities supported</p>							

<p>3.1.10 Accreditation of Municipalities (Level 1 and 2) Programmes to be Approved and Funded</p>	<p>To provide for x number of programmes approved and funded under the Accreditation of Municipalities in accordance with the National Housing Programme</p>	<p>Number of programmes approved and funded</p>							
<p>3.1.11 Operational Capital Budget</p>	<p>To provide for x number of National Housing Programmes that will benefit from the Operational Capital Budget in accordance with the programme</p>	<p>Number of National Housing Number of Programmes benefitted</p>							
<p>3.1.12</p>	<p>To provide for x</p>	<p>Number of projects</p>							

Unblocking of Blocked Projects	number of blocked projects under each National Housing Programme	unblocked							
3.1.13 Housing Chapters of IDP's	To provide for x number of quality Housing Chapters of IDP's formulated in accordance with Housing Policies	<p>Process indicators:</p> <p>Number of municipalities where provincial officials actively participated in and supported housing planning as part of the IDP</p> <p>Product indicators:</p> <p>Number of housing projects in the Housing Chapter of the IDP that forms part of integrated</p>							

		<p>programmes that also draws investment support from other Departments</p> <p>Number of housing projects in the Housing Chapter of the IDP that provides for social and economic support facilities funded from the National Housing Programme</p>							
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3.1.14 Housing Assistance to Households affected by death of guardians	Need to create objective	Need to create performance measure							
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National Housing Programme	Key Measurable Objective	Performance Measure	Previous Year (actual)	Current Year (estimate)	Year 1 (target)	Year 2 (target)	Year 3 (target)	Year 4 (target)	Year 5 (target)
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<p><b>3.2 Incremental Housing Programmes:</b></p>	<p><b>Programmes facilitating access to housing opportunities through a phased process.</b></p>								
<p>3.2.1 Project-Linked Subsidies (current commitment)</p>	<p>To provide for x number of Project linked Subsidies to qualifying beneficiaries in accordance with Housing Policies</p>	<p>Number of serviced sites provided.  Number of Houses build and delivered to beneficiaries</p>							
<p>3.2.2 Integrated Residential Development Programme: Phase 1 Planning and Services</p>	<p>To provide for x number of serviced sites in accordance with the National Housing Programme</p>	<p>Number of stands serviced and delivered in a proclaimed township  Number of sites for other use</p>							
<p>3.2.3</p>	<p>To provide for x</p>	<p>Number of houses</p>							

<p>Integrated Residential Development Programme: Phase 2 Housing Consolidation</p>	<p>number of houses constructed in accordance with the National Housing Programme</p>	<p>transferred to beneficiaries</p>							
<p>3.2.4 Peoples Housing Process</p>	<p>To provide for x number of PHP Subsidies to qualifying beneficiaries in accordance with Housing Policies</p>	<p>Number of approved beneficiaries participating in the project  Number of Establishment grants allocated  Number of Facilitation Grants paid  Number of stands serviced and transferred</p>							

		Number of houses completed.							
3.2.5 Informal Settlement Upgrading	To provide for x number of Informal Settlement Upgrading grants to Municipalities or projects approved if province is the developer.	Number of households assisted by Municipality  Number of households assisted by Provinces							
3.2.6 Consolidation	To provide for x number of	Number of completed							

Subsidies (current commitments)	Consolidation Subsidies to qualifying beneficiaries in accordance with the National Housing Programme	houses.							
3.2.7 Emergency Housing Assistance (Current commitments)	To provide for x number of Emergency Housing Assistance grants to beneficiaries in accordance with the National Housing Programme	Number of households assisted by the specific project							
3.2.8 Emergency Housing	To provide for x number of possible	Number of households assisted							

Assistance (planned projects)	Emergency Housing Assistance grants to beneficiaries in accordance with the National Housing Programme								
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National Housing	Key Measurable	Performance	Previous Year	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
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Programme	Objective	Measure	(actual)	(estimate)	(target)	(target)	(target)	(target)	(target)
<b>3.3 Social and Rental Housing Programmes:</b>	<b>Programmes facilitating access to Rental Housing opportunities, supporting Urban Restructuring and Integration</b>								
3.3.1 Institutional Subsidies	To provide for x number of Institutional Subsidies to qualifying beneficiaries in accordance with the National Housing Programme	Number of households assisted in each project							
3.3.2 Social Housing: Operational Support	To provide for x number of Operational Support grants to	Number of Housing Institutions supported							

	Social Housing Institutions in accordance with the National Housing Programme								
3.3.3 Social Housing: Capital grants for rental housing	To provide for x number of units to be constructed by Social Housing Institutions in accordance with the National Housing Programme	Number of beneficiary households assisted							
3.3.4 Higher density individual Ownership	To provide for x number of Higher Density Individual Ownership units constructed for qualifying	Number of units transferred							

	beneficiaries in accordance with the National Housing Programmes								
3.3.5 Community Residential Unit (CRU)	To provide for x number of Public Sector Hostel Redevelopment grants in accordance with the National Housing Programme	Number of units upgraded  Number of units/ converted							
3.3.6 Backyard Rental Programme	To provide for x number of Back Yard Rental subsidies to qualifying	Number of beneficiaries assisted							

	beneficiaries in accordance with the National Housing Programme								
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<b>National Housing Programme</b>	<b>Key Measurable Objective</b>	<b>Performance Measure</b>	<b>Previous Year (actual)</b>	<b>Current Year (estimate)</b>	<b>Year 1 (target)</b>	<b>Year 2 (target)</b>	<b>Year 3 (target)</b>	<b>Year 4 (target)</b>	<b>Year 5 (target)</b>
<b>3.4 Rural Housing</b>	<b>Programmes facilitating access to housing opportunities in Rural areas.</b>								

<b>Programme:</b>									
3.4.1 Farm Worker Housing Assistance	To provide for x number of Farm Worker Assistance subsidies within the National Housing Programme	Number of households assisted							
3.4.2 Rural Subsidy: Communal Land Rights	To provide for x number of Rural Project linked subsidies within the National Housing Programme	Number of households assisted							

**Resource Information for Programme 3**

The Department should give an indication of the expected resource implications of the plans for the particular programme as whole, also identifying expected constraints. This information should not only focus on funding, but also deal with other issues such as management capacity, systems and other constraints that may effect implementation.

The discussion should indicate what measures the Department intends taking to overcome these resource constraints.

Departments should work within the resource envelope of the current MTEF plus two years to cover the MHDP 5 - Year period.

**Reconciliation of budget with plan**

The changes of expenditure (if possible in nominal and real terms) by overall programme and National Housing Programme should be shown and the rate of change in spending of past years compared with that projected for the MTEF period (see table on next page). A narrative account should be given of how spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

**Table 8: Programme 3: Programme budget by National Housing Programme (R million) 2009 - 20014**

<b>National Housing Programme</b>	<b>Year-3 (actual) 2003/4</b>	<b>Year-2 (actual) 2004/5</b>	<b>Year-1 (actual) 2005/6</b>	<b>Base year (estimate) 006/7</b>	<b>Year1 (budget) 2007/8</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>3.1 Financial Interventions:</b>	<b>Programmes facilitating immediate access to Housing Goods and Services creating enabling environments and providing implementation support.</b>								
3.1.1 Individual Housing Subsidies R0 – R3 500									
3.1.2 Housing Finance-linked Individual Subsidy									

Programme R3 501 – R7 000									
3.1.3 Relocation Assistance									
3.1.4 Enhanced Extended Discount Benefit Scheme									
3.1.5 State Asset Maintenance Programme									
3.1.6 Rectification of RDP Stock 1994-2002									
3.1.7 Rectification of housing stock									

pre 1994									
3.1.8 Social and Economic Facilities									
3.1.9 Accreditation of Municipalities (Operational Support)									
3.1.10 Accreditation of Municipalities (Programmes to be Approved and Funded)									
3.1.11 Operational Capital Budget									

3.1.12 Unblocking of Blocked Projects									
3.1.13 Housing Chapters of IDP's									
3.1.14 Housing Assistance to Households affected by death of guardians									

<b>3.2 Incremental Housing Programmes</b>	<b>Programmes facilitating access to housing opportunities through a phased process.</b>								
<b>National Housing Programme</b>	<b>Year-3 (actual) 2003/4</b>	<b>Year-2 (actual) 2004/5</b>	<b>Year-1 (actual) 2005/6</b>	<b>Base year (estimate) 006/7</b>	<b>Year1 (budget) 2007/8</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
3.2.1 Project-Linked Subsidies (current commitment)									
3.2.2 Integrated Residential Development Programme: Phase 1 Planning and Services									
3.2.3 Integrated Residential									

Development Programme: Phase 2 Housing Consolidation									
3.2.4 Peoples Housing Process									
3.2.5 Informal Settlement Upgrading									
3.2.6 Consolidation Subsidies (current commitments)									
3.2.7 Emergency Housing Assistance(Current commitments)									
3.2.8 Emergency									

Housing Assistance(planned projects)									
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<b>3.3 Social and Rental Housing Programmes</b>	<b>Programmes facilitating access to Rental Housing opportunities, supporting Urban Restructuring and Integration.</b>								
<b>National Housing Programme</b>	<b>Year-3 (actual) 2003/4</b>	<b>Year-2 (actual) 2004/5</b>	<b>Year-1 (actual) 2005/6</b>	<b>Base year (estimate) 006/7</b>	<b>Year1 (budget) 2007/8</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
3.3.1 Institutional Subsidies									
3.3.2 Social Housing: Operational Support									
3.3.3 Higher									

density individual Ownership and Social Housing)									
3.3.Community Residential Unit (CRU)									
3.3.5 Backyard Rental Programme									

3.4 Rural Housing Programme	Programmes facilitating access to housing opportunities in Rural areas.								
National Housing Programme	Year-3 (actual) 2003/4	Year-2 (actual) 2004/5	Year-1 (actual) 2005/6	Base year (estimate) 006/7	Year1 (budget) 2007/8	Year 2	Year 3	Year 4	Year 5
3.4.1 Farm Worker Housing Assistance									
3.4.2 Rural Subsidies: Communal Land Rights									
<b>Total for Programme:</b>									

NOTE: If possible, separate tables should be made for expenditure in nominal and real terms.

**Programme 4: Housing Asset Management**

This programme deals with the planning of achievements regarding the Department's housing assets. All aspects requiring expenditure under this programme must be reflected in **Programme 3**, such as the maintenance, disposal and management of stock. Ask Sonja how best to improve this sentence.

**Situation analysis**

This section should include information relevant to the entire programme. It should examine:

- a) the demand for the services being produced by the specific programme;
- b) give an appraisal of existing services and performance during the past year;
- c) identify the key challenges over the strategic plan period; and
- d) discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

**Note** that where there is only a situational analysis for the whole programme an integrated situational analysis is required that covers all the National Housing Programmes. Where separate situational analyses are presented for one or more of the National Housing Programmes, then the situational analysis at the 'programme' level should only deal with broad issues, while information relevant to each of the National Housing Programmes should be analysed at that level.

**Policies, priorities and strategic objectives**

These should follow from the situation analysis. Any links to the provincial strategic position statement and sector priorities (e.g. developed by the relevant national department) should be made.

The following table provides the format for the goals and strategic objectives for the management of state owned housing stock relevant to the programme.

**Table 9: Strategic objectives for programme 4**

<b>Strategic Goal</b>	<b>Strategic Objective</b>
<b>Strategic Goal 1.</b> To provide for the effective management of housing	1. Number of units to be transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme
	2. Number of rental units to be sold to beneficiaries
	3. Number of units to be retained as State rental units
	4. Number of rental units to be devolved to municipalities in terms of section 15 of the Housing Act, 1997
	5. Verification of occupancy and rental agreements for 2005-2006, 2006-2007, 2007-2008 and one year beyond
<b>Strategic Goal: 2</b> To effectively manage debt.	1. To reduce the total outstanding debt by 2005-2006, 2006-2007, 2007-2008 and one year beyond
	2. To reduce the number of debtors by 2005-2006, 2006-2007, 2007-2008 and one year beyond

**Analysis of constraints and measures planned to overcome them**

This constraints analysis should relate to the implementation of the policies and objectives identified in the previous section. Explicit attention should be given to analysing risks and mitigation measures.

**Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of the services the Department provides through this particular programme. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.

**Specification of measurable objectives and performance indicators**

Specific and measurable objectives should be formulated based on the strategic objectives identified above. The extent of achievement of these specific objectives will be measured, at least in part, by the use of performance measure and indicators.

Where the situation analysis deals with the programme as a whole, the performance indicators can be presented for the whole programme. However, in instances where situation analyses have been done for particular National Housing Programmes, then the performance indicators should be developed for those particular National Housing Programmes.

The following table provides the format for the specification of objectives and the measurement of performance for the management of State-owned housing stock.

**Table 10: Programme 4. Housing Asset Management Strategic Objectives: 2009 - 2014**

<b>National Housing Programme</b>	<b>Key Measurable Objective</b>	<b>Performance Measure</b>	<b>Year 1 (actual)</b>	<b>Base year (estimate)</b>	<b>Year 1 (target)</b>	<b>Year 2 (target)</b>	<b>Year 3 (target)</b>	<b>Year 4 (target)</b>	<b>Year 5 (target)</b>
4.1	To provide for the transfer of Stock	No. of units transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme							
4.2	To provide for the Sale and transfer of Rental Stock	No. of units to be sold and transferred to beneficiaries							
4.3	Retention of State Rental stock	Number of units to be retained as state rental units							
4.4	Devolution of	No. of rental units and properties							

<b>National Housing Programme</b>	<b>Key Measurable Objective</b>	<b>Performance Measure</b>	<b>Year 1 (actual)</b>	<b>Base year (estimate)</b>	<b>Year 1 (target)</b>	<b>Year 2 (target)</b>	<b>Year 3 (target)</b>	<b>Year 4 (target)</b>	<b>Year 5 (target)</b>
	housing assets	devolved to municipalities							
4.5	To reduce total outstanding debt	Amount of debt reduce per financial year							
4.6	To reduce the number of debtors	No of debtors reduced per financial year							
4.7	Verification of occupancy and rental agreements for financial years 2006-2009 and One year beyond	Number of occupants and rental agreements							

**Reconciliation of budget with plan**

The changes of expenditure (if possible in nominal and real terms) by overall programme and National Housing Programme should be shown and the rate of change in spending of past years compared with that projected for the MTEF period (see table). A narrative account should be given of how spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

**Table 11: Programme 4: Programme budget by National Housing Programme (R million) 1**

<b>National Housing Programme</b>	<b>Year – 3 (actual )</b>	<b>Year – 2 (actual )</b>	<b>Year – 1 (actual )</b>	<b>Base year (estim ate)</b>	<b>Year 1 (budge t)</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>% Chang e per annum</b>
4.1 Administration										
4.2 To provide for the Sale and transfer of Rental Stock										
4.3 Devolution of housing assets										
4.4 Enhanced Extended Benefit Scheme										
4.5 Housing Property Maintenance										
<b>Total programme</b>										

**Note:**

If possible, separate tables should be made for expenditure in nominal and real terms.



## **5. Capital investment, maintenance and asset management plan**

This section relates to the capital and maintenance spending incurred for assets owned by the Housing Department the specific programme that deals with housing project and housing stock assets still owned by the Province are included in the specific Programme and do not need to be included here.

The capital plan should reflect the outcome of analyses of the distribution and condition of Provincial housing assets and demonstrate how the plan can be achieved over time within the anticipated budget envelope. The transformation process should be described and linked to the medium and long term capital targets.

There should also be a statement about the financial arrangements for the management of the asset base. This statement should describe where the funds for capital investment and maintenance are held and how the resourcing and implementation of projects will be managed. The PFMA requires that all funds will be held and managed by the delivery department. This section should therefore outline the process of change envisaged to achieve compliance with this PFMA requirement.

Also **See Appendix Two** for base information required for this section

**Table 12: Housing Assets – new projects, upgrades, rehabilitation (R '000)\* 2009 - 2014**

<b>New projects</b>	<b>Actual Year -2</b>	<b>Actual Year -1</b>	<b>Current Year estimate</b>	<b>Year +1 Budget</b>	<b>Year +2 Budget</b>	<b>Year + 3 Target</b>	<b>Year + 4 Target</b>	<b>Year + 5 Target</b>
Programme 1								
Programme 2								
Programme 3								
Upgrading Rehabilitation								
Total upgrading and rehabilitation								

\* If not funded from the provincial budget details should be presented in separate note. In addition to programme totals, individual projects at or above a value of R25m should be presented separately.

**Table 13: Building maintenance (R '000) 2009 - 2014**

Maintenance	Actual Year -2	Actual Year -1	Current Year Estimate	Year +1Budget	Year +2 Budget	Year + 3 Target	Year + 4 Target	Year + 5 Target
Programme 1								
Programme 2								
Programme 3								
Etc								
Total								
Total as % of department expenditure/bud get								

**6. Five Year Revenue**

This section should give an overview of the projected revenue and expenditure of the Department. Given the 5 year nature of the MHDP, it will include the 3 year Medium Term Revenue plus 2 outer years

**6.1 Summary of Revenue**

The following sources of funding are used for the Vote:

**Table 13: Summary of revenue: 2009 - 2014**

R 000	Actual Year -2	Actual Year -1	Current Year Estimate	Year +1 Budget	Year +2 Budget	Year + 3 Target	Year + 4 Target	Year + 5 Target
Voted								
by legislature								
Conditional grants								
Other (specify)								
Total revenue								

### 6.2 Departmental Revenue Collection

The table below should give a summary of the revenue the Department is responsible for collecting.

Departments must describe in some detail their plans to ensure that they will be able to collect the revenue for which they are responsible.

**Table 14: Departmental revenue collection**

R million	Actual Year -2	Actual Year -1	Current Year Estimate	Year+1 Budget	Year +2 Budget	Year + 3 Target	Year + 4 Target	Year + 5 Target
Current revenue								
Tax revenue								
Non-tax revenue								
Capital revenue								
(specify)								
Departmental revenue								

### 6.3 Conditional Grants

In this section, Departments should show which conditional grants are available to them and how they are planning to spend these amounts.

### 6.4 Donor Funding

This section should provide some detailed information, including relevant financial figures, on the use, direct or indirect, of donor funding by projects and programmes of the Department. The recommended format is provided below. Note that any donor funded activity where employees of the Department are involved at a management level must be referred to. The activity could be a project that is clearly owned, and mainly funded by the Department, but where donors are making contributions, or the activity could be a project that is clearly run from outside the Department, but where the Department is participating in the management of the project, e.g. through some participatory management structure.

The example provided in the table below should help clarify how the table is to be used. Importantly, the financial figures should not include Departmental contributions.

**Table 15: Donor funding**

Project name	External donors	Monetary contributions by donors (R 000)									Project outcomes	Departmental reporting responsibility
		Current Year	Year +1 Budget	Year +2 Budget	Year +3 Target	Year +4 Target	Year +5 Target	Year - 1 (actual)	Current Year (estimate)			

## 7. Co-ordination, co-operation and outsourcing plans

### 7.1 Interdepartmental linkages

In this section the Department should detail the areas where they are jointly responsible for service delivery with another state department. It should be clearly indicated what the extent of the Department's responsibilities are vis-à-vis the other departments. It should also be stated what mechanisms have been put in place to ensure good co-ordination among the departments.

**7.2 Local government linkages**

Departments should give details of any service delivery agreements or arrangements they have with local authorities. This should include details of all funds that the Department will be transferring to local authorities for the delivery of such services.

**7.3 Public entities**

In this section the Department should provide details of all the public entities for which it is responsible.

**Table 16: Details of public entities**

Name of public entity	Main purpose of public entity

**7.4 Public, private partnerships, outsourcing**

In this section the Department must provide details of the type and value (R000's) of public private partnerships, outsourcing, and transfers to NGO's, etc.

## **8. Financial Management:**

### **8.1 Strategies to address audit queries:**

Where these strategies have a medium term to 5 - Year strategy to address, they should be mentioned here.

### **8.2 Implementation of PFMA**

The Department should detail its plan to progressively strengthen its ability to comply with the PFMA.

## **Part C: Background information Appendices**

The information in this section is important for the Department undertake effective strategic planning. It therefore is support information for the main Plan and is therefore included as Appendices to the main Plan.

### **1. Appendix one: Analysis of service delivery environment**

'Appendix One' presents the Department's analysis of what in strategic planning is referred to as the 'external environment'. The focus is thus on:

The environment in which the Department operates;

External factors that already have or are likely to impact on the demand for its services; and

External factors that already have or are likely to impact on its ability to deliver services.

The information in this appendix should be compiled at the beginning of the strategic planning process, and updated as the process progresses.

The section 'Housing Situation Analysis' in Part A of the MHDP must be based on the analysis in this Appendix.

#### **1.1. Environmental factors and emerging challenges**

Here the Department should undertake an analysis of the environment in which it operates, identifying trends and emerging challenges. Note: The information needs to be specific to the environment in which the Department operates.

**1.1.1 Demographic profile of the province (number, number of households, gender composition, age profiles, growth projections)**

Demographic information that relates to the demand for the services of the particular department should be presented. There should also be comment on the trends in such information and how this is likely to impact upon the activities of the Department.

**1.1.2 Employment, income and [other relevant information]**

Here information relevant to demographics should be presented.

**Table 18: Income distribution**

**Note: This information is to be based on Stats data. The National Department of Housing will provide standardised information. The table below is indicative of the information to be provided.**

Income per month	Percent of total
None	
R1 – R500	
R501 – R1000	
R1001 – R2500	
R2501 – R6000	
R6001 –R11000	
> R11001	
Unspecified	

Total	
-------	--

**1.1.3 Housing Profiles**

Present profile information relevant to the functions of the Department, for example, housing typologies, housing backlogs, housing with access to municipal services, etc.

**1.2 Policy changes and trends**

What policy changes have been made and how are they likely to impact upon what the Department does and the way it does?

How have such policy changes been accommodated in the strategic plan?

**1.3 Evaluation of current implementation performance**

Also important is an evaluation by the Department of its performance over the previous strategic planning period, and indicate how this is likely to impact on its ability to meet the targets set out in the strategic plan for the current year, and therefore what adjustments have had to be made to the performance targets in this strategic plan.

## **2. Appendix Two: Organisational information and the institutional environment**

In Appendix Two the Department will present key information about itself and give its analysis of what in strategic planning is referred to as the 'internal environment'. The focus is thus on:

Key organisational information on the Department;

Internal factors that are impacting on its performance; and

Evaluating existing strategies to address challenges in the institutional environment.

As with Appendix One, the information here should be compiled at the beginning of the strategic planning process, and updated as the process progresses.

The section 'Summary of the institutional housing environment in Part A must be based on the analysis in this Appendix.

### **2.1 Organisational design**

This section should present the following information:

Organogram;

Reporting lines of senior managers down to director level (or three levels down from the Housing Head of Department);

Personnel

Vacancies: In this section identify all vacancies in the organogram.

**Table 19: Vacancies**

<b>Section</b>	<b>Vacancies (post and number)</b>	<b>Plan to fill vacancies (planned recruitment date)</b>	<b>Funds in department budget, indicate financial year</b>

**Capacity to administer**

In this section provide comment on the capacity to effectively administer all functions of the Department.

Comment on plans to address any identified capacity shortfalls, including the need for additional capacity, per section, in terms of personnel numbers and skills.

**Table 20: Capacity needs**

<b>Section</b>	<b>Identified capacity shortfall (post/persons/skills)</b>	<b>Plan to eradicate capacity shortfall (training/ recruitment/ outsourcing)</b>	<b>Funds in department budget, indicate financial year</b>

## **Restructuring plans**

In this section identify any planned changes to the Departmental organogram.

If there are no plans to re-organise, this should be clearly stated here.

If there are plans to re-organise, state so clearly. Indicate when the change is planned; indicate the status of planning and expected and budgeted approval and implementation dates.

If the changes will be made after the 2008/09 financial year, indicate the interim plans to manage all the Department's functions until the planned date of reorganisation.

## **2.2 Delegations and performance agreements**

The Department should state to what extent management responsibilities have been delegated down the organisational structure and whether managers have been required to sign performance agreements that match the allocation of responsibilities.

## **2.3 Capital investment, maintenance and asset management plan**

### **2.3.1 Long term capital investment and asset management plans**

This section should outline briefly (i.e. in two pages) the long-term organisational objectives of the Department over the next five to ten years. The information in this section should cover the following:

In accordance with the PFMA fairly detailed information on the Department's capital investment programme must be given:

What building projects are in progress for Department facilities, and when are they expected to be completed?

What new building projects are being planned for Departmental facilities, when will they commence and when will they be completed?

Are there any Departmental facilities whose closure or down-grading is being planned?

What plans are there for major refurbishing projects?

What is the Department's maintenance backlog, and what are its plans to deal with the backlog over the MTEF period, and over five years and ten years?

How are the above developments expected to impact on current expenditure?

Information should also be given on the management of key moveable assets, including plans to replace important items of equipment.

This section should also give details of medium term maintenance plans, focussing on the following issues:

What is the current state the Department's capital stock i.e. what percentage is in good, medium or bad condition?

How much is the Department planning to spend on maintenance? Indicate the split between major maintenance expenditure and routine maintenance expenditure.

What is the schedule for major maintenance projects?

The Department should give detailed lists of assets under its control, and how its asset holding have changed over the past number of years and how they are likely to change in future.

### **2.3.2 Capital Investment Plan**

This should link with the information above, giving details of the most important activities with regards to capital spending on Department facilities to be undertaken in the forthcoming MTEF period. This would entail addressing the following questions:

What projects will be carried forward from the previous year?

What projects will begin construction in the current year?

What processes are in place to plan and tender for projects in future years?

### **2.3.3 IT systems**

This section should address the following:

Are there any special IT systems in place?

To what extent are they being effectively used?

What is the Department doing to ensure that people are trained to use them?

## **2.6 Performance Management System**

This section should describe the Department's performance management system.

How is it functioning?

Is it showing the desired results?

## **2.7 Financial management**

This section should detail the following information:

- a) the past three year's expenditure: over/under-spending against budget, against adjusted budget, rollovers, wasteful, unauthorised expenditure, fraud, theft and debts.
- b) information on different efficiency measures for the past financial year and targets for the MTEF period plus two years. Indicate cost per subsidy administered; per transfer of ownership; per site handover; etc. Include additional efficiency measures in use in the Department.

**Table 21: Efficiency measures**

Efficiency unit of measurement	Cost per unit 2008/09 actual	Target unit cost 2009/10	Target unit cost 2010/11	Target unit cost 2011/12	Target unit cost 2012/13	Target unit cost 2013/14
Subsidy administered						
Transfer of ownership to a beneficiary						
Handover of a site to a beneficiary						
Other						

In addition to the table above, the Department should also address:

What systems are in place to ensure sound financial management?

What training the Department intends doing in the upcoming year to improve official's financial management capacity?

## 2.8 Audit queries

Give details of the past three years audit queries. Only include summary information of the audit query and the measures taken to address them.

### **3. Appendix 3 - Detailed Legislative and Policy Mandates**

**Section 1** must include the critically important legislation and policies and their implications for Housing, whereas this section can list the legislation and more subordinate policies and programmes that are relevant to the Provincial Housing Department meeting its mandate.

Below are some examples of key legislation and policies that each Department needs include, but with reference to how they are meeting their legal obligations in terms of that legislation. Information on key court judgements in recent years that have an impact on policy and implementation also need to be included here. In addition there may be Bills that will have significant housing implications when promulgated and these Bills therefore should also be included.

#### **3.1 The Constitution**

The Department derives its mandate mainly from the Constitution of the Republic of South Africa Act (Act 108 of 1996).

In terms of section 26 of the Constitution everyone has the right to have access to adequate housing (Section 26(1)). The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right (Section 26(2)). The legislation that the Department of Housing has promulgated and implemented falls squarely within this Constitutional imperative.

#### **3.2 The Housing Act, 1997 (Act No. 107 of 1997)**

Through its legislation, existing and future, and the Housing Code, the Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1) (a)). In addition all 3 spheres of government must ensure that housing development:

- (i) provides as wide a choice of housing and tenure options as is reasonably possible;
- (ii) is economically, fiscally, socially and financially affordable and sustainable;
- (iii) is based on integrated development planning; and
- (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1) (c)).

### **3.3 Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (1998)**

The prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.

### **3.4 The Housing Consumers Protection Measures Act of 1998**

The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

### **3.5 The Rental Housing Act of 1999**

This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for 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, it 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 such Tribunals. Provincial housing departments are establishing Rental Housing Tribunals.

### **3.6 Home Loan and Mortgage Disclosure Act of 2000**

The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identifies discriminatory lending patterns. The Act will come into operation during 2003.

### **3.7 Act 26 of 2002: Disestablishment of South African Trust Limited Act, 2002.**

The winding down of the South African Housing Trust and the transfer of the functions relating to financial obligations were completed during the end of 2002 and the beginning of 2003 in terms of the of Act 26 of 2002: Disestablishment of South African Trust Limited Act, 2002.

### **3.8 National Environmental Management Act 1998 (Act no. 107 of 1998)**

To provide for a co-operative environmental governance by establishing principles for decision-making on matter affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state.

### **3.9 Growth Employment and Redistribution Programme (GEAR)**

It is a macro-economic strategy published by the Minister of Finance in June 1996, to strengthen economic growth until the year 2000, along with a broadening of employment, and the redistribution of economic opportunities.

**3.10 Provincial Growth Employment and Redistribution Programme**

**3.11 National Spatial Development Perspective** – need to include in Section 1 and explain how it informs housing provision in the Province

**3.12 Provincial Spatial Development Framework** – need to include in Section 1 and explain how it informs housing provision in the Province

**3.13 Municipal IDPs and Municipal Spatial Development Frameworks** – need to include in Section 1 and explain how it informs housing provision in the Province

**3.14 Provincial Goals**

**3.15 Broad Spatial issues**

**3.16 Project Consolidate**

**3.17 Provincial specific policies, legislation, frameworks or Acts not listed above.**