



**MINISTRY  
HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 7261 (NW8124E)**

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**QUESTION:**

**7261. Ms M B Muhammad (MK) to ask the Minister of Human Settlements:**

What steps has she taken to ensure that the budget of her department is directly tied to and/or conditional upon the demonstrable achievement of integrated planning outcomes at the municipal level including the provision of bulk infrastructure and social amenities to prevent the continued development of isolated housing projects that fail to transition into sustainable, functional communities? NW8124E

**REPLY:**

The Department has taken steps to ensure that the conditional grant funds as budgeted are linked to demonstrable achievement of integrated planning in that, the conditions in the grant frameworks of the conditional grants administered by the Department dictates that the funds be utilised in line with the desired outcomes affecting amongst others the provision of bulk infrastructure as follows-

For integrated planning and infrastructure implementation:

- Provinces and Metropolitan Municipalities are requested to submit annual business plans that are aligned to the SDBIP, IDP and SDFs;
- The annual business plans must include detailed project lists specifying project names, project descriptions, applicable housing programmes, infrastructure classification, and GIS coordinates for all projects.
- Business plans must provide clear motivation where allocations to bulk infrastructure exceed the thresholds stipulated in the grant frameworks. In the case of informal settlements, provinces and metropolitan municipalities are required to allocate at least **70 per cent** of the ISUPG towards permanent bulk infrastructure. The Integrated Residential Development Programme (IRDP) enables provinces to allocate funding for social and economic facilities as part of integrated human settlements development.
- To prevent the development of isolated housing projects, provinces and metropolitan municipalities are required to prioritise projects located within gazetted Priority Human Settlements and Housing Development Areas (PHSHDAs), subject to their inclusion in the relevant municipal IDPs. To prevent the continued development of isolated projects Provinces and Metropolitan
- For Metropolitan Municipalities, a minimum of 56 per cent of the USDG should be allocated to water and sanitation, electricity and energy, and solid waste management services capital infrastructure projects aligned to metro-approved trading services investment plans
- Both draft and final business plans are assessed to ensure alignment with municipal IDPs prior to approval, reinforcing the conditionality between budget allocations and integrated planning outcomes.

Monitoring ,project implementation support & evaluation:

- Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities;
- Provide support to municipalities with regard to human settlement programmes including but not limited to oversight visits to municipalities as may be necessary, facilitate strategic and spatial planning support related to urban development;

- Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities, on a quarterly basis
- Participate in the municipal budget benchmarking process as and when indicated by the National Treasury
- Municipalities should ensure alignment in the provision of bulk infrastructure when utilising Human Settlements grants (Urban Settlements Development Grant & Informal Settlements Upgrading Partnership Grant-Metros).
- The Department regularly reviews and updates its grant frameworks and allocation templates in consultation with stakeholders, adapting to fiscal constraints and evolving policy priorities. This process is informed by performance data, risk assessments, and feedback from provinces and municipalities, ensuring that funding mechanisms remain responsive and effective