STRATEGIC PLAN
2015 - 2020

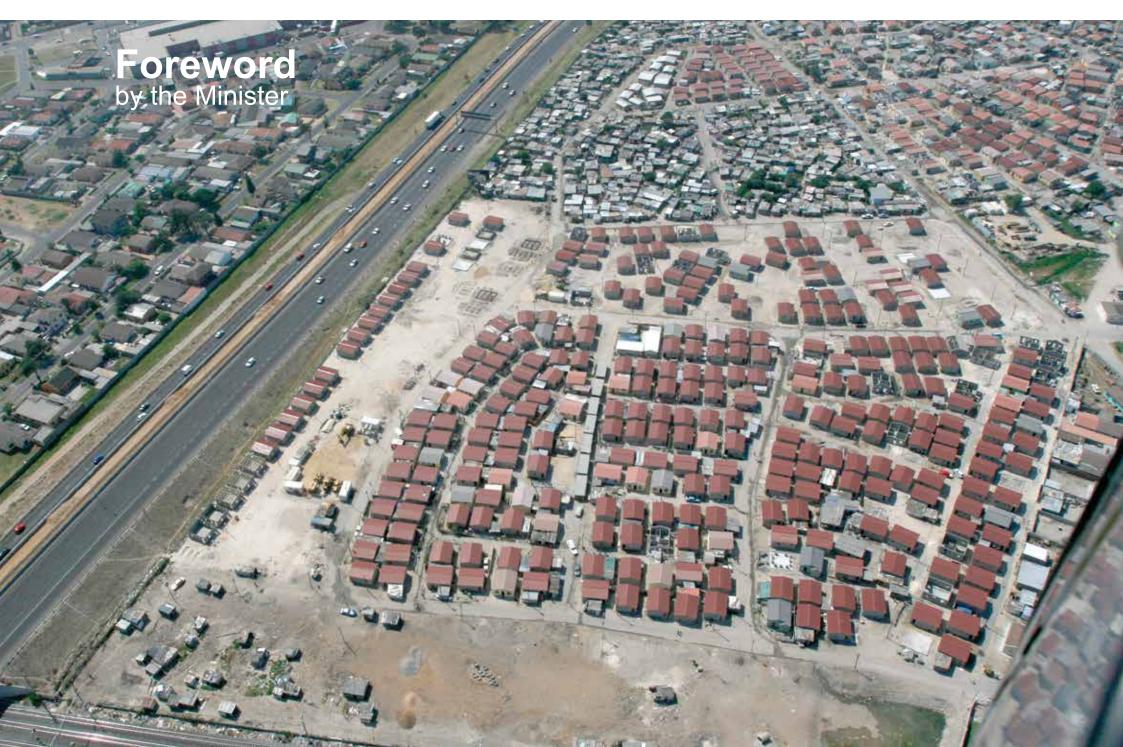**human settlements**

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

Foreword
by the Minister

FOREWORD BY THE MINISTER

L N SISULU, MP
MINISTER FOR HUMAN
SETTLEMENTS

The Constitution provides for right of access to adequate housing and places an obligation on the state to progressively realize access to adequate house by using legislation and other measures within its available resources. The National Development Plan (NDP) has therefore put forward a plan to eradicate informal settlements, build integrated urban settlements and fast track housing provision by providing diversity in housing products and finance options. As the South African Government we are committed at providing access adequate housing to all and through the implementation of programmes and projects that support the creation of adequate housing in quality living environments, supporting the development of a functionally and equitable residential property market and improving institutional capacity and coordination for better spatial targeting.

We are taking reasonable measures for the establishment of viable, socially and economically integrated communities which are situated in areas allowing convenient access to economic opportunities, and within which South Africa's people will have access on a progressive basis to: a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; portable water and adequate sanitary facilities including waste disposal and domestic electricity supply.

This is done through the implementation of the actions identified in our 2014-2019 Medium Term Strategic Framework. Our priorities are still focused at ensuring that there is transfer of all title deeds for subsidy units, developing in areas closer to economic opportunities through mega projects that contribute to spatial restructuring, scaling up the informal settlement-upgrading programme and implementing a more coherent multi-segmented social rental-housing programme that includes backyard rentals.

Our programmes are also focused at dealing with the affordable market with a particular emphasis on a constructive engagement with the private sector to improve delivery.

We remain committed at leveraging investments for sustainable human settlements, through the restructuring to support social inclusion and expanding government subsidies to lower-middle income groups and providing mechanisms to increase private sector participation in the supply of social housing.

L N SISULU, MP
MINISTER FOR HUMAN SETTLEMENTS
DATE:

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan was developed by the management of the National Department of Human Settlements under the guidance of Minister Lindiwe Sisulu. Takes into account all the relevant policies, legislation and other mandates for which the National Department of Human Settlements is responsible. Accurately reflects the strategic outcome oriented goals and objectives which the National Department of Human will endeavour to achieve over the period 2015 to 2020.

FUNANI MAHLATSI

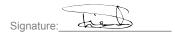Signature:_____ Chief Financial Officer

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MINISTER FOR HUMAN SETTLEMENTS

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CONTENTS

ACCRONYMS AND ABBREVIATIONS

BEPP: Built Environment Performance Plan
BNG: Breaking New Grounds
CSOS: Community Schemes Ombud Service
EAAB: Estate Agency Affairs Board
ECT: Electronic Communications and Transactions
GCIS: Government Communication Information Systems
HAD: Housing Development Agency
HSDG: Human Settlement Development Grant
ICT: Information and Communication Technology
IGR: Inter Governmental Relations
IMF: International Monitory Fund
MTSF: Medium Term Strategic Framework
NDP: National Development Plan
NDoH: National Department of Human Settlements
NHFC: National Housing Finance Corporation
NHBRC: National Home Builders Registration Council (NHBRC)
NURCHA: National Urban Reconstruction and Housing Agency
PFMA: Public Finance Management Act
PIE: Prevention of Illegal Eviction
RHLF: Rural Housing Loan Fund (RHLF)
RZ: Restructuring Zones
SHF: Social Housing Finance
SHIs: Social Housing Institutions
SHRA: Social Housing Regulatory Authority
SIPs: Strategic Integrated Projects
SPLUMA: Spatial Planning and Land Use Management Act
Stats SA: Statistics South Africa
PICC: Presidential Infrastructure Coordinating Commission
USDG: Urban Settlements Development Grant

PART A: STRATEGIC OVERVIEW

1.   Vision

A nation housed in sustainable human settlements.

2.   Mission

To facilitate the creation of sustainable human settlements and improved quality of household life.

3.   Values

- Accountability
- Fairness and Equity
- Choice, Quality and Affordability
- Sustainability
- Innovation
- Batho Pele Principles

4.   Legislative and Other Mandates

The mandate and core business of the Department of Human Settlements is underpinned by the Constitution and all other relevant legislation and policies applicable to government, the Breaking New Ground Policy (BNG). In addressing the mandate for the provision of access to adequate housing, the following policies, legislation and regulations were enacted to give effect to the Constitutional housing rights of all South Africans in Section 26, which states that "Everyone has the right to have access to adequate housing". The Constitution requires the state to take reasonable legislative and other measures, within its available resources, to achieve this right.

4.1   Constitutional Mandate

The Department's mandate is derived from Chapter 2, the Bill of Rights, Chapters 3 and 6 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Section 26 in the Bill of Rights, guarantees the right to have access to adequate housing. The State is mandated to take steps to achieve the progressive realization of this right. Schedule 4A

makes the housing function a concurrent national and provincial legislative competence.

The Department affirms its commitment "to the full and progressive realization of the right to adequate housing", and recognizes in this context "an obligation to enable citizens to obtain quality housing and to protect and improve dwellings and neighbourhoods.

4.2   Legislative Mandates

The Housing Act (No. 107 of 1997)

The Department carries out its legislative imperatives 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). Part 1: Section 2 of the Act provides for the general principles applicable to housing development.

Part 2: Section 3 of the Act outlines the functions of National Government. The functions of the National Department of Human Settlements span across areas of; policy making, performance management, capacity support, communications and outreach, budgeting, planning, programme oversight and fundraising.

Part 1: Section 2 prescribes that (1) National, provincial and local spheres of government must- (a) give priority to the needs of the poor in respect of housing development; (b) consult meaningfully with individuals and communities affected by housing development; (c) ensure that housing development:

In addition, all the three 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)).

The Social Housing Act (No. 16 of 2008)

The Social Housing Act according to SHF (2010: 21) is the main piece of legislation for the social housing sector which is established in alignment with both the 1999 Rental Housing Act and 1997 Housing Act. The Social Housing Act is expected to achieve the following objectives as stated by NDoH (2008a: 10) and SHF (2010: 21):

1. Establishing and promoting social housing environment that is sustainable;
2. Establishing the roles of the various spheres of government in social housing;
3. Providing for the establishment of the Social Housing Regulatory Authority (SHRA) and defining its role as the regulator of all Social Housing Institutions that have obtained or in the process of having obtaining public funds; and
4. Providing statutory recognition to Social Housing Institutions (SHIs).

Prevention of Illegal Eviction and Unlawful Occupation of Land Act (No 19, 1998, Amended)

This Act, which has recent amendments, provides for a fair and reasonable process to evict people who unlawfully occupy land and houses. It is an offence to evict without following the correct process. PIE states that eviction or property repossession on grounds of non-payment may only happen if a reasonable amount of warning has been served on the owner or tenant.

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.

The Rental Housing Act (No. 50 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.

Housing Development Agency Act (No. 23 of 2008)

The Housing Development Agency (HDA) was established in terms of this Act to:

• Identify, acquire, hold, develop and release state, privately and communally owned land for residential and community development
• Monitor progress in the development of land and property acquired for the purpose of creating sustainable human settlements
• Undertake project management services, including providing assistance in respect of approvals required for housing developments.

Development Facilitation Act (No. 67 of 1995)

Facilitates and speeds up the implementation of the Reconstruction and Development Programme and Projects.

Less Formal Township Establishment Act (No. 113 of 1991 as amended)

Provides for shortened procedures for the designation, provision and development of land and for the establishment of township for less formal forms of residential settlement.

National Environment Management Act (No. 107 of 1998 as amended)

To protect ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas. The Act places a responsibility to the Department to adhere to the sustainable development and conservation principles.

Public Finance Management Act (No. 01 of 1999 as amended)

Enables public sector managers to manage and improve accountability in terms of managing the use of Public Funds. The Act regulates financial management in national and provincial government to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively.

Division of Revenue Act as amended

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government.

Intergovernmental Relations Framework Act (No. 13 of 2005)

Establishes a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

Home Loan and Mortgage Disclosure Act [Act No. 63 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.

Sectional Titles Management Act [Act No. 8 of 2011]

The Act provides for the establishment of bodies corporate to manage and regulate sections and common property in sectional titles schemes and for that purpose to apply rules applicable to such schemes. It further requires the bodies corporate to establish a sectional titles schemes management advisory council.

Inclusionary Housing Bill

The Bill aims to promote greater social inclusion/integration and to break with highly segregated processes of built environment creation in South Africa. Boosting the supply of affordable housing is a secondary objective. The bill aims to mobilize private sector delivery capacity for the provision of affordable housing, leverage new housing opportunities off existing stock, promote densification, and make better use of existing infrastructure.

Community Scheme Ombud Service Act (Act 9 of 2011)

Provides for the establishment of the Community Schemes Ombud Service to provide for a dispute resolution mechanism in community schemes.

Spatial Planning and Land Use Management Act, 2013

The SPLUMA provides a number of principles to promote spatial restructuring and development. It ensures that the system of spatial planning and land use management promotes social and economic inclusion.

National Development Plan (NDP) Chapter 8

The NDP sets out a human settlements trajectory propositions that, 'by 2050 visible results from effectively coordinated spatial planning systems shall have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure'. It also envisages that by 2030, measurable progress towards breaking apartheid spatial patterns would be achieved. This places a responsibility to the department to ensure that the apartheid geography and the fractured housing and land markets are dealt with.

4.3 Policy mandates

New Housing Policy and Strategy for South Africa White Paper, 1994

South Africa's housing policy framework is rooted in this document. The White Paper states that the point of departure of all housing policy in South Africa is:

- Sovereignty of the Constitution
- Housing as a basic human right
- The role of the state
- People-centred development
- Freedom of choice
- Non-discrimination.

It also contains government's overall approach to ensuring housing delivery in relation to:

- Stabilizing the housing environment
- Supporting the housing process
- Mobilizing housing credit and savings
- Establishing the availability of subsidies
- Institutional arrangements
- Land acquisition and redistribution
- Co-ordinated development.

The fundamental principles of this White Paper are still relevant today and guide all human settlement development policies and implementation mechanisms

The Urban Development Framework

The Urban Development Framework recognises the importance of South Africa's cities and towns in meeting people's needs for shelter within the context of sustainable development. The policy sets the framework for programmes to ensure that urban development is planned and implemented in a participatory, integrated and environmentally sustainable manner to improve the general quality of life of all those living in urban areas.

It gave impetus to the Urban Renewal Programme (URP) in 2001, whose broad outcomes are:

- Revitalisation of the inner city
- Job creation
- Integrated economic development
- Making the inner city safe.

The Comprehensive Plan for Sustainable Human Settlements, 2004

A review of government's achievement in housing provision from 1994 to 2004 led to a new strategy: the Comprehensive Plan for the Development of Sustainable Human Settlements.

This strategy, also called Breaking New Ground (BNG), is government's medium term (ten year) housing policy framework that paves the way for a new approach to sustainable human settlements.

Social Housing Policy for South Africa, 2003

The goal of this policy, which has been reviewed a few times, is to improve the rental housing sector. It expands individual housing subsidies to include subsidising social housing projects for people that rent accommodation and are from the lower- and medium-income groups.

The most important principles of the Social Housing Policy (SHP) are that social housing must:

- restructure urban inner-city by integrating housing development in existing areas
- respond to local housing demand through the establishment of well-managed, quality rental housing options and quality living environments
- deliver housing for income groups ranging from the working-poor to emerging middle income groups
- support the economic development of low – and medium – income communities through the creation of sustainable and workable projects
- Promote safe, harmonious, and socially responsible housing and urban environments
- Encourage the involvement of the private sector as much as possible. Two specific features of the SHP are:
- Restructuring zones (RZ) whereby geographical areas that offer opportunities for social and economic development are identified in areas within a city.
- Accreditation of Social Housing Institutions (SHI) that can apply for a government grant National Housing Code

The Housing Code (The Code) is a comprehensive document that sets out the overall vision for housing in South Africa. It sets out the linkages between various policy programmes.

4.4 Relevant court rulings

The following presents major court cases which have occurred over the last fifteen years.

These cases represent a range of diverse contexts and issues.

Case	Case Description	Court Judgement
Case No. 36133/2010	The matter concerns an urgent application brought by the unlawful occupiers of Lenasia Extension 13 after the Department demolished few of the incomplete structures thereon. The Department then brought a counter-application for eviction and demolition of structures illegally constructed on government land in Lenasia Extension 13, Lenasia South, Lawley and Ennerdale. The South African Human Rights Commission brought an urgent application on 09 November 2012, in terms of which they are requesting the court to postpone the demolitions by the Department for a period of 30 days while they are investigating any violations of human rights in the manner in which the court order is being enforced by the Department. The matter is set down for 15 November 2012 in Gauteng South High Court.	The South Gauteng High Court granted an eviction and demolishing order on September 2011 in terms of which the unlawful occupiers were granted 30 days to vacate the properties by themselves, failing which the Department was authorised to demolish the structures.
Case No. 2009/1211	The matter concerns an eviction application brought by the Department against +903illegal occupants who occupied incomplete houses in Eden Park, Extension 5.	The South Gauteng High Court dismissed the Department's application for eviction on 21 September 2012 on the basis that the Department allegedly failed to take the individual personal circumstances of the unlawful occupiers into consideration.
City of Johannesburg Metropolitan Municipality v Blue Moonlight Properties 39 (Pty) Ltd and Another (338/10) [2011] ZA-SCA 47 [Blue Moonlight case]	The matter concerns Moonlight Properties (Pty) Ltd, the City of Johannesburg, and the unlawful occupiers of a building on Saratoga Avenue in Berea, Johannesburg	South Gauteng High Court granted the eviction and ordered the occupiers to vacate the property.

Case	Case Description	Court Judgement
Residents of Joe Slovo Community, Western Cape V Thebelisha Homes, Minister of Human Settlements, MEC for Human Settlements, Western Cape, and others (CCT 22/08) [2011]	The Joe Slovo residents unlawfully occupied land	Western Cape High Court ruled against them thereby granting an eviction order in favour of the Minister of Local Government and Housing, Western Cape.
Lwandle Evictions case no. 1114/2014	Invasion of Erf 32524, Nomzamo, Strand on the land owned by Sanral.	Western Cape High Court, Cape Town under for an urgent interdict to prevent this land from being occupied.

The case against the government by Irene Grootboom and others challenged the right of adequate housing as well as the right of children in terms of Sections 26 and 28 of the Constitution, respectively. Section 26(2) imposes an obligation upon the state to take reasonable legislative and other measures to ensure the progressive realisation of this right within its available resources. This resulted in the state implementing a housing programme to maximise available resources to redress the housing shortage.

4.5 Planned policy initiatives

The review of housing policies and the development of the new policies and programmes that respond to the need to transform the space economy is at the core of the government strategic agenda of creating sustainable Human Settlements.

• Development of the White Paper for Human Settlements

The new policy (Human Settlements White Paper) is aimed at providing a framework for the realization of sustainable human settlements and improved quality of household life. The White Paper for Human Settlements will provide a foundation for the establishment of viable, socially and economically integrated communities that are located in areas allowing convenient access to economic opportunities as well as health, educational and social amenities. The underlying policy approaches and considerations include:
• Improving the planning, design and development of settlements
• Facilitating access to adequate housing and quality living environments

• Improving access to the residential property market for poor households
• Fiscal sustainability and financial affordability
• Intervening in Land Markets

• **Amendment of the Housing Act to Human Settlement Act**

Realising the outcomes of spatial changes is a long term goal that requires adjustments to policies and legislation. The revision of the Housing Act to Human Settlements Act will guide the transformation of human settlements which is a large and a complex agenda that requires far reaching changes and shifts in practices across all spheres of government.

5.   Situational analysis

Twenty years into democracy, towns and cities remain fragmented, imposing high costs on households and the economy. The delivery of some additional 3.8 million subsidized houses offered adequate shelter to poor people and also helped contribute to an unprecedented tenfold growth in value to a historical racially distorted property market (20 Year Review Presidency:2014). However the market's enormous price cliffs act as barriers for most black South Africans to progress up the property ladder and thus exclude their effective participation in the property market. This is exacerbated by the disproportionate income levels particularly of those living below the income band (gap market). The settlements locations too far from economic opportunities have also put a burden to costs related with transport and other services.

Despite the progress achieved in housing delivery, human settlements patterns in South Africa remain dysfunctional across the country. The major challenges persistent in the sector include:

- A fractured housing market and inability of poor household to participate
- On-going housing affordability problem across various sub-markets particularly the gap market
- Weak spatial planning and governance capabilities
- High cost of well-located land for human settlements development driving development to the periphery
- The inability to adequately respond to the diverse needs of low-middle income households. The programme has been criticized for providing uniform housing development with little regard for proving a range of typologies and tenure types to support the needs of poor households. The limited success of social housing has also been an impediment in providing rental accommodation to a range of households.
- Escalating cost of development for government resulting in the reduced housing units delivered

South Africa is confronted with a shrinking tax base and a widening national expenditure as well as increasing numbers of people depended on government for housing assistance, provision of basic services and upkeep of their residential areas. This is a result high rate of (Stats SA economic report: 2014). Stats SA reported that there are about 14.4m households with a household size of about 3.4 persons per household. It is predicted that the total number of households will grow as the household size drops. It is estimated that by 2020 there will be about 3.6 million new household formations, with 55% falling within the income category of less than R3500 per month. This will contribute to an increasing demand for housing.

Census 2011 reported that while more than 77, 7% of the 14.4m households live in formal dwellings, there is about 13.6% that reside in informal dwellings and 7.9% in traditional dwellings. Stats SA estimates that the demand for adequate housing is about 2.2 million households, which includes households in informal settlements and backyard shacks. These households are depended on the intervention of the state for housing. Of these, 1.7 million have registered in the Needs Database of the Department of Human Settlements.

Although there have been increases to the average household income (i.e. about R103 204), the levels are not sufficient for households to be able to house themselves. A total of about 3.5 million households with income between R3501 and R15000 per month do not qualify for full government subsidy. While households with a monthly income of between R3500 and R7500 may qualify for a mortgage loan of between R140 000 and R300 000, the supply of stock is limited and mortgage finance for households with a monthly income below R7500 is almost non-existent. This means, there is an increasing number of households that do not qualify for a government subsidy or mortgage finance due to a number of reasons that include non-availability of stock and inability to access mortgage finance.

In response to the 2030 government trajectory, the **National Development Plan (NDP)** as South Africa's blueprint for eliminating poverty and reducing inequality by 2030, acknowledged that the fundamental reshaping of the apartheid spatial form may take decades but directs that South Africa should strive for a meaningful progress in creating urban settlements that are functionally intergraded, balanced, and vibrant, including the revival of the rural areas. The National Development Plan also recommended that in order to address the current weaknesses of human settlements and housing policies and programmes, the following actions be taken:

- Systematically respond to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency.
- Take account of the unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region before making decisions on developments.
- Review State housing policies to better realize constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households.

• Support active citizenry and develop incentives through a range of interventions, which includes the establishment of social compacts.

• Planning for human settlements be guided by a set of normative principles that will create liveable, equitable, sustainable, resilient and efficient spaces including supporting economic opportunities and social cohesion.

To reshape human settlements by 2050, the National Development Plan proposes that:

• Inequalities in the land market that makes it difficult for the poor to access the benefits of life in towns and cities be addressed

• Stronger measures to reconfigure towns and cities towards more efficient and equitable urban forms be adopted

• Housing and land policies that accommodate diverse household types and circumstances be developed

Strategies to improve the identified challenges

As part of laying the foundation for transforming the functioning of human settlements and the workings of the space economy, the 2014 - 2019 Medium Team Strategic Framework focuses on reforms aimed at achieve the following:

a) Ensuring that poor households have adequate housing in better living environments

b) Supporting the development of a functionally and equitable residential property market

c) Improving institutional capacity and coordination for better spatial targeting.

Over the next five years priority will be given to:

a) Scaling up the Upgrading of informal settlements

b) Transfer of all title deeds for subsidy units

c) Developing a more coherent and inclusive approach to land

d) Implementing a coherent multi-segmented social rental-housing programme that includes backyard rentals

e) Dealing with affordable market with a particular emphasis on a constructive engagement and strengthening partnerships with the private sector to improve delivery

f) Consolidating the Development Finance Institutions

For the success of the planned housing and human settlement programme reforms/ strategies, significant institutional reforms to improve the coordination of housing and human settlement development will be put in place. This includes strengthening capabilities of municipalities and integrating the housing and human settlement grants. This will also be supported by an improved interface of the housing and human settlement planning elements with the spatial planning frameworks driven within other government departments.

5.1 Performance environment

The dawn of democracy in 1994 created a new dispensation in which access to basic services such as housing, water and sanitation was recognized as a fundamental human right. South Africa inherited high levels of poverty and it continues to be confronted with unequal and often inadequate access to resources, infrastructure and social services. The Bill of Rights enshrined the right to basic services and commanded that the state must take reasonable measures to achieve the progressive realisation of these rights.

The characteristics of the dwellings in which households live and their access to various services and facilities provide an important indication of the well-being of household members. It is widely recognised that shelter satisfies a basic human need for physical security and comfort. According to the 2014: General Household Survey, the percentage of households that fully owned the dwellings they inhabited increased slightly from 52,9% in 2002 to 61,4% in 2008, before declining to 55,3% in 2014. This increase was accompanied by a decrease of about five percentage points for households that partially owned their houses, and a slight increase in the percentage of households that rented accommodation. Households that maintained 'other' tenure arrangements increased from 11, 7% in 2002 to 12,4% in 2014.

In 2014, more than three-quarters (79, 4%) of South African households lived in formal dwellings, followed by 12, 9% who lived in informal dwellings, and 6, 8% in traditional dwellings. The highest concentration of households in Limpopo (93, 6%) lived in formal dwellings, followed by the households in Mpumalanga (88, 1%). Although the highest concentrations of informal dwellings were found in North West (21%) and Gauteng (19, 2%), it is worth noting though that the majority of households in these two provinces lived in formal dwellings: with 78, 9% of Gauteng households living in formal dwellings and 78% of North West living in formal households. More than one-fourth of households (27, 7%) in Eastern Cape resided in traditional dwellings compared to 17% of households in KwaZulu-Natal.

The department's delivery environment is in the main influenced by the increase in urbanisation resulting in the increase demand for housing. Even though South Africa has progressively accommodated an additional 4.1 million households in formal dwellings, an upward growth from 74.4% in 2003 to 79.4% in 2014, demand for housing continue to exist (Development Indicators Presidency: 2014).

Households are also experiencing challenges in spending patterns and recurring low savings. The low savings combined with consumers' credit-risk profiles contribute to the inability to access credit particularly for mortgages. This offers evidence of vulnerability of low income earners to access credit particularly mortgage loans which is the main form of funding for housing development. With the increase of the repo rate by 0.25 basis points in November 2015, the prime interest rate by commercial banks increased to 9.75% (SA Reserve Bank, November 2015). The increase in interest rate has had a severe impact on disposable income for individuals with mortgages and other forms of credit exposure. The report by International Monetary Fund (IMF) indicates that in 2014, the South African economy was estimated to have grown by just 1.4%, after expanding by 1.9% in 2013, 2.5% in 2012, 3.6% in 2011, and 3.1% in 2010.

Even though South Africa has the second biggest economy in the continent over the past ten years, the country's GDP growth has been lagging behind. This has resulted to increasing dependency from government as 68,8% households in rural areas and 30,9% of residents in urban areas are living in poverty. Only 30% of South Africans are able to afford a house of more than R500 000 as house prices, inflation, and income have affected the affordability levels. Low-income earners have found it increasingly difficult to enter the property market because of stringent lending regulations and declining levels of disposable income arising from increasing interest rates.

Stats SA report indicates that there are about 14.4m households with a household size of about 3.4 persons per household. It is predicted that the total number of households will grow as the household size drops and that by 2020 there will be about 3.6 million new household formations, with 55% falling within the income category of less than R3500 per month. This will contribute to an increasing demand for housing.

The Department's approach to housing arises from two perspectives. On the one hand, the department and seeks to address the housing crisis directly through the scale delivery of subsidised housing for low income households. On the other hand, government seeks to create an environment conducive for the operations of the subsidised housing market within the larger non-the economy. With the resources at the disposal of government and of the Department, dealing with housing demand could take longer.

Table 1: Diagram showing Performance of the Human Settlements Sector

Year	Serviced Sites Completed	Houses/Units Completed	Total Housing Opportunities
1994/95	60,820	60,820	60,820
1995/96	74,409	74,409	74,409
1996/97	129,193	129,193	129,193
1997/98	209,000	209,000	209,000
1998/99	12,756	235,635	248,391
1999/2000	161,572	161,572	161,572
2000/01	19,711	170,932	190,643
2001/02	143,281	143,281	143,281
2002/03	82,286	131,784	214,070
2003/04	42,842	150,773	193,615
2004/05	87,284	148,253	235,537
2005/06	109,666	134,023	243,689
2006/07	117,845	153,374	271,219
2007/08	82,298	146,465	228,763
2008/09	68,469	160,403	228,872
2009/10	64,362	161,854	226,216
2010/11	63,546	121,879	185,425
2011/12	58,587	120,610	179,197
2012/13	45,698	115,079	160,777
2013/14	48,193	105,936	154,129
TOTAL	903,543	2,835,275	3,738,818

5.2 Organisational environment

The Department provides leadership in the fulfilment of the Constitutional Mandate of providing access to adequate housing to all. The Department has revised its strategic goals and objectives and aligned them to the long term goal of achieving the sustainable human settlements. The strategic goals and objectives have the five year targets.

To accelerate delivery and to address capacity related challenges, the department is currently reviewing its organisational structure. The review of the structure has been informed by the departmental strategy of ensuring that good corporate governance is achieved, responsive policies and programmes are developed and there is increased support for better delivery.

The realignment of the structure has also been informed by the identified need to transform the residential property market and strengthening the monitoring systems.

Even though stringent measures have been applied in the allocation of compensation budget, the department will base its realignment of the structure with the available resources.
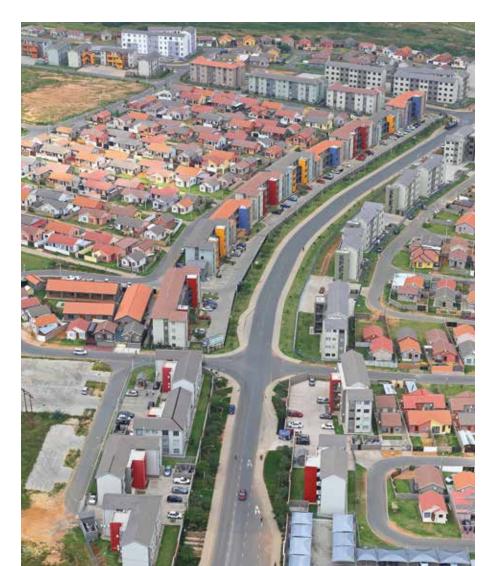
5.3 Description of the strategic planning process

The development of the 2015-2020 strategic plan has been informed by the revision of the tabled strategic plan 2014-2019. The tabled plan has been strengthened to reflect key priorities in line with the Medium Term Strategic Framework. Strategic goals and strategic objectives have been revised to align with the departmental long term priorities and they include five year targets. The planning process ensured the integration of the NDP imperatives and actions as identified in the 2014-2019 MTSF.

6.   Strategic outcome oriented goals

In response to the government's call to be outcome focused in the planning and implementation approach, the departmental goals have been aligned to the NDP proposals, MTSF priorities and also linked to key legislation that informs the operations of the Public Sector. The Department of Human Settlements, Strategic goals and goal statements are indicated in the table below:

Strategic Outcome Oriented Goal 1	Enhanced efficiency and effectiveness of the department
Goal statement 1	Effectiveness of administration, governance and management systems to support institutional performance in critical areas for efficiency
Strategic Outcome Oriented Goal 2	Integrated and responsive housing/human settlements sector planning and policy environment
Goal statement 2.1	Review of existing of policies and programmes and development of new policies to better direct delivery
Goal statement 2.2	Establishment and Strengthening of partnerships for human settlements development

Strategic Outcome Oriented Goal 3	Increased delivery of adequate housing in quality living environments
Goal statement 3	Facilitate the delivery of adequate housing and ensure efficient administration and utilization of Human Settlement Grants

PART B: STRATEGIC OBJECTIVES

7.   Programmes

Programme 1: Administration

Provide strategic leadership and administrative support services to the department.

This programme is divided into the following sub-programmes

Sub-Programmes:

- Office of the Director General
- Chief of Operations
- Corporate Services
- Financial Management
- Advisory Services

7.1 Strategic objectives

Strategic Objective	Promote efficient and effective administrative processes
Objective statement	The Department will improve administrative management practices by ensuring 100% compliance with all government prescripts
Baseline	Unqualified Audit Report
Justification	Good corporate governance is a foundation for efficient and effective service delivery
Links	PFMA, Treasury Regulations and Delivery Agreement (Outcome 12)
Five Year target	Unqualified audit report 100 % compliance with statutory tabling and prescripts 100% adherence to Cabinet and Cluster schedule as per approved protocol 100% implementation of the approved internal audit plan 100% implementation of the approved risk management plan 100% implementation of the approved Departmental anti-fraud and corruption 100% PAIA information requests processed

Strategic Objective	A capacitated and diverse workforce in a conducive working environment
Objective statement	Improve delivery capacity and create a conducive working environment by recruiting and training a diverse workforce
Baseline	Reports on Human Resources statutory requirements
Justification	A well capacitated workforce is essential for service delivery and performance
Links	Public Service Regulations
Five Year targets	100% compliance to HR Statutory Requirements 100% Implementation of the HR Plan

Strategic Objective	Effective and efficient legal support
Objective statement	To provide legal support by ensuring that legal matters are attended to and there is effective contract management
Baseline	A report on legislative framework and litigation matters
Justification	Ensure continuous legal support and direction and mitigate legal challenges
Links	Housing Act and PIE Act
Five Year targets	100 % litigation matters received and attended to 100% of contracts processed within reasonable time frame Human Settlements legislative framework developed

Strategic Objective	The ICT infrastructure is reliable, secure and available
Objective statement	To provide ICT infrastructure and business applications to support the Department and the sector to deliver on its mandate
Baseline	HSS database IT services and infrastructure availability
Justification	A reliable and secure infrastructure serves as the enabler in delivery
Links	PFMA, Public Services Act, Public Service Corporate Governance of Information and Communication Technology Policy Framework Guide and Toolkit on Organizational Design from DPSA & Handbook on the Machinery of Government from DPSA, ECT Act No 25 of 2000
Five Year targets	90% availability of the HSS Database Systems to provinces 90% IT Services availability for DHS

Strategic Objective	Promote internal and external communication on human settlements
Objective statement	To create an open and transparent system of communication internally and externally with stakeholders
Baseline	Communications Strategy
Justification	Communication of government programmes is important to inform and to be accountable to our strategic partners
Links	Government Communication Information Services (GCIS)
Five Year targets	100% Implementation of the Communications Strategy 2 million consumers reached through communication platform

Programme 2: Human Settlements Policy, Strategy and Planning

Programme Purpose

The purpose of the programme is to manage the development of, and compliance with, human settlements sector delivery and intergovernmental relations frameworks, and oversee integrated human settlements strategic and planning services.

This programme is divided into the following sub-programmes

Sub-Programmes:

- Operational Policy Frameworks

- Governance Frameworks

- Human Settlements Strategy

- Human Settlements Planning

- Stakeholder and Intergovernmental Relations

Strategic objectives

Strategic Objective	Development of human settlements policies and programmes for improved alignment
Objective statement	Development of Human Settlements Policies and programmes to better direct implementation
Baseline	Housing White paper, Housing Code
Justification	The review of the housing programme and the development of human settlements policies are important for the consolidation and building on the solid foundation laid in the last 20 years.
Links	National Development Plan, White Paper on Housing, Housing Act, SPLUMA
Five Year targets	Multi Human Settlements development Plan Approved National Human Settlements Development Plans for Provinces Guidelines for Human Settlements Planning and Design approved (Red Book) Approved Human Settlements Master Spatial Plan 900 000 title deeds backlog eradicated 10'000 hectares of well-located land acquired, rezoned, and released for new developments Human Settlements White Paper Human Settlements Code approved Revised Accreditation Framework 21 municipalities assessed for accreditation

Strategic Objective	Establishment and strengthening of partnerships for human settlements development
Objective statement	Establishment and strengthening of partnerships for human settlements development
Baseline	Social Contract, Existing agreements
Justification	Establishing partnerships in the built environment sector is crucial for the delivery of housing. The performance of the sector is dependent on the financial markets and on coordinated investments by government.
Links	IGR Framework of 2005
Five Year targets	Multi Human Settlements development Plan Nine Provinces and eight Metros supported on the implementation of PHP Policy Mobilisation of private sector investment on human settlements development

Programme 3: Programme Monitoring and Delivery Support

Programme Purpose

- The purpose of this programme is to support the execution, and monitor and evaluate the implementation, of human settlements programmes and projects.
- Manage the building of capacity and skills in the sector and provide oversight of public entities.

This programme is divided into the following sub-programmes

Sub-Programmes:

- Programme and Project Planning Support
- Programme Implementation Facilitation
- Programme Monitoring and Evaluation
- Regulatory Compliance
- Technical Capacity Development

Strategic Objective	Provide implementation support on the delivery of adequate housing
Objective statement	Provision of technical support to provinces and municipalities to ensure delivery of adequate housing
Baseline	Unqualified Audit Report
Justification	Provision of implementation support is critical in fast tracking delivery. Monitoring the implementation progress is also important and is responsive to the government's wide monitoring and evaluation framework
Links	Housing Code

Five Year target	50 catalytic projects implemented 21 human settlement interventions in mining towns 2 200 feasibilities on Informal settlements conducted 2 200 informal settlement upgrading plans developed 750 000 households assisted through the Informal Settlements Upgrading Programme by 2019 563 000 subsidy housing opportunities provided 35 000 Affordable rental units through the private sector 27 000 Social Housing units 10 000 Community Residential Units (CRU) A Single DFI established Approved Shareholder Compacts of the human settlements entities aligned to the MTSF targets

Strategic Objective	Enhanced sector monitoring and evaluation
Objective statement	Coordinate sector reporting monitoring and evaluation and ensure publication of the state of Human Settlements report at the end of the MTSF period
Baseline	57% of running projects monitored through physical site visits and other verification methodologies of the revised Monitoring and Evaluation Framework Evaluation Plan
Justification	Project level monitoring is important in ensuring that delivery is in line with the Housing code and also with the budget allocated. It promotes accountability
Links	Government's Wide Monitoring and Evaluation Framework
Five Year targets	100% of projects under implementation monitored and verified (HSDG and USDG) 20 Outcome 8 reports produced 8 Evaluation studies completed Data analysis reports on delivery trends produced

Strategic Objective	Improved support and capacity for the human settlements sector
Objective statement	Implementation of capacity building initiatives across the sector to deliver housing
Baseline	Sector Capacity building Policy
Justification	This is in response to the NDP proposal of developing sector capacity for improved delivery
Links	PSETA
Five Year targets	• 68 280 youth, women, military veterans, government officials and consumers in the subsidy and gap market, trained on human settlements skills development programmes • Nine (9) Provincial departments and eight (8) municipalities supported in the implementation of capacity development programmes

Strategic objectives

Strategic Objective	Efficient and effective utilization of human settlements grants, and monitoring lending patterns by financial institution
Objective statement	Monitoring grants and lending patterns by financial institutions
Baseline	Approved Human Settlements Grants Frameworks Number of HSDG & USDG quarterly performance reports Approved annual report on the performance of financial institutions and their lending patterns
Justification	Effective use of grants and monitoring of expenditure trends is central to improved delivery
Links	Human Settlement Grants Framework
Five Year targets	Approved Human Settlements Grants Frameworks 20 HSDG & USDG quarterly performance reports Annual report on the performance of financial institutions and their lending patterns on home loans Approved State Finance Products for the affordable market

Programme 4: Housing Development Finance

Programme Purpose

The purpose of this programme is to fund the delivery of housing and human settlements programmes, and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

This programme has one sub-programme

• Chief Investment Officer

7.2 Resource considerations

The following is our resource considerations for each programme:

PROGRAMME 1: ADMINISTRATION

Sub-Programme R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Ministry	30 353	28 739	66 437	61 363	60 222	63 901	64 100
Departmental Management	61 571	53 508	101 857	98 773	102 143	107 153	98 487
Corporate Services	139 629	134 141	190 534	175 316	188 160	201 332	204 830
Property Management	20 403	24 699	32 153	37 677	39 900	41 895	43 990
Financial Management	33 722	39 312	42 099	47 487	51 849	55 639	55 915
Total	**285 678**	**280 399**	**433 080**	**420 616**	**442 274**	**469 920**	**467 322**

Economic classification R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Current payments	282 013	272 908	397 840	407 883	438 900	466 381	463 602
Compensation of employees	134 699	140 578	178 849	197 063	216 458	233 145	228 846
Goods and services	147 314	132 294	218 970	210 816	222 442	233 236	234 756
Interest and rent on land	-	36	21	4	-	-	-
Transfers and subsidies	74	175	22 706	857	46	46	49
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Higher education institutions	-	-	1 170	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	74	175	21 536	857	46	46	49
Payments for capital assets	3 537	7 198	12 426	11 549	3 328	3 493	3 671
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	3 507	6 617	11 019	11 494	3 059	3 211	3 373
Software and other intangible assets	30	581	1 407	55	269	282	298
Payments for financial assets	54	118	108	82	-	-	-
Total	**285 678**	**280 399**	**433 080**	**420 371**	**442 274**	**469 920**	**467 322**

This programme allocation grows from R420.3 million in 2015/16 to R467.3 million in 2018/19, an average nominal growth of 2.4%. The programme biggest cost drivers apart from compensation of employees, are funds provided for Internal Audit activities and special investigations, computer services and travel and subsistence. The programme has 426 funded positions. The programme mainly provides strategic leadership to the sector and Department as well as support to the Department.

PROGRAMME 2: HUMAN SETTLEMENTS POLICY, STRATEGY AND PLANNING

Sub-Programme R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Management for Policy, Strategy and Planning	2 160	3 568	3 902	6 262	7 424	7 844	7 758
Human Settlements Policy Frameworks	27 765	27 756	29 731	28 174	30 852	32 887	32 254
Human Settlements Strategy and Planning	33 275	42 003	45 070	39 102	44 787	47 567	46 939
Total	**63 200**	**73 327**	**78 703**	**73 538**	**83 063**	**88 298**	**86 951**

Economic Classification R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Current payments	60 953	71 572	72 128	71 320	80 985	86 115	84 648
Compensation of employees	33 282	38 322	45 311	48 533	55 724	59 591	58 099
Goods and services	27 671	33 250	26 817	22 787	25 261	26 524	26 549
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	1 807	1 148	5 394	1 150	1 211	1 272	1 346
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organizations	1 279	1 075	1 269	1 150	1 211	1 272	1 346
Public corporations and private enterprises	-	-	4 000	-	-	-	-
Non-profit institutions	400	-	-	-	-	-	-
Households	128	73	125	-	-	-	-
Payments for capital assets	425	575	1 170	1 068	867	911	957
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	425	575	1 170	1 068	867	911	957
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	15	32	11	-	-	-	-
Total	**63 200**	**73 327**	**78 703**	**73 538**	**83 063**	**88 298**	**86 951**

This programme allocation grows from R74.3 million in 2015/16 to R86.9 million in 2018/19, an average nominal growth of 5.4%. The programme biggest cost drivers are compensation of employees and travel and subsistence. The programme will undertake the Development of the white and green paper, the red book as well reviewing and aligning various policies and plans with the NDP, over the MTEF.

PROGRAMME 3: PROGRAMME DELIVERY SUPPORT

Sub-Programme R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Management for Programme Delivery Support	3 121	4 071	7 019	7 351	9 240	9 806	9 802
Programme Management Unit	39 821	50 480	69 598	124 901	165 021	145 092	137 119
Chief of Operation	85 544	44 194	57 095	53 348	50 321	53 441	53 000
Total	**128 486**	**98 745**	**133 712**	**185 600**	**224 582**	**208 339**	**199 921**

Economic Classification R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Current payments	110 938	89 275	119 096	175 331	214 178	197 414	188 372
Compensation of employees	40 080	47 245	53 001	59 877	93 259	75 473	75 368
Goods and services	70 858	42 030	66 092	115 454	120 919	121 941	113 004
Interest and rent on land	-	-	3	-	-	-	-
Transfers and subsidies	16 951	8 543	13 602	9 171	9 355	9 822	10 392
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Higher education institutions	3 090	3 949	4 499	-	-	-	-
Foreign governments and international organizations	-	-	-	-	-	-	-
Public corporations and private enterprises							
Non-profit institutions							
Households	13 861	4 594	9 103	9 171	9 355	9 822	10 392
Payments for capital assets	580	922	1 011	1 086	1 049	1 103	1 157
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	580	806	1 011	1 086	1 049	1 103	1 157
Software and other intangible assets	-	116	-	-	-	-	-
Payments for financial assets	17	5	3	12	-	-	-
Total	**128 486**	**98 745**	**133 712**	**185 600**	**224 582**	**208 339**	**199 921**

This programme allocation grows from R185.6 million in 2015/16 to R199.9 million in 2018/19, an average nominal growth of 5.6%. The programme biggest cost drivers are compensation of employees Consultants and travel and subsistence. The programme will undertake the National Upgrading Support Programme as well as various direct implementation support activities.

PROGRAMME 4: HOUSING DEVELOPMENT FINANCE

Sub-Programme R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Management for Housing Development Finance	1 678	1 940	357	3 017	3 741	3 947	4 003
Chief Investment Officer	17 795	19 023	16 488	18 083	21 342	22 747	22 654
Human Settlements Development Grant	15 395 032	17 028 326	17 084 369	18 302 675	18 283 991	21 060 343	22 281 843
Contributions	912 808	864 648	1 026 839	885 507	792 395	1 240 485	1 505 196
Urban Settlements Development Grant	7 392 206	9 076 906	10 284 684	10 554 345	10 839 468	11 472 247	12 052 137
Municipal Human Settlements Capacity Grant	-	-	300 000	100 000	-	-	-
Total	**23 719 519**	**26 990 843**	**28 712 737**	**29 863 627**	**29 940 937**	**33 799 769**	**35 865 833**

Economic classification R`000	Audited outcome			Adjusted Appropriation	Indicative allocation		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Current payments	19 393	20 788	16 734	20 222	24 861	26 461	26 412
Compensation of employees	14 821	14 083	13 695	15 287	18 050	19 310	18 904
Goods and services	4 572	6 705	3 039	4 935	6 811	7 151	7 508
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	**23 548 077**	**26 869 880**	**28 465 892**	**29 681 527**	**29 815 854**	**33 623 075**	**35 680 476**
Provinces and municipalities	22 787 238	26 105 232	27 669 053	28 957 020	29 123 459	32 532 590	34 333 980
Departmental agencies and accounts	760 833	764 648	796 839	724 507	692 395	1 090 485	1 346 496
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organizations							-
Public corporations and private enterprises							
Non-profit institutions							
Households	6	-	-	-	-	-	-
Payments for capital assets	**74**	**175**	**110**	**878**	**222**	**233**	**245**
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	74	175	110	878	222	233	245
Software and other intangible assets	-	-	-	-	-	-	-
Payments for financial assets	151 975	100 000	230 001	161 000	100 000	150 000	158 700
Total	**23 719 519**	**26 990 843**	**28 712 737**	**29 863 627**	**29 940 937**	**33 799 769**	**35 865 833**

This programme allocation consists mostly of conditional grants and transfer to Departmental Institutions. The allocation grows from R29.8 billion in 2015/16 to R35.8 million in 2018/19, an average nominal growth of 5.8%. The Human Settlements Development Grant, which is a capital transfers grant to provinces allocation grows from R18.2 billion in 2015/16 to R22.2 billion in 2018/19 an average nominal growth of 7%. The Urban Settlements Development Grant, which is a capital transfers grant metropolitan municipalities grows from R10.5 billion in 2015/16 to R12 billion in 2018/19 an average nominal growth of 4.5%. The Municipal Human Settlements Capacity Grant was closed down in 2015/16 financial year.

7.3   Risk management

The following section identifies the risks with each programme and discusses five key risks that may affect the realisation of the strategic objectives stated in each programme.

Risk no	Goal-1	Objective	Risk Identified	Mitigation Measures
1	Enhanced efficiency and effectiveness of the department	Promote efficient and effective administrative processes	Lack of management systems and poor implementation of internal controls	Implement management systems to support institutional performance in critical areas for efficiency
2	Integrated and responsive housing/human settlements sector planning and policy environment	Human settlements policies and programmes developed	Poor implementation of policies and programmes resulting in poor delivery	Ensuring alignment of business plans with Annual Performance Plans and Built Environment Plans
3	Increased provision of adequate housing in quality living environments	Implementation support on the delivery of adequate housing provided	Slow pace of delivery and poor expenditure trends	Provision of technical support to Provinces and Municipalities to fast-track delivery
			Misinterpretation of human settlements strategies and policies	Capacity building initiatives implemented, communication of programmes strengthened
			Limited availability of personnel with required skills	Initiate capacity building programmes to deliver on the mandate

PART C: LINKS TO OTHER PLANS

8.   Links to other plans

The Department directly contributes to the infrastructure build programme, across the strategic integrated projects (SIPs) and reports to the progress made to the PICC. A specific intervention on mining towns is the contributor to this, the projects implemented through the Urban Settlements Grants and the partnerships created with sector departments like Water and Sanitation linked to the long term infrastructure plans. The Master Spatial plan SP that is currently under development also forms part of the long term infrastructure plan as it seeks to direct human settlements investments along the identified development corridors that will have long term impact on the country's spatial transformation agenda.

The department through its programmes also contributes to the New Growth Path which is the main job driver to ensure effective delivery is to improve both physical infrastructure and human resources. The department's contribution to the SIP's assists in ensuring that the department and the sector plans ahead and move away from the stop-start syndrome around the building of infrastructure. This provides a greater certainty to the construction industry and provides a roadmap for investors and communities.

8.1   Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) sets out the five year actions for Outcome 8. This five-year strategic plan is framed according to the MTSF. The document contains housing targets across a range of housing programmes. These are national targets and each Province and Municipality would have to define its delivery programme over the next five years based on their own demand and supply projections. Cumulatively, all Provinces and Municipalities contribute to the National targets.

8.2   Provincial Plans

Provincial capital expenditure for human settlements is defined in five year strategic plans (that track capital expenditure over five-year period). Annual Performance Plans track budget spends according to each programme.

8.3   Municipal Plans

Municipal capital expenditure for human settlements is defined in five year strategic plans (that track capital expenditure over five-year period). These five year plans are known as the Housing Chapter and are an integral part of the Integrated Development Plan (IDP) of municipalities. Service Delivery Budget Implementation Plans (SDBIP) are one-year capital expenditure plans effectively breaking down the budget into quarters.

Built Environment Performance Plan (BEPP) encourages municipalities to plan how the outputs funded from various grants will contribute to coherent outcomes for the city as a whole. Specifically for human settlements this includes; Urban Settlements Development Grant and Human Settlements Development Grant.

Municipal social housing institutions develop annual business plans and performance plans. These plans define five-year budget allocations for social housing.

9.   Conditional grants

Name of grant	Urban Settlements Development Grant
Purpose	The largest infrastructure grant to municipalities. Ensure basic infrastructure is funded for the poor. Emphasis on human settlements and housing.
Performance indicator	% allocation and spend of the USDG
Continuation	Continuation
Motivation	Critical aspect of funding basic infrastructure for poor households

Name of grant	Human Settlements Development Grant
Purpose	Ensure actual housing (top structures) are funded in municipalities. Funding allocated through provinces.
Performance indicator	% allocation and spend of the HSDG
Continuation	Continuation
Motivation	Critical aspect of funding top structures

10. Public entities

The Department of Human Settlements has seven public entities reporting to it:

1) Estate Agency Affairs Board (EAAB)

2) National Housing Finance Corporation (NHFC)

3) National Urban Reconstruction and Housing Agency (NURCHA)

4) Social Housing Regulatory Authority (SHRA)

5) National Home Builders Registration Council (NHBRC)

6) Rural Housing Loan Fund (RHLF)

7) The Housing Development Agency (HDA)

8) Community Schemes Ombud Service (CSOS)

Summarized below are the mandate and key strategic objectives of each of these entities.

Name of Public Entity	Mandate	Output	Current Budget	Date of next Evaluation
National Housing Finance Corporation (NHFC)	Mobilise funding into human settlements space in partnership with broad range of institutions. It also provides wholesale finance and acts as a fund and risk manager	• 3,200 housing opportunities facilitated through disbursements • 2,754 rental housing opportunities facilitated through disbursements • 445 affordable housing opportunities facilitated through disbursements • 19,070 housing opportunities facilitated through leveraged funds • R1.38 billion leveraged from the private sector	R100,000,000 (capital grant)	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017
Estate Agency Affairs Board (EAAB)	Regulate, maintain and promote the standard of conduct of estate agents; issue fidelity fund certificates to qualifying applicants; prescribe the standard of education and training of estate agents; investigate complaints lodged against estate agents, manage the Estate Agents Fidelity Fund	• 7% reduction of non-compliant agents and agencies inspected • 400 000 radio consumers reached through radio awareness campaigns • 90% of compliant estate agents operating in affordable housing markets • 3 100 youth recruited on the one leaner one state agent programme • Fidelity Fund operated to achieve aggregate growth of 5% per annum • 30% increase in Estate Agencies operating in the affordable housing market	-	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017

Name of Public Entity	Mandate	Output	Current Budget	Date of next Evaluation
Home Builders Registration Council (NHBRC)	Provide housing consumers with warranty protection against defects in new homes, and to provide protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998).	• 53 994 non-subsidy homes by private sector enrolled • 140 196 subsidy homes enrolled • 40 700 late home enrolments approved • 53 994 non-subsidy enrolled homes inspected • 140 196 subsidy homes enrolled inspected • 4 068 new homebuilder registrations approved • 13 034 renewals of homebuilder registrations • 1 200 homebuilders trained • 2 000 youth trained • 440 home inspectors trained • 351 Artisans trained • 900 women trained • 180 Military Veterans trained	-	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017
Housing Development Agency: (H D A)	Facilitate the release of land and landed properties for human settlements development	• 3,000 hectares of well-located land released for human settlement development (targeting poor and middle income households). • Provide 274 informal settlements with technical support. • Provide technical support to 22 projects in mining towns. • 50 Catalytic projects supported. • 9 provinces provided with capacity support as per MTOPs and business plans.	R167,512,000 (R147,512,000 operational grant and R20,000,000 for the National Upgrading Support Programme)	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017

Name of Public Entity	Mandate	Output	Current Budget	Date of next Evaluation
		• Implementation support provided to programmes and projects providing 6,912 housing units. • Implementation support provided to programmes and projects providing 9539 serviced sites.	-	
National Urban Reconstruction and Housing Agency: (NURCHA)	NURCHA's mandate is to ensure the availability of bridging finance to small, medium and established contractors building low and moderate-income housing and related communities facilities and infrastructure	• 2,500 affordable houses built and sites serviced with NURCHA bridging finance. • 12,830 subsidy houses built and sites serviced with NURCHA bridging finance. • 4 infrastructure and community facility projects completed with NURCHA bridging finance. • 60 contractors trained through the Contractor Finance and Development Programme.	-	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017

Name of Public Entity	Mandate	Output	Current Budget	Date of next Evaluation
Rural Housing Loan Fund: (RHLF)	The RHLF is a development finance institution, established in August 1996 as an association not for gain. The company is mandated to empower low income households in rural areas to access housing credit. It operates as a wholesale lender and thus attains its mandate by providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes.	• 43,187 housing loans disbursed • 60% of loans provided to people earning R3,500 or less per month • R224.9 million disbursed to retail intermediaries. • 50 Rural Housing Vouchers issued. • 20 Rural Housing Voucher houses completed.	-	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017
Social Housing Regulatory Authority: (SHRA)	Facilitate the release of land and landed properties for human settlements development	• Norms and standards for social housing developed and ap-proved. • 6 New social housing institutions accredited • 50 Social housing institutions re-accredited • 10,000 Units approved for RCG award. • 3,500 Social housing units delivered.	R500,963,000 (R36,392,000 operational grant, R40,183,000 institutional investment grant and R424,388,000 restructuring capital grant)	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017

Name of Public Entity	Mandate	Output	Current Budget	Date of next Evaluation
Community Schemes Ombud Service (CSOS)	To provide a dispute resolution service for community schemes, monitor and control the quality of all sectional title schemes governance documentation and to take custody of, preserve and provide public access to scheme governance documentation.	• 800 Conciliation settlements achieved. • 200 Adjudication orders achieved at specified service levels as per the dispute resolution model. • 80% of Conciliation settlement agreements concluded within 40 days.	R23,920,000	1st quarter review: August 2016 2nd quarter review: November 2016 3rd quarter review: February 2017 4th quarter review: May 2017

11.   Public–Private partnerships

The department is partnering with the Banking Association South Africa in intervening in the housing markets through the implementation of the housing programmes catering for various households. The department also has formed strategic partnership with the Development Bank of Southern Africa in the implementation of infrastructure projects that contribute to the achievement of the human settlements mandate.

Name PPP	Purpose	Outputs	Current Value of Agreement	Date when agreement expires
A Social Contract for the Development of Sustainable Human Settlements: Building Partnerships for the accelerated delivery	The Social Contract for Sustainable Human Settlements is a statement of intent to work together for a common goal, whilst appreciating and understanding the relationship between the stakeholders. It provides a framework for partnerships and targeted resource mobilization, and articulates stakeholders' commitment to develop answers collectively for a shared future. As a result of this contract, which is a framework for specific partnerships, individual private sector developers/ financial institutions would enter into direct agreements with the department through the HDA.	Increased property markets for the different beneficiary needs	In principle the private sector, through catalytic projects would contribute about **R210 billion** towards the Human Settlements Development.	1The actual Social Contract would be reviewed after 5 years from the date of commencement, 2014, and it would be up to such review whether it should be renewed

Medium term Strategic Framework targets (2014-2019)

Target	Indicator
Revision of the Housing finance regime framework	Housing finance regime framework revised
Development of the Human Settlements White Paper	Human Settlements White Paper approved
Amendment of the Housing Act	Housing Act amended and Human Settlements Legislation approved
Revision of the Housing Code	Housing Code revised and Human Settlements Code approved
1,495 million housing opportunities in quality living environments provided:	Number of housing opportunities located in quality living environments:
2 200 informal settlements upgraded to Phase 2 of the Informal Settlements Upgrading Programme	Number of existing Informal settlements upgraded to Phase 2
750 000 households in informal settlements benefitting from the Informal Settlements Upgrading Programme 563 000 individual units for subsidy housing market provided	Number of households benefitting from informal settlements upgrading Number of housing units for subsidy housing market
• 27 000 social housing units • 10 000 CRU • 35 000 affordable rental housing opportunities provided through private sector (mine worker housing at 10 000; and private affordable rental 25 000)	Number of affordable rental housing opportunities
10 000 of hectares of well-located land acquired, rezoned and released for new developments targeting poor and lower middle income households	Hectares of well-located land acquired, rezoned and released for new developments targeting poor and lower middle income households
Develop Multi-year Human Settlements Development Plans	Multiyear Human Settlements Development Plans that support spatial targeting, social and economic integration developed
50 Catalytic Projects implemented Consolidation of the Development Finance Institutions (DFI) NURCHA, NHFC, RHLF	Number of catalytic projects implemented Single DFI
30% increase in Estate Agencies operating in the affordable housing market	% increase in Estate Agencies operating in the affordable housing market
560 000 Title deeds issued to new homeowners in the subsidy market	Number of title deeds issued to new homeowners in the subsidy market
900 000 title deeds backlog eradicated	Number of title deeds backlog eradicated
20 Municipalities accredited to perform Housing function	Number of Municipalities accredited at various levels to perform housing administrative function

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human settlements

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