

# Department of Human Settlements

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FOR THE YEAR ENDED 31 MARCH 2010

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## FOREWORD BY THE MINISTER – HON. T M G SEXWALE

### *There shall be houses, security and comfort for all*

***“All people shall have the right to live where they choose, to be decently housed, and to bring up their families in comfort and security. Slums shall be demolished and new suburbs built where all shall have transport, roads, lighting, playing fields, crèches and social centres”.***

This is the bold vision, crafted 55 years ago by the drafters of the Freedom Charter, which captures the essence of our mandate to create integrated and sustainable human settlements.

Our Performance Report is the roadmap for achieving the vision of sustainable human settlements. It sets out our strategic objectives, outlines the direction in which we must move, indicates what the outcomes are, and how we will measure progress.

### **The following are our points of reference:**

- The ANC Election Manifesto which refers to “an equitable, sustainable, and inclusive path that brings decent work and sustainable livelihoods, education, health, safe and secure communities, and rural development”;
- The Breaking New Ground Policy, which outlines the need for new human settlement plans with a more appropriate housing and township/suburb design and form;
- The strategic priorities outlined in the Medium Term Strategic Framework, which call for the expansion of social and economic infrastructure and the building of cohesive, caring sustainable communities, and the Medium Term Expenditure Framework which underpins it;
- The Measurable Performance and Accountable Delivery outcomes set and agreed to by the February 2010 Cabinet Lekgotla, which is aimed at the following:
  - Accelerating the delivery of housing opportunities by providing by 2014 proper basic services and land tenure to households currently living in informal settlements;
  - Ensuring more efficient land utilisation by identifying and releasing 6 250 ha of well-located state land for low-income and affordable housing;
  - Improving the property market by establishing a R1-billion guarantee fund as an incentive to the private sector to meet the housing demand through the development of innovative and responsive products, especially for those families earning above the threshold to qualify for state assistance yet earning too little to qualify for private-sector finance.

These outcomes will form the core of our strategic and performance plan and our delivery efforts between now and 2014.

In our Budget Vote to Parliament in June 2009, we indicated that our most urgent priority was “to ensure that settlement development and redevelopment are imbued with infrastructure such as clinics, schools, police stations, community facilities and economic activity space within the vicinity of quality homes”. That remains the case, but our work has been given further urgency and focus by the priorities that the 2010 Cabinet Lekgotla set. As a result, our strategic outlook is to ensure that we not only succeed in our overall mission of providing sustainable human settlements, but also that we specifically deliver on the outcomes set for the human settlement development sector.

Obviously we cannot do this alone, so we have deliberated with provincial and local government colleagues to ensure that they, too, have embraced the priorities set by Cabinet and have aligned their programmes, plans and expenditure accordingly. Furthermore, through specific mandating protocols, other national departments and public entities have been urged also to play their role in the delivery of these priorities and outcomes.

In addition, we have strengthened our relationship with our social partners – i.e. non-governmental and community-based development organisations and the private sector – to harness maximum support for the drive to create sustainable human settlements.

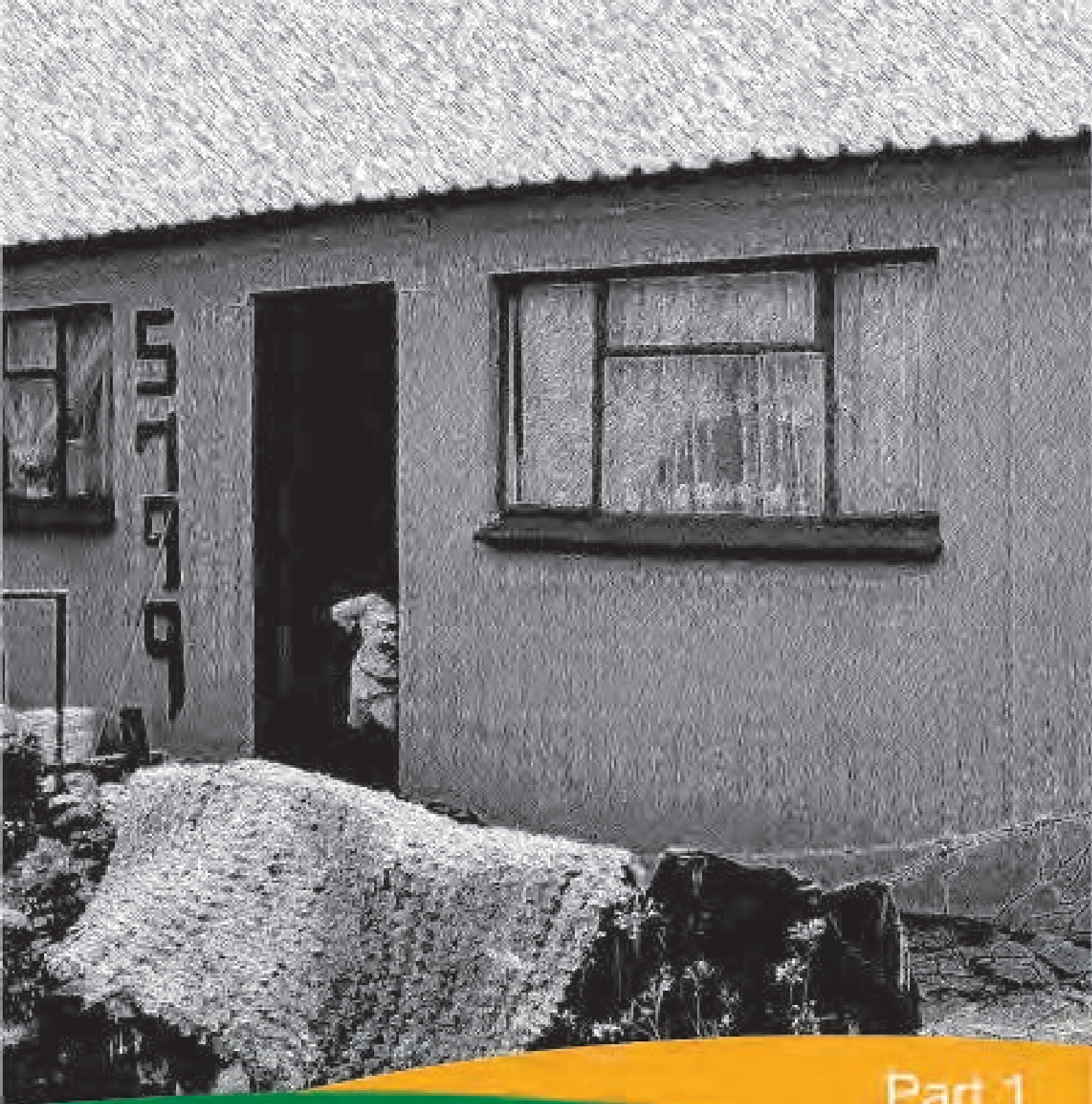
The net effect of this, we believe, is a concerted national effort towards building the kind of society envisaged 55 years ago by the architects of our new society, as espoused by the Freedom Charter, so that we can state with conviction: “There ARE houses, security and comfort for all.”

Without doubt, this journey will not be an easy one. However, working together we will achieve considerable success. This Annual Performance Report is a reflection of our collective efforts, thus far.

**MR T M G SEXWALE (MP)**

**MINISTER OF HUMAN SETTLEMENTS**

**31 May 2010**



Part 1

# General Information



**human settlements**

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

## 1. GENERAL INFORMATION

### 1.1 Introduction by the head of the institution and submission of the Annual Report to the Executive Authority

The Department has ensured, during the period under review, that the necessary support services are provided in spite of the challenges of insufficient office space, accommodation and other operational resources. The transfer of the line function for the provision of sanitation in the country from the former Department of Water Affairs and Forestry, pursuing the quest for a holistic and comprehensive dispensation for human settlement creation, has also been finalised.

The National Housing Code, 2009, has been published. It is more flexible to cater for the diversity of local development conditions and is more user-friendly. It has been updated to include all the new housing programmes introduced since 2000.

The Farm Residence Housing Assistance Programme and implementation guidelines have been completed and approved. The programme is supported by a set of pro forma contracting documents, which was developed and finalised during the year.

The implementation of the National Housing Code, 2009, was facilitated by a comprehensive awareness campaign comprising stakeholder workshops in each of the nine provinces.

The Monitoring and Evaluation (M & E) Unit launched the Monitoring and Evaluation Policy and Implementation Framework for the Housing Sector in July 2008. The MEIA Policy and Implementation Framework sets the basis for monitoring and evaluation in the sector; establishes principles to guide the sector in monitoring and evaluating national housing policies, programmes and projects, and provides monitoring and evaluation housing practitioners with the tools to perform their tasks. The MEIA Policy and Implementation Framework applies to all the Departments of Human Settlements at national, provincial and local levels as well as housing institutions. It also provides for a computerised system to document, give feedback on and disseminate results and lessons learned.

The M & E Unit initiated a project-level monitoring process to execute the M & E mandate of monitoring the implementation and performance of housing projects against the targets set out in the provincial Housing Business Plans. In addition, three service providers were appointed to conduct a beneficiary occupancy audit in seven of the nine provinces. In terms of this exercise, a representative 10% sample of all the housing units completed since April 1994 will be audited to confirm whether the approved beneficiary is occupying the subsidised housing unit and if not, how the occupant obtained access to the relevant unit.

The findings of the audit will enable the Department to put mechanisms in place to address the audit outcomes and to regularise any anomalies in this regard. It will also give the Department vital information about subsidised properties. In addition, a Terms of Reference document was approved so that a similar exercise could be conducted specifically in the Seraleng Housing Project in Rustenburg to determine to what extent the completed houses are occupied by unauthorised beneficiaries. The aim of the audit is to assess the profile of occupiers and to make recommendations on how to regularise the situation on the ground.



During the period under review, the Department has worked hard to engage stakeholders who have the potential to assist the Department with getting its work delivered at scale. A significant highlight of these strategic engagements has been entering into agreements with stakeholders such as the platinum mines for the possible rollout of projects in Limpopo and North West, Intersite for the joint development of land in and around railway stations, and the DBSA for technical support with priority and blocked projects.

A major outcome has been the signing of an MOU with Intersite that comes into force regarding projects on land around railway stations throughout the country. Significantly, the Department also negotiated the signing of an agreement with the Department of Public Works (DPW). The agreement gives the Department of Human Settlements the first right of refusal of any land that the DPW is considering for disposal.

The revised plans are influenced by the recent pronouncement of the Department's mandate that has changed from housing to human settlements. This broadened mandate necessitated the review of plans and strategies by the whole Department. In this instance, the plan anticipates that certain infrastructural programmes meant to support human settlements will be migrated to the Department from other government departments.

The emphasis of Human Settlements entails a much stronger platform for dialogue with all stakeholders. The existing platforms of engagement have to be strengthened and terms of reference may have to be revised to take this into account. The instruments of mobilisation and motivation, such as awards, will have to be revised appropriately taking into account the qualification criteria that have been amended to match the mandate.

Good progress has also been made with the upgrading of informal settlements and the unblocking of stalled housing projects. The National Upgrading Support Programme has been established and will in future provide support to municipalities with the in situ upgrading of informal settlements. A project process guide is being compiled to guide the implementers of projects in the housing process and this guide will also serve as a project management and monitoring tool for project managers. This guide will also prevent further projects from becoming blocked.

As a direct response to the implementation challenges of the Comprehensive Plan for the Creation of Sustainable Human Settlements, the Department will continue to review the mandate of its housing entities. The delivery landscape for the creation of human settlements is constantly changing. The newly established Housing Development Agency (HDA), after the promulgation of the Housing Development Act, 2008 (Act No. 23 of 2008) was made operational in the 2009/10 financial year. The HDA will assist the Department by acquiring suitably located land for human settlements. In this regard, the HDA will make its acquired land available to provincial Human Settlements departments as well as to municipalities in terms of their respective Integrated Development Plans (IDPs) for human settlement development. The land made available to provinces by the HDA will be speedily prepared for human settlement development. This will speed up the rate at which human settlements are developed and will clearly improve government's delivery in this respect.

The Chief Directorate: Management Information Services has ensured that operational systems are aligned with the changes in housing policy and also made the changes requested by the nine provincial departments. The necessary support and training related to the operational systems were also provided to the provincial departments and local authorities.

The generic housing delivery processes related to Budgeting and Planning, Project Management, Contract Management, Beneficiary Management and Claims and Payments were mapped. The mapped processes were reviewed with role players at a national and provincial level to determine the alignment between the current processes and the newly mapped processes.

The municipal accreditation programme was also successfully commenced.

In the international arena, South Africa was given a voice in the debate on human settlements through the African Ministerial Conference on Housing and Urban Development and the World Urban Forum, while the existing partnerships are yielding the intended benefits. An exception was the lack of progress with implementing the co-operation programme with the Democratic Republic of Congo.

Owing to limited resources, the Department was not able to fill all its vacancies. Vacancies are filled on a prioritised basis and will take place gradually as funding becomes available, so that the new structure will probably be fully implemented by the 2010/11 financial year.

This is the first year in which the Auditor-General will audit the Department's performance information. Internally, gaps have been identified in relation to the manner in which we report our performance information. As there is room for improvement, our Strategic Management Unit has evaluated the gaps and it is hoped that in the current year the shortcomings will be corrected, more particularly regarding clarity on targets and reporting on achieving the targets.

*To Mr T M G Sexwale, MP, Minister of Human Settlements*

I have the honour of submitting the 2009/10 Annual Report of the National Department of Human Settlements, in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended.

**MR T W ZULU**  
**DIRECTOR-GENERAL**  
**31 May 2010**

## 1.2 Information on the Ministry

### 1.2.1 Activities in which the Ministry was involved during the year under review

Minister T M G Sexwale was involved in the following activities during the 2009/10 financial year:

#### Youth build closing and handover of houses ceremony

The Youth Build was closed on 26 June 2009, and was attended by the Honourable Minister and Deputy Minister of the Department of Human Settlements, the Premier of KwaZulu-Natal, the MEC of Public Works and Human Settlements, members of the National Human Settlements Portfolio Committee, the District Mayor of the uThungulu District Municipality and the Mayor of uMlalazi.

Five houses were handed over to elderly beneficiaries before proceeding to Eshowe Sports Club for the ceremony, which included awarding certificates of participation to the youth.

The Minister also participated in the closing ceremony of Youth Build 2009 in Eshowe on 26 June 2009 in commemoration of the 1976 Youth Uprising. The youth constructed 76 houses to commemorate the symbolism of the uprising.

#### Women's build closing and handover of houses ceremony

Women's Build was closed on 28 August 2009. It was attended by the Honourable Minister and Deputy Minister of the Department of Human Settlements, the MEC of Human Settlements, members of the National Human Settlements Portfolio Committee and the Executive Mayor of the Mbombela Local Municipality.

The dignitaries participated in planting the vegetable garden and an orange tree, and in house painting. Then houses were handed over to elderly beneficiaries before proceeding to Tekwane Sportsground for the ceremony, which included awarding certificates of participation to the volunteers.

The Women's Build 2009 project in Tekwane North on 28 August 2009 was in commemoration of the 1956 women's protest march to the Union Buildings. Women commemorating the symbolism of the march had constructed 53 houses.

#### Social contract

The Minister of Human Settlements, Mr Tokyo Sexwale, delivered the keynote address of the Plenary Session held on 26 and 27 November 2009.

#### International activities of the Ministry in the period under review

Minister Sexwale participated in the State visit by President Jacob Zuma to the Republic of Angola in August 2009, signing a Memorandum of Understanding on Co-operation in the field of Human Settlements with Angola's Minister of Urban Planning and Housing. The MOU provides for co-operation in the development of human settlements, improvement of housing, provision of basic services and the upgrading of slums and informal settlements for low-income families as a means of alleviating poverty.

The MOU may also serve as an impetus for South African companies to participate in the construction of housing projects in Angola.

At the request of President Jacob Zuma, Minister Sexwale undertook a working visit to the Republic of Equatorial Guinea from 4 to 5 November 2009 to observe the efforts that the country was making in the development of human settlements for its citizens, particularly for the poorest of the poor, providing an interesting model for service delivery.

Minister Sexwale signed an Exchange of Notes for the Amendment of the China-Assisted Housing Project in Graskop, Mpumalanga and the Arrangement on Co-operation in the Field of Social Rental Housing with the Netherlands' Ministry of Spatial Development and Housing.

Minister Sexwale requested that Deputy Minister Zou Kota-Fredericks should represent him at the 5th Session of the World Urban Forum in Rio de Janeiro from 21 to 26 March 2010. Deputy Minister Kota-Fredericks addressed the forum during the Ministerial Roundtable, the Special Session on South-South Co-operation, the Dialogue Session on Cultural Diversity and Inclusiveness in Cities, as well as the session on Housing Subsidies. Deputy Minister Kota-Fredericks also participated in a programme of site visits and interactions with the cities of Rio de Janeiro and Sao Paulo to exchange ideas and best practices with regard to slum upgrading and community participation in human settlement development.

MinMEC, which comprises the Minister of Human Settlements and the Provincial MECs for Human Settlements, met on the following dates to discuss the new mandate and the successful implementation of Human Settlements:

- 22-23 June 2009 at the Emperor's Palace, Gauteng
- 21 August 2009 at the Industrial Development Zone Conference Centre, East London, Eastern Cape
- 30 October 2009 at the Orion Safari Lodge, Rustenburg, North West.
- 11-12 March 2010 at the Elangeni Southern Sun Hotel, Durban, KZN.

### 1.2.2 Public entities reporting to the Minister

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

- Social Housing Foundation
- National Home Builders Registration Council (NHBRC)
- National Housing Finance Corporation Ltd (NHFC)
- Housing Development Agency (HDA)
- National Urban Reconstruction and Housing Agency (NURCHA)
- The Rural Housing Loan Fund (RHLF).

## 1.3 Vision

A nation housed in sustainable human settlements

## 1.4 Mission

To facilitate an environment that provides sustainable human settlements.

The Department's core values, based on the Constitution of the Republic of South Africa, are as follows:

- Accountability
- Fairness and equity
- Choice, quality and affordability
- Sustainability
- Innovation
- Adherence to the Batho Pele principles.

## 1.5 Legislative and other mandates

### 1.5.1 Legislative mandates

#### **Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)**

Section 26 (1) of the Constitution enshrines access to adequate housing as a basic right for all South Africans. The State is compelled to take reasonable measures within its available resources, including the introduction of legislation, to work towards ensuring that all South Africans enjoy this right (section 26(2)). The legislation that the Department of Human Settlements has promulgated and implemented falls squarely in this Constitutional imperative.

Section 26: Access to adequate housing is a basic human right; the government has to ensure an environment conducive to the progressive realisation of the right; Schedule 4: national and provincial governments have concurrent legislative competence, for the housing function.

Section 28 and the Bill of Rights Equality Clause (9) (3) have particular reference to youth and women.

#### **Housing Act No. 107 of 1997**

The Department of Human Settlements is carrying out its legislative imperative as set out in the Housing Act, 1997 through existing and future legislation. The Housing Code I requires the Minister of Human Settlements to determine national housing policy and programmes, and to negotiate funding for such programmes. In addition, the Act requires the Minister of Human Settlements to establish housing institutions.

#### **The Housing Consumers Protection Measures Act, 1998 (Act No. 19 of 1998)**

This Act provides for the establishment of a statutory body for home builders. The National Home Builders Registration Council registers builders engaged in certain categories of house construction and regulates the home building industry by formulating and enforcing a code of conduct. The Department monitors the implementation of the Act continuously.

### **The Housing Development Agency Act, 2008 (Act No. 23 of 2008)**

This Act provides for the establishment of a statutory body to identify, facilitate the acquisition and the holding of land and landed properties; facilitate the planning processes and coordinate funding for the land identified for the development of sustainable human settlements in the various provinces and municipalities; which in the end has to fast track the housing development process. The Agency has been established and from 2009 the Department will monitor the implementation of the Act on a continuous basis.

### **Public Finance Management Act, 1999, Act No. 1 of 1999 (as amended by Act 29 of 1999)**

This Act (PFMA) provides for the effective management of public funds by public sector officials, including those in public entities. The PFMA gives effect to financial management and places a greater responsibility for implementation on managers and makes them more accountable for their performance. The Department monitors the adherence of its housing entities to the Act on a continuous basis.

### **The Social Housing Act, 2008 (Act No. 16 of 2008)**

This Act provides for the establishment of the Social Housing Regulatory Authority (SHRA). The establishment of this entity is in progress and will be finalised by the end of the 2009/10 financial year. Once established, and as is the case with other housing entities, SHRA will report to the Minister of Human Settlements. The Department will monitor the execution of its statutory mandate and provide governance oversight.

### **The Division of Revenue Act**

This act enforces the compulsory use of the Housing Subsidy System (HSS) as part of the conditions that have been gazetted.

### **The Rental Housing Act, 1999 (Act No. 50 of 1999)**

This Act repeals the Rent Control Act of 1976 and defines the government's responsibilities for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market, and facilitates sound relations between tenants and landlords. The Act also lays down general requirements for leases and the principles of conflict resolution in the rental-housing sector. It also provides for the establishment of Rental Housing Tribunals and defines the functions, powers and duties of these tribunals. The duty of establishing Rental Housing Tribunals rests on the provinces.

The social/rental housing work will be informed by (1) the Social Housing Bill 29 of 2007, which is currently being tabled in parliament for enactment, and (2) the Rental Housing Amendment Bill. Both these pieces of legislation inform the framework and parameters within which the social/rental housing sector will operate.

### **Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000) (HLAMDA)**

The main purpose of HLAMDA is to promote fair lending practices, which require financial institutions to disclose information about the provision of home loans and thereby eliminate discriminatory lending patterns.

The Act also provides for the establishment of the Office of Disclosure. In compliance with the Act, the Department undertook the analysis of the financial information submitted by the financial institutions.

### **Inclusionary Housing Bill**

The Inclusionary Housing Policy has been completed and a Bill has been drafted and will be sent to the Minister for approval before being submitted to Cabinet for in-principle approval and approval to publish the Bill for public comment.

### **Sectional Titles Schemes Management Bill**

This Bill in effect takes over the housing management provisions of the Sectional Titles Act which is administered by the Department of Rural Development and Land Reform. The Bill has been drafted and on completion of the Business Case, it will be submitted to the Minister and after that to Cabinet for in-principle approval and approval to publish in the Government Gazette for public comment.

### **Community Schemes Ombud Service Bill**

This Bill is linked to the Sectional Titles Schemes Management Bill and provides a dispute resolution mechanism for sectional title and other residential community schemes. It will be submitted together with the Sectional Titles Schemes Management Bill.

### **Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)**

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

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

### **Annual Division of Revenue Act (DORA)**

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

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

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

Key to achieving the objectives of BNG is the vigorous engagement and participation of sector-specific stakeholders, which include the Presidency, (Chapter 9 Institutions), government departments, the private sector and civil society.

## **Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)**

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

## **Youth Commission Act, 1996 (Act No. 19 of 1996)**

The Act reflects the government's commitment to ensuring the promotion and protection of the rights and the meeting of the needs of the youth of South Africa.

## **Public Service Act and related Regulations**

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

## **Collective agreements**

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

Examples of collective agreements are the Public Service White Paper, 1995; the Transforming Public Service Delivery (Batho Pele) White Paper, 1997; the Employment Equity Act, 1998 (Act No. 55 of 1998); the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000); the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); national housing policies and ministerial pronouncements.

## **1.5.2 Other mandates: public entities reporting to the Department of Human Settlements**

### **Public entities**

#### **Social Housing Foundation**

The Social Housing Foundation was established in 1996 as a section 21 company and schedule 3A public entity to develop and build capacity for social housing institutions and to develop a policy framework for the social



housing sector. The institution's operations are currently financed through grant funding, though past funding included overseas development assistance. The foundation aims at developing a sustainable social housing sector by providing policy support, social housing research, technical support and coordination support, as well as by providing monitoring and evaluation services to various public and private stakeholders.

Between 2006/07 and 2009/10, the foundation's main priority areas were policy support, social housing research and institutional support activities. The policy support activities culminated in the development of the Social Housing Bill and the rental strategy.

The Social Housing Act was promulgated in November 2008 and came into effect from September 2009. The Act provides for the establishment of the Social Housing Regulatory Authority to regulate social housing institutions receiving public funds and to regulate the assessment, approval, administration and disbursement of institutional investment and capital grants to social housing institutions.

A closure plan has been developed to guide the closure of the Social Housing Foundation over the MTEF period. The foundation will therefore no longer be required to facilitate the disbursement of the restructuring capital grant to social housing institutions. However, the foundation will continue to implement the interim social housing programme until the regulatory authority comes into operation, which is expected to take place by the third quarter of the 2010/11 financial year.

### **National Urban Reconstruction and Housing Agency**

The National Urban Reconstruction and Housing Agency was established in 1995 by the South African government in partnership with the Open Society Institute as a schedule 3A public entity. The purpose of the institution is to provide finance to construction projects for affordable housing, subsidy housing, community facilities and related infrastructure.

The entity carries out its mandate by providing loan facilities to established and emerging contractors. The established contractors access funds directly from the entity and the emerging contractors through its strategic intermediaries. The intermediaries also provide support services to the contractors.

Over the medium term, the entity plans to develop proactive risk management tools and structures to strengthen its credit control capacity. It also expects to complete and consolidate its alignment with its strategic intermediaries to ensure agreement on the strategy and performance targets for the financial years from 2010/11 to 2012/13.

The agency also plans to implement a single brand awareness campaign by harmonising the brands of its intermediaries with its own brand.

The agency will develop mechanisms for the collection and analysis of market intelligence and competitor data, and improve customer management. It expects to develop new programmes and products as part of its strategy to re-energise the rental market by financing the contractors involved in social housing.

The existing capacity will be exploited to test innovative financing schemes for projects and to foster new partnerships for leveraging own funding and managing or transferring risk.

### Rural Housing Loan Fund

The Rural Housing Loan Fund was established in terms of section 21 of the Companies Act (1973) as an entity incorporated not for gain and is classified as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The entity is mandated to provide repeat access to housing credit to low-income rural households to support government's efforts to expedite housing delivery.

The fund works through a network of retail intermediaries to deliver finance for incremental housing in rural areas. Over the MTEF period, the fund intends to increase the number of its retail intermediaries from 10 in 2009/10 to 16 in 2012/13.

This development is expected to increase the disbursements, including mezzanine funding, from R144 million in the 2009/10 financial year to R277 million in the 2012/13 financial year.

In support of the integrated sustainable rural development programme, the fund has developed the individual rural subsidy voucher scheme in collaboration with the Department of Human Settlements. The scheme maximises housing layout and design choices by allowing rural households to participate in the planning, design and construction of housing units, using accredited building materials. The scheme was postponed pending the completion of the housing development finance review. The housing development finance review is being conducted by the Department of Human Settlements to assess the appropriateness of the current institutional arrangement for development finance in the context of sustainable human settlements. The review follows the national review of development finance institutions, spearheaded by National Treasury in 2007.

Over the medium term, the fund will focus on the following strategic priorities: broadening and deepening the reach of rural housing finance, building the lending capacity and competitive potential of the retail intermediary network and improving the visibility of the fund.

### Housing Development Agency

In 2004, the comprehensive plan for human settlement development proposed that a special purpose mechanism should be established to expedite housing delivery in South Africa. The Housing Development Agency was established in terms of the Housing Development Agency Act (2008) and began operations in April 2009. The purpose of the agency is to identify, acquire, hold, develop and release State-owned and privately owned land for residential and community purposes and for the creation of sustainable human settlements.

The agency is required to facilitate the acquisition of land in a way that supplements the capacities of government across all spheres.

It also provides project management expertise in human settlement projects and facilitates the development of projects through accelerated and innovative project packaging.

The 2009/10 financial year period was utilised as an establishment phase for the HDA, including the development of the HDA's Strategic Plan and mandate.

### **National Home Builders Registration Council**

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection Measures Act (1998), as amended, to represent the interests of housing consumers by providing warranty protection against defined defects in new homes and to regulate the home-building industry.

The council provides training and capacity building to promote and ensure compliance with technical standards in the home-building environment.

For the past three years, the council has recorded volatile growth rates in the home-building industry. It recorded record-breaking numbers of home enrolments and consequently of home enrolment fees in 2006/07 and 2007/08, owing to the favourable economic conditions. In 2008/09, the council's income from enrolment fees declined to R478,7 million from R570,1 million in 2007/08. However, total revenue increased marginally from R774 million in 2007/08 to R780 million in 2008/09 because of increased earnings.

The council has commenced an organisational restructuring, which will add additional costs to expenditure on the compensation of employees in 2010/2011. Training home builders which includes training emerging builders, the unemployed, the youth, women and people with disabilities, remains a critical strategic and operational focus for the council. The inspection model and the cross-subsidisation of the subsidy and non-subsidy market will be reviewed. Over the MTEF period, the council will accelerate service delivery and continue to promote the quality of homes, especially in the subsidy market.

### **National Housing Finance Corporation**

The National Housing Finance Corporation was established in 1996 as a development finance institution to contribute to reducing South Africa's housing backlog. It is listed as a schedule 3A public entity. The corporation is mandated to make housing finance accessible and affordable to low- to middle-income households. The corporation is also responsible for mobilising and raising private-sector funding for housing purposes.

The corporation disburses its funds through wholesale, commercial and retail business. The retail business, which was introduced in 2008/09, is currently under review. An amount of R4,1 billion in loan finance has been provided by the corporation since 1996, which has facilitated the delivery of more than 296 000 housing opportunities to date.

The implementation of the National Credit Act (2005) required a substantial review of policies, systems and operating procedures for the corporation and its clients. The corporation entered into several long-term funding arrangements with social housing institutions in KwaZulu-Natal, Western Cape, Gauteng, Polokwane and Eastern Cape.

The corporation expects to increase funding significantly for rental and ownership initiatives, extensively leveraging the resources of other partners in the target market. The corporation is working with local and provincial governments to accelerate the development of integrated sustainable human settlements.

The corporation intends to enter into the co-funding of projects with Old Mutual and ABSA bank over the medium term.

### Thubelisha Homes

Thubelisha Homes is classified as a schedule 3A public entity in terms of the Public Finance Management Act (1999) and was established as a non-profit, special purpose vehicle to create appropriate housing stock for right-sizing the Servcon Housing Solutions portfolio.

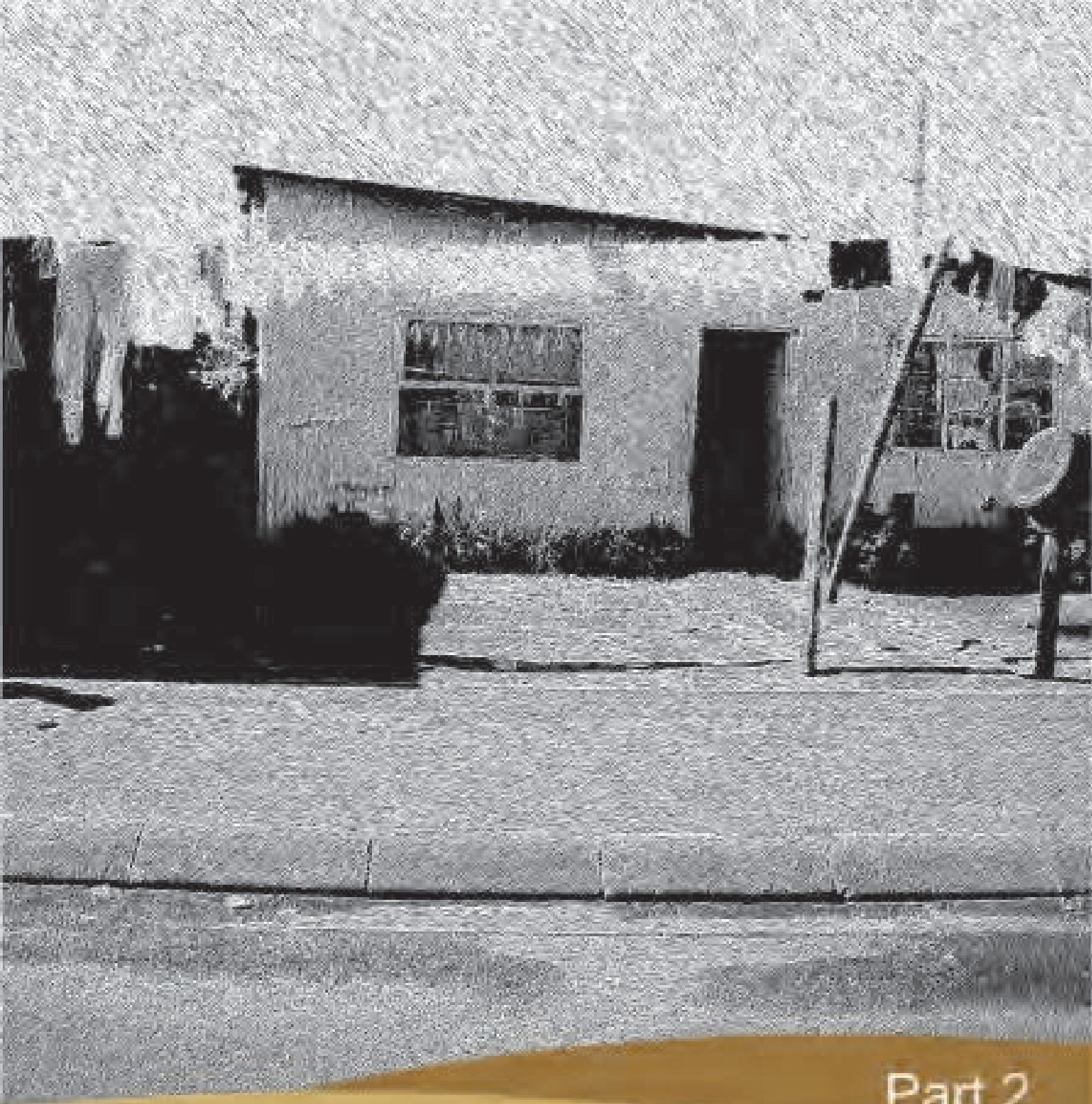
In 2009/10, Thubelisha Homes began implementing a closure plan. The institution ceased operations in July 2009 and arrangements have been put in place for the project management of the mega projects to be handed over to the Housing Development Agency and the provinces. Where required, voluntary severance packages were offered to the staff. Arrangements are being made for the absorption of the remaining permanent staff in government and the institution is expected to be closed down finally by 31 March 2010.

### Servcon Housing Solutions

Servcon Housing Solutions is a schedule 3 A public entity established in 1995 as a result of an agreement between the then Department of Housing, representing government, and the Banking Council, representing participating banks.

The aim of the agreement was to support the normalisation of the finance market for affordable housing in the wake of significant levels of default during the transition to democracy. Servcon Housing Solutions was mandated to manage the disposal of a portfolio of 33 306 properties owned by banks as a result of non-performing loans in selected areas at the cut-off date of 31 August 1997.

In 2006 the shareholders represented by the Banking Council and the Department of Human Settlements parted ways, in terms of the sale of shares and claims agreement. The normalisation and rectification programme gained momentum between 2006 and 2009. In 2009/10, Servcon Housing Solutions continued the implementation of a closure plan, approved by the executive authority in February 2009. The institution ceased operations in September 2009 and voluntary severance packages were offered to the staff and arrangements are being made for the absorption of the remaining permanent staff in government. The institution is expected to be closed down finally by March 2010.



Part 2

## Programme Performance



**human settlements**

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

## 2. Programme performance in respect of finance and economic issues

### 2.1 Voted funds

	Programme	Main appropriation	Adjusted appropriation	Actual amount spent	Over-/under-expenditure
		R'000	R'000	R'000	R'000
1	Administration	198,540	167,770	113,849	53,921
2	Housing Policy, Research and Monitoring	58,000	67,175	44,971	22,204
3	Housing Planning and Delivery Support	138,486	169,506	98,589	70,917
4	Housing Development Finance	13,011,341	13,033,695	12,986,298	47,397
5	Strategic Relations and Governance	182,206	166,659	126,654	40,005
	<b>Total</b>	<b>13,588,573</b>	<b>13,604,805</b>	<b>13,370,361</b>	<b>234 444</b>
	Responsible Minister	Minister of Human Settlements			
	Administering department	Department of Human Settlements			
	Accounting Officer	Director-General of Human Settlements			

### 2.2 Aim of the vote

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

### 2.3 Summary of programmes

#### 2.3.1 Programme 1: Administration

Purpose: to provide strategic leadership, administrative and management support services to the Department.

#### 2.3.2 Programme 2: Housing Policy, Research and Monitoring

Purpose: to develop and promote policies on human settlement and housing, supported by a responsive research agenda and to monitor and assess the implementation, performance and impact of national housing policies and programmes.

#### 2.3.3 Programme 3: Housing Planning and Delivery Support

Purpose: to support implementation and delivery, build capacity, and liaise and communicate with stakeholders for effective housing and human settlement programmes.

#### 2.3.4 Programme 4: Housing Development Finance

Purpose: to fund programmes for housing and human settlement development; to provide financial and grant manage

ment services; to promote investment in housing finance; to mobilise and promote financial probity within housing institutions; and to manage all matters provided for by the Home Loan and Mortgage Disclosure Act (2000).

### 2.3.5 Programme 5: Strategic Relations and Governance

Purpose: to coordinate the Department's mandate within the intergovernmental relations framework; to manage international relations and promote good governance practices within the Department and its public entities; and to provide timely and integrated business information to the Department.

## 2.4 Overview of the service delivery environment during 2009/10

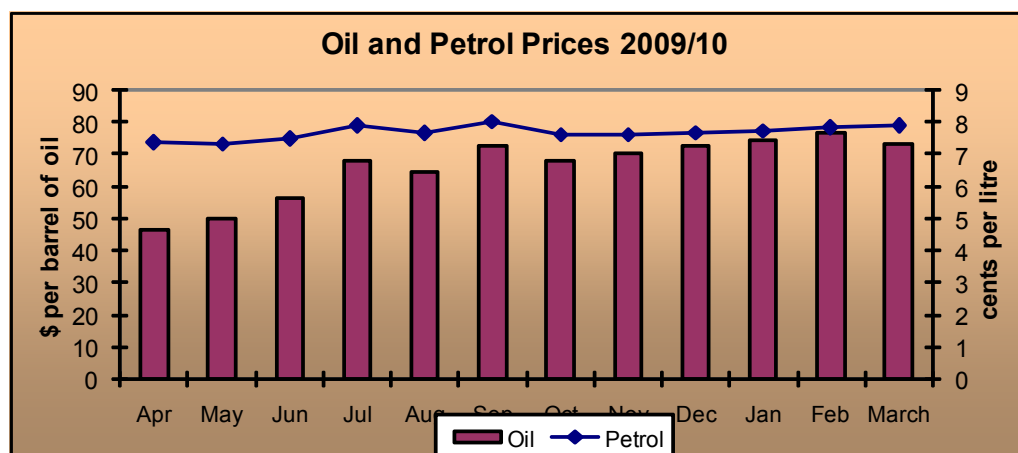
### 2.4.1 Global economic developments and their impact on South Africa and housing

A rigorous macroeconomic policy stimulus focusing on restoring global financial sector health and supporting the global economic recovery provided external support to the South African economy. Notwithstanding the strength of the rand, improving external demand is already evident in some commodity markets such as gold and has helped to launch the domestic economy. Consistent with global growth developments, domestic economic growth is expected to improve in 2010 although to a lesser extent than before the crisis, owing to structural problems such as a stronger rand.

### 2.4.2 Energy prices

The trend in oil prices has been a rise from April 2009 to March 2010. Oil prices on a monthly average increased from \$46,54 a barrel in April 2009 to \$76,84 a barrel in February 2010. As a result, petrol prices increased from R7,038 a litre to R7,91 a litre in February 2010. The direct result of this rise in energy prices was that it continued to have a negative impact on transport costs and general inflation, including the costs of building houses. Trends in energy costs are depicted in the graph below.

**Figure 1**



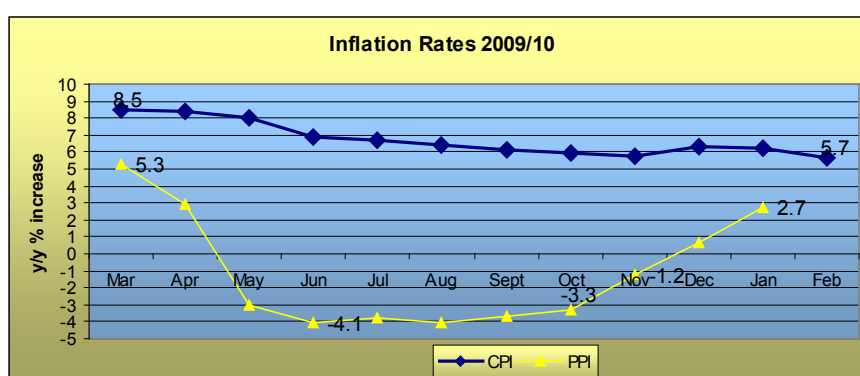
Source: Department of Minerals and Energy, March 2010

### 2.4.3 Inflation movements

The inflationary trend continued to decline during the 2009/10 financial year. Consumer price inflation declined from 8,5% in March 2009 to 5,7% in February 2010. This declining trend is good news as it reduces the chances of interest rate hikes in the near future.

Although the trend in producer price inflation also declined, the steeper increase from October 2009 is an indication that overall inflation is likely to increase again in the coming months. Over and above the possibility of an increase in producer price inflation, the expected petrol price and electricity tariff hikes will also contribute to fuelling inflationary pressures even further. Inflationary trends for the 2009/10 financial year are depicted in the graph below.

**Figure 2: Inflation rate fluctuation during the 2009/10 financial year**



Source: STATS SA, March 2010

Despite the declining trend in overall producer price inflation shown above, the contribution of some key materials for building houses rose above 10% during the 2009/10 financial year. These materials include the retail price for cement which recorded a rise of 18,5% year-on-year in September and 16,1% in November 2009. It is surprising that cement prices continued to increase during 2009 in spite of the decline in demand. As cement forms the bulk of material used for building subsidised government housing, these prices listed above are cause for concern about the impact of the escalating cost of materials on the value of the subsidy.

### 2.4.4 Impact of Inflation on the economy and housing delivery

Inflation is by definition the rate at which prices increase. Consequently, declining inflation means that average prices have increased by a lower margin than before. In practical terms, this means that a product with a price tag of R10 in January 2010 only added a further 57 cents in February 2010. Despite the decline in the inflationary trend during the 2009/10 financial year, the actual prices for overall goods and services increased by 80,9% from April 2009 to February 2010. This situation required similar adjustments in households' income or continuous adjustment in their lifestyle, and is an indication that inflation continues to pose a challenge to poor and unemployed South Africans. This perpetuates a situation where workers demand high increases in wages to compensate for the shortfall in their incomes, which will ultimately have repercussions for inflation.

For the Department of Human Settlements in particular, this means that the ability to maintain homes diminished month by month as the cost of living increased, and might also be a reason why many government-subsidised housing schemes are not well maintained or improved.



The findings of research by Unisa's Bureau of Market Research on income and expenditure patterns are that spending on housing as a percentage of total income is not a priority for people in the low-income levels of up to R4 000 per month. It was ranked in sixth place after food; transport; funds and insurance; furniture and household equipment; personal care and clothing respectively.

Understanding that housing is the most expensive investment for the poor and that wealth is accumulated mainly through asset creation, means that government should devise the means to make services such as housing more accessible to the poor so as to emancipate them from poverty.

#### **2.4.5 Interest rate movements**

The South African Reserve Bank continued to leave the repurchase rate unchanged at 7%, entailing that the prime interest rate charged by commercial banks remained unchanged at 10,5%. With interest rates down by a cumulative 500 basis points since December 2008, mortgage repayments are now 29% lower than late in 2008 when the mortgage rate was 15,5%. This means that those with some form of credit exposure are slightly better off while affordability pressures are also reduced. The chances are slim that interest rates will decline further in 2010 owing to the inflationary pressures from factors such as higher oil and petrol prices as well as electricity price hikes.

#### **2.4.6 Property markets**

The residential property market recorded a poor performance for the greater part of the 2009/10 financial year. However, new statistics from banks, estate agents, mortgage originators and house-price indices according to Fin 24, indicate that the housing market has begun to feel the positive effect of the 500-basis point decline in the interest rate since December 2008. The relaxation of banks' lending criteria, including the provision of 100% home loans once again, is giving momentum to the demand for accommodation (Fin24, 2009). However, growth in house prices is still limited, indicating that the majority of home buyers are still feeling the effect of high interest rates and are becoming more cautious when faced with a decision to commit themselves to long-term loans.

#### **2.4.7 Economic performance**

During the 2009/10 financial year, the South African economy was in recession for the first time in 17 years. Thanks to the macroeconomic policy stimulus, a recovery was felt in the third quarter of 2009. The economy accelerated further in the fourth quarter of 2009, recording growth of 3,2% quarter-to-quarter. In 2009 the construction sector continued to outshine all other sectors of the economy. Although the economy has shown positive growth, there is little to show for it for the majority of South Africans, as they will still feel the difficulties arising from the recession. However, positive economic growth is a sign that the economy is now moving into the right direction.

#### **2.4.8 Fiscal impact of poor economic performance**

The country's economic performance is a sign that the fiscal and monetary policy interventions taken during the economic downturn have worked in reviving the economy. However, it comes at the cost of a rising budget deficit and a greater debt-servicing burden for government.

Because of this year's steep deterioration in the budget deficit, coupled with certain shortfalls in future, South Africa's debt to GDP ratio will probably increase markedly.

Already National Treasury expects its debt as percentage of GDP to climb from 29% in 2009 to above 40% in 2012, with the result that interest payments on debt will balloon. Recovering from this situation will require fiscal discipline which will have a negative impact on the future delivery of government services, including houses.

#### **2.4.9 Unemployment**

According to Statistics South Africa, official unemployment remains high at 24,3%. Nevertheless, employment opportunities were created in the fourth quarter of 2009, although most of these were in the informal sector which, by its nature, has a minimal income. This means that dependency on government assistance including housing will persist for a longer period.

### **2.5 Overview of the organisational environment during 2009/10**

The Department has been affected by the changes resulting from a new emphasise on service delivery. These changes required the State to be reorganised at a macro level to have a positive effect on the delivery of services at a local level.

The Department's quest to become staffed over an MTEF period was overtaken by events. However, the macro-reorganisation of the State has brought about a shift in emphasis. The Department has now been renamed Human Settlements, which broadens its scope. This has implications for the functions that have to be regulated and those that have to be transferred to this Department. To date, the sanitation function is the only one confirmed for transfer to Human Settlements. Processes are in place to ensure that other related functions also follow suit or are coordinated in an enabling manner to promote the delivery of human settlements.

The transfer of the sanitation function to the Department necessitated a review of the delivery model, which will inform the realignment of limited resources. The realignment process implies that the structure will be rationalised, the duplication of functions identified, the span of control of branch managers assessed, the possibility of grouping related functions explored and decisions made on how best to utilise the regional footprint with regard to sanitation. This is important since, as the Department previously had no regional footprint, the provinces were used for implementation purposes. The implications for the Department are far-reaching with regard to the expansion of infrastructure such as more office space accommodation and a delivery model for its support functions.

The Department is currently putting systems in place to govern and manage the transitional challenges. A memorandum of understanding has been entered into to manage the transition period and ensure the smooth handing over of all resources and assets, as well as due diligence related to the function. This will also necessitate entering into another memorandum of understanding for future co-operation because the legislation governing the delivery of sanitation will be administered by the Department of Water Affairs.

## 2.6 Strategic overview and key policy developments during the 2009/10 financial year

In continuing to support the government's constitutional obligation to provide access to adequate housing, the development of sustainable communities remains the strategic anchor of the National Department of Human Settlements. In addition to improving spatial integration and social cohesion, housing provides low-income households with a key component of a sustainable livelihood.

At the level of service delivery, the implementation of the comprehensive plan for sustainable human settlements requires provincial human settlement departments, municipalities and housing institutions to redefine and strengthen their service delivery models. The Department has realigned its organisation and budget structure, creating the Strategic Relations and Governance Programme and strengthening the Housing Planning and Delivery Support Programme, to provide support for the development and implementation of these service delivery models.

Key challenges facing the housing sector are inadequate intergovernmental coordination for accelerated housing delivery, specifically in relation to the ability of provinces and municipalities to achieve national objectives, and the lack of capacity to monitor and evaluate the implementation of housing programmes.

Another major challenge is creating a functioning housing market that will allow low-income households to capitalise on the equity provided by the free house, while minimising the distortions that housing subsidies create for households in other segments of the housing market.

### 2.6.1 Key policy developments

The Housing Development Agency Act (2008) and the Social Housing Act (2008) provide for the establishment of two new public entities, the Housing Development Agency and the Social Housing Regulatory Authority. The purpose of the Housing Development Agency is to assist provinces and municipalities with land acquisition, project management and development, whereas the Social Housing Regulatory Agency will regulate the social housing institutions that receive funds from government for the construction of low and medium-income rental housing.

The new National Housing Code, 2009, was published in February 2010 and disseminated to the nine provinces, all the municipalities and other stakeholders. The subsidy quantum for the Individual Housing Subsidy Scheme was adjusted in line with the current cost of developing a 40 square metre house on a serviced stand. The new subsidy amount is R84 000,00.

As part of the broader strategy to administer and maintain a national database on housing demand, the new allocation strategy, in effect from the 2006/07 financial year, introduced a structured process for allocating housing subsidies to people registered on the national database on housing demand. An integrated database will allow for the better management of information about the potential beneficiaries of housing.

The strategy also introduced the principle of registering housing needs and abolishing the waiting list system that created false expectations. Furthermore, the strategy provides a fair and just allocation system and curtails fraud and corruption.

Over the MTEF period, the Department of Human Settlements will seek to provide guidance on policy implementation. This will include direct implementation support to provinces and municipalities, intervening in turnaround projects where there are blockages, and facilitating co-operation with the private sector. Refining the role of municipalities in the housing delivery chain as well as the mechanisms that will allow for the rollout of accreditation as provided for in the Housing Act of 1997, are critical to accelerating delivery.

The Department continues to provide assistance to provinces and municipalities in their planning of priority housing projects, including the Zanemvula, Khutsong, Klarinet, Lerato Park, N2 Gateway, Cornubia and Ouboks developments. The Department also monitors these projects separately.

The Department developed and launched a number of instruments to guide the implementation of the comprehensive plan for sustainable human settlements in all three spheres of government.

These include the monitoring, evaluation and impact assessment policy and implementation guidelines, and the operating system for the policy and guidelines. The Department has also initiated a project-monitoring process to measure the performance of provincial departments of human settlements against the targets set in their business plans, to identify constraints and assist with addressing them swiftly.

Over the medium term, the Department will continue a beneficiary occupancy audit on a representative sample of all houses completed between 1994 and June 2008. In implementing the memorandums of understanding with the Federation of the Urban and Rural Poor and Slum Dwellers International, provincial steering forums provide a platform for key stakeholders to collaborate and support project-level implementation. In 2008/09, close to 2 000 individual subsidy agreements were concluded and nearly 300 houses were under construction by the end of December 2008.

As a way forward, some challenges would have to be resolved, making way for new negotiations and engagements with the Department's partners. However, these challenges should be considered while understanding the current social, economic and political context. In crafting the pointers for success and the approaches to achieve the targets, it is important to consider the current context in which the Ministry of Human Settlements should respond.

Some of the challenges are firstly: planning – inadequate planning, lack of coordination and integration of different government functions, social cohesion and social capital. To a large extent, housing delivery still negates the role of civil society and the citizens themselves, in this way undermining social capital and building dependency on the State while burdening the State and compromising its delivery capacity. Secondly, Finance – despite the increase in the housing budget vote, the exchequer is not geared to effectively providing adequate shelter for the increasing number of households living in inadequate housing. Moreover, given the new focus on delivering functioning human settlements that offer livelihood opportunities and build social cohesion, the budget vote will be stretched even further.

Various policy discussions are already under way but without a framework to align them. With coordination, synergies are especially promising in the subsidy review, the DFI review, and post-FSC engagement processes.

The approach of policy development to (1) segmentation, i.e. amended subsidy instruments that respond to a more diverse market; (2) holistic financing of human settlements i.e.

financing approaches that extend beyond the housing subsidy to address in particular the infrastructure challenges; and (3) the public-private mix i.e. drawing in the capacity of the private sector to engage productively, should take place across these processes.

The policy development process will also lead to legislative review, including a review of the Public and Municipal Finance Management Acts, as well as the responsibilities set out for the three housing DFIs, and the role of the DBSA in the whole approach to financing human settlements.

By attending to the policy gaps outlined, it is hoped that the collective capacities of our economy can be brought together, from individuals, the private sector and the State, to resolve the enormous housing challenges that affect us all, so that all households realise their constitutional right to access to adequate housing on a progressive basis.

The strategic framework for developing sustainable human settlements is aimed at ensuring responsiveness to the objectives of the government's medium-term strategic framework, namely to expand social and economic infrastructure and build cohesive, caring and sustainable communities.

The five-year framework (2009-2014) was developed in July 2009 to provide policy coordination, ensure accountability and improve planning across sector departments and the three spheres of government. After consultation, this framework will form the basis of a social contract for human settlements, which was drafted in January 2010. Significant progress has been made with ensuring the alignment of norms and standards across sectors to improve intergovernmental coordination.

The Department also leads the human settlements and the basic services task team in support of the Department's expanded mandate and, through consultation and interaction with provincial departments, sets priorities for and monitors the performance of the delivery of human settlements.

The Cabinet has approved the Sectional Titles Amendment Bill and the Community Scheme Ombud Service Bill for public comment. The Sectional Titles Amendment Bill provides for the creation of the Sectional Titles Schemes Management Regulations Board and shifts the administrative provisions for the management of sectional title schemes from the Minister of Rural Development and Land Reform to the Minister of Human Settlements. The Community Scheme Ombud Service Bill provides for the creation of a national public entity, with the Minister of Human Settlements as its executive authority, which will provide dispute resolution services for community property development schemes.

The Housing Development Agency has been established in terms of the Housing Development Agency Act 2008 and is aimed at assisting provinces and municipalities with land acquisition, project management and development. The Social Housing Regulatory Authority Act has been promulgated. The agency will be fully operational in 2010/11 and will regulate social housing institutions that receive funds from government for the construction of low and medium-income rental housing.

## **2.7 Departmental revenue, expenditure and other specific topics**

### **2.7.1 Collection of Departmental revenue**

The Departmental receipts were projected to amount to R2 781 000 in 2009/2010. Receipts came largely from financial transactions such as the recovery of subsidies erroneously paid and from advances.

The drop in revenue can mainly be attributed to the manner of accounting for the funds recovered by SIU. Previously these funds were returned to the National Department, now they are received by the provincial department where the offence occurred.

	2006/07	2007/08	2008/09	2009/10		Deviation
	Actual	Actual	Actual	Target	Actual	from target
	R'000	R'000	R'000	R'000	R'000	%
<b>Tax revenue</b>	-	-	-	-	-	
Non-tax revenue	850	265	320	481	135	28%
Sale of goods and services produced by the Department	111	137	74	145	91	62%
Interest, dividends and rent on land	739	43	246	336	46	13%
Sale of capital assets (capital revenue)		213		-	-	0%
Financial transactions (recovery of loans and advances)	1,020	282	2,072	2,300	612	25%
<b>Total Departmental Receipts</b>	<b>1,870</b>	<b>675</b>	<b>2,712</b>	<b>2,781</b>	<b>883</b>	<b>25%</b>

## 2.7.2 Departmental expenditure

Departmental expenditure is set out in the table below.

	Programme	Voted for 2009/10	Roll-overs and adjustments	Virements	Total voted	Actual expenditure	Variance
		R'000	R'000	R'000	R'000	R'000	R'000
1	Administration	198,540	-30,770	-	167,770	113,849	53,921
2	Housing Policy, Research and Monitoring	58,000	14,175	-5,000	67,175	44,971	22,204
3	Housing Planning and Delivery Support	138,486	31,020	-	169,506	98,589	70,917
4	Housing Development Finance	13,011,341	19,354	3,000	13,033,695	12,986,298	47,397
5	Strategic Relations and Governance	182,206	-17,547	2,000	166,659	126,654	40,005
	<b>Total</b>	<b>13,588,573</b>	<b>16,232</b>	<b>-</b>	<b>13,604,805</b>	<b>13,370,361</b>	<b>234,444</b>

### Programme 1: Administration

Programme 1 was initially allocated R198,5 million for the 2009/10 financial year and was adjusted in the adjustment estimate by a roll-over of R5,2 million for the newly created Office of the Deputy Minister, as well as a virement to Programme 3: Housing Planning and Delivery Support of R31 million for the community outreach programme and Programme 4: Housing Development Funding of R4,9 million.

The total budget for Programme 1 amounted to R167,7 million. The variance of R54 million can be attributed to efficiency savings. The low spending in this programme was mainly on goods and services. The main cost driver under the item goods and services was the travel and subsistence allowance and the payments to the Special Investigation Unit.

As a result of a delay by the Special Investigation Unit in producing and submitting an invoice, certain funds were not spent. Another factor contributing to the underexpenditure was the delay in securing an additional building, resulting in the non-utilisation of the funds provided for leasing, the refurbishment of offices, the moving of staff and the acquisition of furniture.

The non-availability of additional office space meant that vacancies could not be filled and the costs associated with positions could not be utilised.

### **Programme 2: Housing Policy, Research and Monitoring**

The programme was initially allocated R58 Million for the 2009/10 financial year and was adjusted in the adjustment estimate by a R14,1 Million virement from Programme 5: Strategic Relations and Governance for the occupancy audit. A virement of R5 Million was approved for Programme 4, Housing Development Funding, so that the Housing Development Agency could offset the costs associated with taking over projects previously managed by Thubelisha Homes, bringing the total budget to R67,1 Million. The variance of R22,2 Million can be attributed to the cost-saving measures for reducing travel and subsistence expenses and other administration costs.

Underexpenditure in the programme can also be attributed to the delay in printing the Housing Code and underexpenditure on staff and personnel-related costs, owing to the vacancies arising throughout the year as a result of staff turnover. Total spending on Programme 2 amounted to R44,9 Million.

### **Programme 3: Housing Planning and Delivery Support**

The programme's allocation of R138 Million for the 2009/10 financial year was adjusted in the adjustment estimate by a virement from Programme 1: Administration and Programme 5: Strategic Relations and Governance for the community outreach programme, bringing the total allocation of the programme to R169,5 Million. The programme spent a total of R98,5 Million. The variance of R70,9 Million can be attributed to underexpenditure in the Programme as a result of the non-utilisation of the R50 Million for the community outreach programme. The procurement processes were delayed by the lack of relevant information supporting the process. As a result, a Memorandum of Understanding (MOU) between the Department and Ekurhuleni Metro Council was not concluded, which meant that this amount was not spent in this financial year.

This programme was also affected by the cost-saving measures introduced, which reduced travel and subsistence expenditure and other administration costs and costs associated with not filling the vacancies throughout the branch.

### **Programme 4: Housing Development Funding**

The programme was allocated R13 Billion, of which R12,4 Billion was allocated to the Integrated Housing and Human Settlement Development Grant, R150 Million to the Housing Disaster Relief Grant and R363,8 Million to the Department's entities.

In the adjustment estimate, a roll-over of R7,7 Million was allocated for the termination of contracts and severance payments due to the closure of Thubelisha Homes.



The Thubelisha Homes allocation was increased by R11 million for closure costs and R3,5 Million for NURCHA as compensation for the late payment of contractors by the Gauteng Department of Housing. A virement from Programme 2 of R5 Million and R8 Million from Programme 5 was made to the Housing Development Agency to offset the costs associated with taking over the projects previously managed by Thubelisha Homes. In addition, a virement of R10 Million from the Social Housing Regulatory Authority (SHRA) was made to Programme 5 for the cost of the establishment of SHRA.

The programme spent a total of R12,9 Billion. The variance of R47,3 Million can be attributed to the R34,9 Million that was not transferred to the Social Housing Regulatory Authority, as a result of late approval by National Treasury for opening a bank account, a reduction in the number of planned provincial visits by officials and the non-appointment of Office of Disclosure members.

## Programme 5: Strategy Intergovernmental Relations and Governance

The programme was initially allocated R182,2 Million for the 2009/10 financial year and was adjusted in the adjustment estimate by a roll-over of R3,3 Million allocated for higher salary increases than those provided for in the main budget, as well as virements to Programme 2 of R14 Million for the occupancy audit and to Programme 4 for the Department's institutions. A virement of R10 Million from Programme 4 for the establishment costs of SHRA was approved. A further virement of R8 Million was made to Programme 4 for the Housing Development Agency.

The programme spent R126,6 Million. The variance of R40 Million can be attributed to the cost-saving measures that resulted in a reduction in foreign visits and the curtailment of media campaigns. Funds provided for the costs associated with the establishment of the Social Housing Regulatory Authority remain unspent as work is still in progress.

### 2.7.3 Transfer payments

**Table: Transfer to public entities**

Name of institution	Amount transferred	Estimated expenditure
NHFC	-	1
Social Housing Regulator	-	34,991
Social Housing Foundation	262,960	262,967
Thubelisha Homes	23,503	24,966
Housing Development Agency	62,650	62,650
NURCHA	3,500	3,500
<b>Total</b>	<b>389,075</b>	<b>354,076</b>

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



## 2.7.4 Conditional grants and earmarked funds

### 2.7.4.1 Integrated Housing and Human Settlement Development Grant

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

The grant funds the following key elements of human settlements in terms of the housing policy:

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

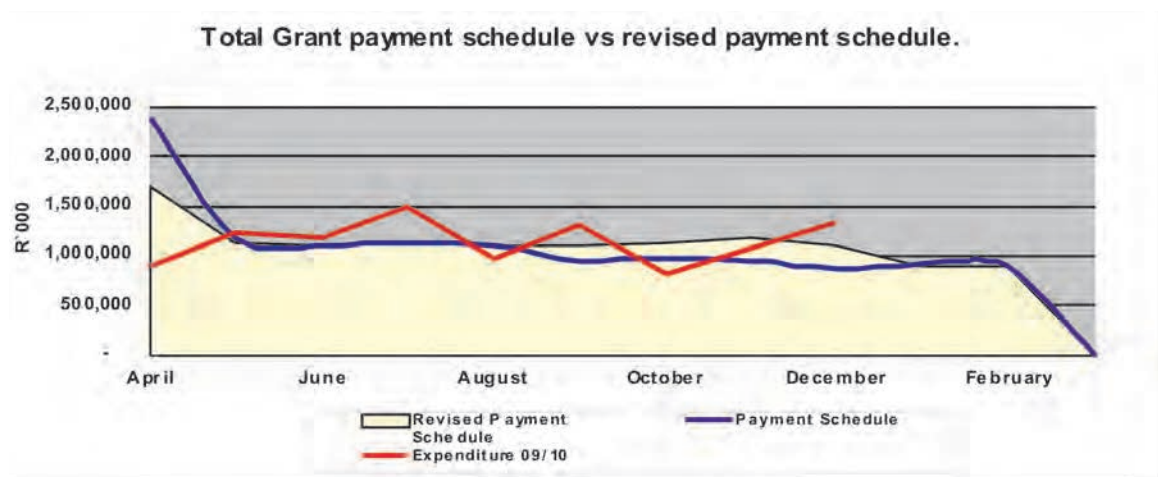
#### The purpose of the Integrated Housing and Human Settlement Development Grant is –

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

**Table: Adjusted grant allocation for 2009/10 as at 31 March 2010**

Province R'000	Vote initial allocation 2009/10	Adjustments appropriation and transfers					
		National Levels				Provincial Level	Total Available
		Additional Appropriation	NT Roll overs	Funds Withheld	Funds Rellocated	Appropriated	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Eastern Cape	1,313,378	-					1,313,378
Free State	962,759	-					962,759
Gauteng	3,187,086	-	12,893				3,199,979
KwaZulu Natal	2,180,448	-					2,180,448
Limpopo	996,667	-					996,667
Mpumalanga	795,447	-					795,447
Northern Cape	325,011	-					325,011
North West	1,100,056	-				65	1,100,120
Western Cape	1,581,425	-					1,581,425
Disaster Relief Fund	150,00	-					150,000
<b>Total</b>	<b>12,592,276</b>	<b>-</b>	<b>12,893</b>	<b>-</b>		<b>65</b>	<b>12,595,234</b>

The initial allocation to the Integrated Housing and Human Settlement Development Grant was R9,9 billion. Unspent funds amounting to R12,8 million were approved for roll-over by National Treasury in respect of Gauteng, whereas R95 000 was approved at the Provincial Treasury of North West. No other additional funds were allocated to the grant during the adjustment budget process.



Business plans were approved by the accounting officer prior to effecting the transfers for the financial year under review, in terms of the approved payment schedule. Funds were transferred monthly to the primary banking accounts of provinces as published by the National Treasury in terms of Division of Revenue Act, 2009.

The graph depicted above shows that spending started far below the cash flow projections for the first quarter. It should be noted that the cash flows for this quarter were projected at a significantly higher level than average owing to the sector resolution to make a large portion of funding available in April to cover the accrued claims relating to the prior year, which could not be processed earlier because of the financial year-end procedures. The spending was, however, generally stabilised against the cash flow throughout the rest of the financial year, with the result that, as the provinces had an acceptable spending performance, the punitive measures relating to the withholding and stopping of funds as stipulated in the Division of Revenue Act were not enforced in the period under review.

The table and the figure below reflects the expenditure performance by province, indicating that most of the provinces, except for Mpumalanga and the Western Cape, managed to spend their entire allocation. The special provision for ring-fencing the funding earmarked for the priority projects had an impact on the inability by these provinces to re-allocate in a timely manner the earmarked funding to normal projects and resulted in the underexpenditure.

The performance of the grant was monitored constantly as required in the terms of the Division of Revenue Act, and provincial visits were made and hearings held periodically. Although an improvement in the timely submission of monthly reports was noted in the current year, there were still isolated cases where the monthly reports of the Eastern Cape, Gauteng, Mpumalanga and Northern Cape were received after the stipulated date. Nevertheless, this did not affect the National Department's compliance with submission of its reports to National Treasury, which was done throughout the year on or before the 20th of the month preceding the month reported.

Submission of the quarterly reports proved problematic, however, with the result that the National Department was unable to meet its deadlines for the submission of the reviewed reports to National Treasury. Moreover, most provinces except for the Eastern Cape and Western Cape did not meet the additional reporting requirement on the earmarked funding for priority projects whereas in most months only these two provinces met the requirement for reporting on transfers to the public entities.

The requirement for the provision of allocations per municipality and on a project basis seems to reflect the planning challenges facing the provinces, as most of the provinces were unable to submit such lists in time, and some business plans were only submitted after the due date.

**Table 2.5 Expenditure as at 31 March 2009 on the Grant**

Provinces	Adjusted allocation	Preliminary expenditure as at 31 March 2010			
		Spent by provinces	Variance spent vs. adjusted allocation	Spent as % of adjusted allocation	Unspent as % of adjusted allocation
	R'000	R'000	R'000	%	%
Eastern Cape	1,313,378	1,313,378	-	100%	0%
Free State	962,759	962,759	-	100%	0%
Gauteng	3,187,086	3,117,107	69,979	98%	2%
KwaZulu-Natal	2,180,448	2,103,424	77,024	96%	4%
Limpopo	996,667	996,667	-	100%	0%
Mpumalanga	795,447	760,277	35,170	96%	4%
Northern Cape	325,011	325,011	-	100%	0%
North West	1,100,055	1,099,918	137	100%	0%
Western Cape	1,581,425	1,497,437	83,988	95%	5%
Disaster Relief Fund	150,000	150,000	-	100%	0%
<b>Total</b>	<b>12,592,276</b>	<b>12,325,975</b>	<b>266,298</b>	<b>99%</b>	<b>1%</b>

## 2.8 Programme performance

### 2.8.1 Programme 1: Administration

#### Purpose

The purpose of the programme is to provide strategic leadership and administrative and management support services to the Department and promote and facilitate the flow of information between the Department and its stakeholders.

The programme comprises the following areas of responsibility: Office of the Minister as the Executive Authority, Office of the Director-General as the Accounting Officer; as well as the Branch: Corporate Services, which houses the following chief directorates: Human Resource Management, Legal Services, Information Technology Systems and also Corporate Support.

#### Measurable objective

Administration is a non-core, but an essential component in the Department of Human Settlements. It renders support services to other line functions.

The following are the strategic objectives of the programme for the MTEF period from 2009 to 2012:

- Executive Support Services provides executive support
- Chief Directorate: Internal Audit, Risk Management and Special Investigations coordinates the provision of Internal Control, Risk Management and Special Investigations services
- Corporate Support provides corporate support to the Department that will enhance a quality working life in terms of the acquisition of office accommodation, security services and record management services.
- Human Resource Management manages and administers human resources, provides organisational design and performance management, labour relations and human resources development.
- Information Technology and Systems provides information technology systems, services, infrastructure and business application support in the Department
- Legal Services provides legal services in the Department, including the drafting of legislation on human settlements.

### Service delivery objectives and indicators

#### Recent outputs

The Sub-programme: Executive Support Services provides executive support to the Director-General. The sub-programme consists of the Parliamentary and Ministerial Liaison Unit, the Administration and Logistical Unit and the Housing and Secretarial Unit.

Through the Parliamentary and Ministerial Liaison Unit, the sub-programme's outputs for the year under review were as follows:

- Forty meetings were held between parliamentary committees, entities and the Department of Human Settlements; 99 parliamentary questions for both written reply and oral reply (National Assembly and National Council of Provinces) were addressed to the Minister of Human Settlements; four memoranda were submitted for tabling at the Treasury Committee meeting; two memoranda were tabled in Cabinet, namely the Sectional Titles Schemes Management Bill, 2009 and the Community Scheme Ombud Service Bill, 2009. Both Bills have been published for public comment.

The following papers were tabled in Parliament:

- Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the Republic of Angola on Co-operation in the Field of Human Settlements, tabled in terms of section 231(2) of the Constitution, 1996.
- Memorandum of Understanding between the Government of the Republic of South Africa, the Government of the Republic of India and the Government of the Federative Republic of Brazil on Co-operation in the Field of Human Settlements Development, tabled in terms of section 231(3) of the Constitution, 1996.
- Explanatory Memorandum to the Memorandum of Understanding between the Government of the Republic of South Africa, the Government of the Republic of India and the Government of the Federative Republic of Brazil on Co-operation in the Field of Human Settlements, tabled in terms of section 231(3) of the Constitution, 1996.

- The Administrative and Logistical Support Unit provides executive support to the Director-General to enable him to perform his function of overseeing the government mandate of providing human settlements in a well coordinated manner.
- During the year under review, the Administrative and Logistical Support Unit continued its mandate to render Executive Support Services to the Director-General in providing leadership and guidance to the Branch Managers and the coordinated efficient flow of information, Parliamentary services, as well as overseeing the participation of the Department in FOSAD Clusters.
- During the period under review, the following notable achievements were made by the Directorate: Executive Support:
  - Performed quality control on all submissions presented to the Director-General and the Ministry;
  - Coordinated the flow of information and ensured that the Department adhered to the time frames for all submissions;
  - Coordinated the Cabinet memoranda comments from the Department to the Ministry;
  - Coordinated the Department's appearances at Parliamentary Committees that have an oversight responsibility for Human Settlements;
  - Coordinated responses to Parliamentary Questions;
  - Coordinated the Department's participation in FOSAD Clusters; and provided secretariat support to decision-making structures such as EMT and MINTOP.

The branch, through the Housing and Secretariat Support Unit, provides secretariat and administrative support to policy-making and decision-making structures, which include the following: Housing MinMEC; Technical Housing MinMEC; Inter-sectoral task teams; Strategic Management Committee [STRATMAN]; Risk Management Committee; Bid Adjudication Committee; Audit Committee; and the National Audit Committee.

The Housing and Secretariat Support Unit is also responsible for co-ordinating the activities of the policy-making and decision-making structures, and for the dissemination and monitoring of the implementation of the decisions of the various structures. The unit held the following in the year under review:

COMMITTEE	NUMBER OF MEETINGS SERVICED
Housing MinMEC	7
Technical Housing MinMEC	8
Minister and Housing Institutions	
Departmental Strategic Planning Session	3
Panel of Advisers	3
Inter-Sectoral Task Teams	35
Strategic Management Committee	5
Audit Committee and Risk Management	4+4=8
Treasury: 10 X 10 Technical Committee	
Workshops	2
Ad hoc meetings	8
Bid Adjudication Committee	23
<b>TOTAL</b>	<b>102</b>

The Housing and Secretariat Support Unit compiled the annual schedule of meetings, which also included the Parliamentary Programme, with a view to facilitating the task of programming and administering the activities of participants in various policy-making and decision-making structures. This schedule of meetings was updated regularly as and when there were changes. A database of decisions and of the membership of various Committees was developed and updated continuously.

In addition, the Branch achieved the following through the Internal Audit, Risk Management and Special Investigation Sub-programme, which comprises the Risk Management, Internal Audit and Special Investigation Units:

- Analysed and investigated cases received through the National Anti-Corruption Hotline (NACH), the Presidential Hotline, Minister's Office, Call Centre and from the general public
- Conducted anti-corruption awareness sessions and was involved in training councillors in preventing fraud and corruption in the Eastern Cape Province
- Monitored the external cases being investigated by the Special Investigating Unit (SIU) in terms of Presidential Proclamation R.7/2007, with the following outcomes of the investigations to date:
  - A total of 1 027 cases involving public servants were finalised with convictions and suspended sentences, and some with conditions on repaying the subsidy amounts.
  - A total of 2 393 acknowledgements of debt to the value of R30,5 million were signed by public servants who had defrauded the Housing Subsidy System. The Department has to date received a total amount of R7, 2 million from civil recoveries.
  - A total of 1 040 disciplinary files involving government officials were prepared during the period under review. These files have already been submitted to various national and provincial departments. A joint process with the Department of Public Service and Administration has commenced to coordinate the disciplinary action taken against civil servants who unlawfully benefited from low-income housing subsidies.
- An investigation has commenced into the municipal officials who unlawfully received low-income houses and yielded the following results:
  - A total number of 171 cases involving municipal officials were finalised with convictions and suspended sentences and some with conditions on repaying the subsidy amounts
  - A total of 655 acknowledgements of debt to the value of R6,2 million were signed by municipal officials who had defrauded the housing-subsidy system.
- Continued to coordinate and monitor the progress made with cases under investigation by the SAPS.
- Coordinated a comprehensive National Audit/investigation on chronic problems encountered with the delivery of housing programmes commissioned by the Minister:
  - High-level technical analysis of all projects has been finalised.
  - Priority contracts were identified and selected for investigation with 20 contracts/projects in each province.
  - Work has commenced on two contracts/projects.

- The Chief Directorate has managed to perform the work according to the approved operational internal audit plan, which internal audit found that the Department had adequate systems of internal control, risk management and governance processes; however these systems were found to be ineffective at times. Action plans have been agreed on with management and will be put in place to address these systems' weaknesses.
- Coordinated four Audit Committee meetings for the year.
- A strategic risk assessment exercise was undertaken during November 2009 and January 2010, which incorporated IT, fraud and strategic risk assessment through which the Department identified, evaluated and allocated responsibility for managing and controlling the risks inherent to the Department.
- The composition of the Risk Management Committee has been reviewed in line with National Treasury Framework to include the branch heads as members of the committee. Furthermore an independent non-executive member has been appointed to chair the Risk Management Committee.
- The branch's risk champions were also appointed to work hand in hand with the risk owners during the implementation of the risk management process in the respective branches.

The Branch: Corporate Services has, during the period under review, achieved most of the planned activities set out in the Departmental operational plan. This achievement was made in spite of the shift from Housing to Human Settlements necessitating the allocation of additional support functions to other functionaries in the Department, to carry out the new mandate.

The Chief Directorate: Legal Services achieved the following:

- The Housing Development Agency Act, 2008 and the Social Housing Act, 2008 were promulgated.
- The Sectional Titles Schemes Management Bill and the Community Schemes Ombuds Service Bill were approved by Cabinet for public comment.
- A number of individual and organisational inputs into the two Bills were received.
- Four workshops were hosted in the provinces of Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape to augment the process of soliciting comments.
- The commencement of the Social Housing Act and the Housing Development Agency Act were facilitated through the release of the relevant proclamations.
- The Chief Directorate continued to support the coordination of the Rental Housing Tribunal by providing legal support to the different Provincial Rental Housing Tribunals as well as providing strategic support to the Rental Housing Tribunal Forum.
- The Draft Rental Housing Regulations were finalised to support the effective and efficient administration of the Rental Housing Act.
- The Draft Social Housing Regulations were finalised to support the application of the Social Housing Act.

The Chief Directorate was actively involved in a number of court cases. These included Abahlali Basemjondolo Movement SA vs. Premier of KwaZulu-Natal and Others (including the Minister of Housing) where the constitutionality of the KwaZulu-Natal Slums Act was being challenged; Matotoba Nokotyane vs. Ekurhuleni Metropolitan Municipality where the residents of Harry Gwala informal settlements were claiming the



provision of basic services; Residents of Joe Slovo Community vs. the City of Cape Town, Minister of Housing and the Western Cape Provincial Department of Housing and local Government where the Department sought an eviction order to make way for the housing development within the N2 Gateway Project; and other cases which are still proceeding.

To build a sound legal environment in the Department, a host of legal opinions and advice were provided to the various functionaries of the Department. Legal instruments such as contracts, service-level agreements and international agreements were vetted and coordinated appropriately.

The Human Settlements Legal Forum was established, consisting of the Heads of Legal Services in the National Department of Human Settlements, provincial Departments of Human Settlements and Human Settlements Institutions. The primary objective of the Legal Forum is to create a platform for sharing and support on legal matters affecting the human settlements sector.

The Draft Legal Compliance Manual/Policy was finalised and the process of identifying a suitable software service provider to assist with the conducting of legal compliance was carried out.

During the 2009/10 financial year, the Chief Directorate: Human Resources Management was able to meet targets under extreme situations. The unit had to facilitate the process of transferring the sanitation function from the Department of Water Affairs to the Department of Human Settlements. This had not been planned for and warranted a realignment of the structure and the resources commensurate with it. The fact that this function has regional footprints placed a severe strain on the limited resources of the unit.

The Chief Directorate: Corporate Support conducted threat and risk assessments for all the Departmental and Ministerial events; security and protective measures were taken.

The Occupational Health and Safety Audit was conducted and matters raised have been earmarked for urgent attention in the coming year. The process of ensuring that the Departmental records are properly managed in terms of the National Archives Act is making good progress.

During the period under review, the unit managed to establish the forum with provincial counterparts to ensure uniformity in Records Management practices. A number of awareness and information sessions were successfully conducted concerning security, records management and disaster recovery, as well as emergency evacuations.

The Chief Directorate: Information Technology and Systems (GITO) has managed to achieve the following in the 2009/2010 financial year:

Successfully upgraded the data line between Govan Mbeki House and the State Information Technology Agency (SITA) from 1,984 kbps to 3,968 kbps. This was done in order to improve network connection speed and response between the Department's Cape Town Offices at 103 Plein Street, 120 Plein Street and the Metro Park Building.

President Jacob Zuma announced, during his state-of-the-nation address, that in addition to receiving letters and emails from the public, a hotline/call centre would be established in the Presidency.



Subsequent to that, the Department was expected to set up the hotline/call centre infrastructure and a Call Centre concept document was completed and the necessary infrastructure put in place.

The appointment of the new Cabinet by the president on May 2009 necessitated reorganising or reconfiguring the State departments, and resulted in the change of the Department's name from Housing to Human Settlements in July 2009.

These changes directly affected the naming convention of the Information Technology system. After obtaining approval to implement changes from the Director-General, all systems were adjusted accordingly.

The Chief Directorate: Human Resources Management exceeded its targets for the implementation of the conditions of service. Due to the transfer of the sanitation function, the workload and its regional footprint, the unit had to take on the additional tasks of SMS salary restructuring, leave management, payments, terminations, transfers and appointments. The appointment of staff members from the Department of Water Affairs had to be done manually because PERSAL did not transfer them programmatically.

Notable achievements of the Chief Directorate: Corporate support

- Corporate Support includes participation in a number of activities, which led to the successful closure of the Eastern Cape Intervention offices as well as the integration of Sanitation unit into the Human Settlements programme.
- Provision of security services in all its disciplines continued as planned. The implementation of the order number system for courier services has resulted in a successful cost-cutting exercise which also contributed to the effective and efficient delivery of assets/items.
- Furthermore, the Departmental file plan is at an advanced stage of completion.
- The user forum for sector records management has been established to create a platform for discussing challenges and successes related to records management in the Department of Human Settlements.

The service delivery achievements of the Chief Directorate: Information Technology and Systems (GITO) include the following:

- In the period under review, the following were developed: a draft Information Technology Asset Disposal Policy, a project plan for the document management system for the Office of the Director-General, a project plan for the automation of Information Technology Workflows and the Information Technology Security Action Plan.
- The training of users in the new version of GroupWise v.8 was completed after the successful upgrading from GroupWise v.7 to GroupWise v.8. Procurement to acquire Sun Storage Central Storage and Backup Central Solution through the State Information Technology Agency (SITA) was finalised and at this stage, the Department is waiting for the delivery, installation and related technical training to be conducted in the new financial year.

## Service delivery achievements

### Programme 1: Administration

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
DG Executive Support Services DG Executive Support Services	Manage the interface with Parliament and Cabinet	Coordinate reports on Cabinet decisions	Disseminate the reports on Cabinet decisions	2 reports on Cabinet decisions were disseminated
		Coordinate responses to Parliamentary questions	Comprehensive responses to Parliamentary questions	99 parliamentary questions were responded to
		Coordinate meetings between the Department and Parliamentary Committees	Reports produced	40 meetings were coordinated
	Manage the provision of administration and logistical support to the DG	Administrative support	Coordinate work flow between offices of DDGs and DG	1 128 submissions were coordinated
		Logistical support	Number of travel and accommodation arrangements made	228 travel and accommodation arrangements were made
		Secretariat support to Mintop and EMT	Record the proceedings of Mintop and EMT	11 meetings of EMT and 12 meetings of MINTOP were serviced
		Coordination of FOSAD Clusters	Coordinated Cluster meetings and record of proceedings	63 FOSAD Cluster meetings were coordinated
	Provide secretariat and administrative support to policy development and decision-making structures	Record of proceedings	Record of proceedings	102 meetings were serviced
		Availability of meeting packs	Availability of meeting packs	Target achieved
		Dissemination of minutes 14 working days before meetings	Dissemination of minutes 14 working days before meetings	Minutes were disseminated 14 days after meetings
		Updated database of policy decisions	Updated database of policy decisions	Database of decisions was updated
		Updated database of members of policy and decision-making structures	Updated database of members of policy and decision-making structures	Database of members of policy and decision-making structures was updated
		Approved schedule of meetings	Approved schedule of meetings	Schedule of meetings was approved

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Internal Audit, Risk Management and Special Investigations	Review, update and facilitate implementation of Risk Management Policy and Strategy	Reviewed Risk Management Policy and Strategy.	Reviewed Risk Management Policy and Strategy	Risk Management Policy and strategy framework were reviewed and updated
		Updated risk profiles for 2009/10	Updated and approved risk profile for 2009/10	Risk profile for 2009/10 was updated
		3 risk management awareness campaigns	3 risk management awareness campaigns and one survey report	6 risk management awareness campaigns were conducted during the financial year under review
		Updated risk profiles for 2010/11	Updated and approved risk profile for 2010/11	The risk profile for 2010/11 was updated
		Operational risk assessment	1 fraud risk assessment report and 1 IT risk assessment report	Fraud risk assessment conducted on 28 January 2010 and IT risk assessment on 13 November 2009
		Facilitate the embedding of risk management in performance agreements/operational plans	1 report on facilitating the embedding of risk management in performance agreements/operational plans	Not achieved. This was moved to quarter 1 of the following year subject to the finalisation of the comprehensive risk assessment exercise incorporating emerging risks after the change in the mandate
		Enterprise Risk Management (ERM) Software Solution	Acquire ERM software, train officials and implement software; capture the risks, control action plans on the system and monitor the risks captured on ERM software	Software was acquired. Officials were trained. The capturing and monitoring of the risks on the system have been delayed due to the non-availability of the server
		4 status reports on the management of risks	Status reports on the management of risks	Not achieved. Branches did not submit their inputs into the management of the risks identified, so that relevant corrective action could be taken on the matter

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Internal Audit, Risk Management and Special Investigations	Review, update and facilitate implementation of Risk Management Policy and Strategy	Agenda and the minutes of the meetings of the Risk Management Committee	4 Risk Management Committee meetings	3 Risk Management Committee meetings were held
		Coordination of reports to the Audit Committee	4 draft reports to the Audit Committee	Target achieved
		Coordination of reports to the Accounting Officer	4 draft reports to the Accounting Officer	Target achieved
	Develop and facilitate the implementation of the Departmental Anti-Corruption Policy and Strategy and ensure compliance therewith	Reviewed the Anti-Corruption Policy and Strategy	Consultation with stakeholders and presentation of the reviewed Fraud Prevention Policy and Plan to stakeholders	Fraud Prevention Policy and Plan were reviewed and stakeholders were consulted
		% of awareness campaigns	4 reports on the implementation of the fraud and corruption awareness programme; impact analysis of the fraud and corruption awareness programme and evaluation of policies	3 quarterly reports were submitted on the implementation of the fraud and corruption awareness programme. The target date for the impact and corruption awareness programme was revised to 2010/11
		Reviewed the Anti-Corruption Policy and Strategy	Consultation with stakeholders and presentation of the reviewed Fraud Prevention Policy and Plan to stakeholders	Fraud Prevention Policy and Plan were reviewed and stakeholders were consulted
		% of completed investigations	Update the case management system from NACH, direct reports and other sources	The case management system was updated with 100% of the cases received
			Analyse and allocate for investigation 100% of the cases	All cases received were analysed and allocated for investigation
			Develop capacity and systems for the analysis of trends and incidents, and report on the analysis of trends and incidents	Positions were advertised and the short-listing of the candidates is in progress

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Internal Audit, Risk Management and Special Investigations	Develop and facilitate the implementation of the Departmental Anti-Corruption Policy and Strategy and ensure compliance therewith		12 monthly and four quarterly reports on the coordination and monitoring of external cases and proclamation	11 monthly and 3 quarterly reports were compiled on coordination and monitoring of external cases and proclamation
	Provide effective and efficient consulting and assurance services	Approved internal audit plans –Three-Year Rolling Strategic and one operational internal audit reports on review of system of internal controls	Review, update and obtain approval for the internal audit plans	Strategic and operational internal audit plan was developed and approved by the Audit Committee
		Internal audit reports on review of system of internal controls	Internal audit reports as per the approved operational plan	90% of the operational plans were approved
		Convene and compile the agendas and minutes of the meetings of the Audit Committee	2 special and 4 quarterly Audit Committee meetings	4 meetings of the Audit Committee were facilitated and coordinated
		Report on effectiveness of the Audit Committee	1 report on the effectiveness of the Audit Committee and 1 Draft Annual Audit Committee Report	Target achieved and report submitted as per target
			4 quarterly reports presented to the Audit Committee	2 quarterly reports were presented to the Audit Committee
		Quarterly reports on audits of performance information and development and approval of the programme for the audits of performance information	Building capacity for audits of performance information and implementation of the programme	Staff members were appointed for the programme. Audit of performance information was completed and report issued as per the developed programme
			3 quarterly reports on the assessment of performance for quarters 1 to 3	3 quarterly reports were issued

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Internal Audit, Risk Management and Special Investigations	Provide effective and efficient consulting and assurance services	Conduct intergovernmental audits	One report on intergovernmental audits	Provincial letters were issued to provinces requesting internal audit reports and risk management reports to determine management's commitment to addressing audit queries and also the risk management process
Legal Services	Human Settlements: legislative development, monitoring and research	Percentage of approved legislative frameworks	100% of the legislative frameworks approved	All relevant legislative frameworks were submitted and approved as per target
		Percentage of monitored implementation of legislative frameworks	100% of the monitored implementation of legislative frameworks	All relevant legislative frameworks were monitored for implementation as per target
	Management of Litigation and Legal Advisory Services	Percentage of completed legal documents	100% completed legal documents	100% of legal documents were completed
		Percentage of compliance with litigation rules and procedures	100% of managed matters	100% of litigation matters were managed
		Legal compliance audit	Performance of legal compliance audits	Finalised the draft Legal Compliance Manual/Policy

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Human Resources Management	Manage and coordinate Human Resources Development	Annual Training Report	Develop and implement the Workplace Skills Plan	Completed
		12 reports on the Training and Skills Development Committee's activities	4 reports on the Training and Skills Development Committee's activities	The Training and Skills Development Committee held 6 meetings to discuss matters related to skills
	Manage and coordinate an organisational design process and Individual performance assessment processes	Approved the aligned structure	Realigned structure in line with strategy	Sanitation structure used and approved by the DPSA
		Approved the Individual Performance Assessment Report	Individual Performance Assessments	100% of all submitted reports were finalised. 3 late submissions remain outstanding
	Ensure effective Human Resources administration processes	Effectively managed recruitment and selection processes	Fill funded vacant posts to ensure 80% capacity	Capacity of 74% has been achieved
		100% compliance with conditions of service	100% compliance with conditions of service as determined by the regulatory frameworks	Achieved 100% compliance
		Approved policies and guidelines	Develop, review and monitor the implementation of HR policies and guidelines	5 policies were reviewed, approved and implemented and 5 policies were reviewed
	Promote labour relations in the Department	12 reports on Bargaining Chamber activities	4 reports on Bargaining Chamber activities	4 meetings were held
		Managed labour cases/ activities	Ensure the effective facilitation of LR cases/ activities	100% achievement

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Corporate Support	Manage the development and implementation of protective security functions	Compliance with all security standards	Compliance with physical and personnel security measures	Achieved 100% compliance
	Facilitate the provision of properties and facilities	The acquisition of office space and reasonable accommodation in line with Occupational Health and Safety regulations	Maintain SLA and standards at 100%	Achieved 100% of target
	Manage the Departmental records	Number of reports on compliance with National Archives' requirements	Number of reports on compliance with the National Archives' requirements (75% compliance)	Achieved 75% compliance with the National Archives' requirements
Information Technology Services	Manage access to information technology networks	Implemented, tested and maintained DRP	Implement a Centralised Storage and Backup Solution	Centralised Storage and Backup Solution was evaluated, approved and the acquisition process has now been completed. Testing was still outstanding and delivery and installation from SITA and supplier are being awaited
	Provision of IT solutions to enhance productivity and business processes	Implemented Business Process Automation	Documentation Management System for the DG's Office and Automated IT workflows	Project Plan was developed for the DG's Office Documentation Management System System Analysis and Design Report was developed for Automated IT workflows; the system was implemented and tested but requires more testing: system not yet operational due to incomplete work by the service provider
		Developed, revised and approved IT policies	Develop and approve IT Capacity and Performance Management Policy and IT Configuration Policy	Draft IT Governance Framework, IT Performance Policy were developed with SITA
		Developed and approved SITA Business Agreement	Approved SITA Business Agreement	SITA Business Agreement was drafted and waiting for the draft to be finalised by Office of SITA's Acting CEO



## Reasons for major variances

In terms of Human Resources Management, the 80% capacity requirement for filling posts could not be achieved. As only 74% of this requirement was achieved, there has been a shortfall of 6% caused by the transfer of the sanitation function. More than 50% of the posts transferred are vacant. However, recruitment has commenced and is at various levels of progress. The office space challenge has had negative implications for filling the vacant posts in the Department.

In terms of IT & Systems, the reasons for variances are as follows:

### Implementation and test report for the Centralised Storage and Backup Solution

The proposal received by the Department from the State Information Technology Agency (SITA) was presented to the Information Technology Committee (ITC) and approved on 10 February 2010. A purchase order from Supply Chain Management was received and faxed to the State Information Technology Agency (SITA) on 5 March 2010 so that the agency could initiate its procurement process.

No delivery has taken place to date. As this may take some time, there is no report as yet on any implementation and testing done.

### Document Management System for the Office of the Director-General

The concept document was completed. The task has been taken over by Chief Director: Management Information Services.

### Automated information technology workflows

Several processes were tested and the errors identified were reported to the company appointed to develop the system. The company made some attempts to resolve all the outstanding issues. The functionality and user-friendliness of the system or automated forms were identified as a major problem with getting the system operational and functional. The company had committed itself to resolving all the identified problems at no additional cost, but the appointed company ran into financial problems before work could be completed. The company is apparently no longer in business and has either been dissolved or liquidated.

The project is therefore no longer worth pursuing unless all the outstanding and identified problems can be resolved without any additional expenditure for the Department. The other major challenge is that, even if the project were continued, the Department would have to engage another alternative company to provide maintenance and support at additional costs.

### Develop, revised and approved Information Technology Policies

The State Information Technology Agency (SITA) was once again appointed by the Department to develop Information Technology Capacity, Performance and Configuration Management Policies for the Department. Draft policy documents were received by the Department after the agreed completion date and after 31 March 2010.

As a result, the Department did not have sufficient time to confirm or review the draft policy documents in order to give feedback, and also to ensure that the submitted draft policy documents satisfied the agreed deliverables. There was also a major concern about the quality of the work and the Deputy Director: Information Technology Security and Risk Management will engage the SITA Project Manager on the quality of the work produced before any sign-off or payment is made.

### **Approved SITA Business Agreement**

After struggling to get the correct version of the final draft business agreement from SITA and within the Department, the entire process had to be started again from the beginning.

This included going through the normal Legal Services consultation from the perspective of both the Department and SITA. The legal consultation with all relevant parties was completed and the final draft business agreement went through the internal Departmental process for approval by the Acting Director-General. This was successfully obtained and only the signature of the Acting Chief Executive Officer of SITA remained outstanding for the matter to be finalised.

However, it later emerged that SITA had some reservations and/or concerns about the final draft business agreement. Once again the relevant parties at SITA, including the Account Manager, were informed of the urgency of this matter but to date, the business agreement has not yet been finalised. A suggestion has already been made to the Acting Director-General that the Acting Chief Executive Officer and/or Executive Management should be engaged with regard to their non-performance and inability to meet the target dates.

## **2.8.2 Programme 2: Housing Policy, Research and Monitoring**

### **Purpose**

Develop and promote policies for human settlement and housing, supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing policies and programmes.

### **Measurable objective**

Compiling an enabling policy for adequate housing for all South Africans in sustainable human settlements; improving the housing policy and programmes based on the analysis of accurate, strategic and statistically sound information and data, monitored through operational and other systems.

### **Service delivery objectives and indicators**

### **Recent outputs**

During the year under review, the branch continued to pursue the development of policy and strategies as provided in the Comprehensive Plan for the Development of Sustainable Human Settlements. In line with its new mandate, it strengthened the focus on policy assistance to a variety of stakeholders through the Directorate: Policy Development Assistance.

The National Housing Code, 2009, was published in February 2010 and disseminated to all provinces, municipalities and stakeholders. Included in the new National Housing Code, 2009, is the new housing assistance programme for farm residents. A number of ad hoc tasks consumed substantial capacity and were also completed.

In some instances, policy development processes were delayed because further consultations were required and inter-governmental co-operation posed particular challenges to finalising the policy instruments. In addition, the turmoil in the financial markets during 2009 had a negative impact on the policy development processes that targeted the mortgage finance housing sector.

The branch developed a conceptual document on the implication of the Department's name change from Housing to Human Settlements.

The Chief Directorate: Research influenced the review of policy regarding the own contribution of R2 479 by beneficiaries, highlighted the successes and failures of the programme initiated to bring youth into housing delivery through training and indicated what still needed to be changed to improve the effectiveness of the programme. Other research papers and research support were provided to different units in the Department as well as in the Ministry. Different proposals from innovators of alternative home-building technologies created the need to investigate the extent to which alternative building technologies could provide a solution to the housing programme. An Indaba on alternative building technologies is currently being arranged to provide answers to the question raised.

Through the Chief Directorate: Monitoring and Evaluation, the branch completed the Beneficiary Occupancy Audit that had been initiated during the year in seven of the nine provinces. The objective of the audit was to determine and confirm the occupancy of housing units by the legal beneficiaries, determine the beneficiary profile of occupants and to collect detailed property information. The findings will be discussed at workshops with the provincial human settlements departments with a view to putting mechanisms in place to regularise the actual situation on the ground. The Terms of Reference for conducting a similar audit in the remaining two provinces, namely the Eastern Cape and Northern Cape, was approved and a service provider will be appointed. The branch undertook three Impact Evaluation Studies to determine the impact of various housing programmes on the lives of beneficiaries. The targeted programmes are the Rural Housing Programme, the Social and Rental Housing Programme and the Upgrading of Informal Settlements. The Upgrading of Informal Settlements is undertaken in collaboration with the World Bank and other government departments. In addition, the branch proceeded with the project-level monitoring process to verify and confirm delivery as reported by the provincial Human Settlements Departments, to identify problem areas in the implementation of human settlement projects, to identify best practices and also to verify value for money and the quality of the products delivered.

The branch initiated a process to develop a Human Settlement Index for South Africa in collaboration with UN Habitat. To this end, a workshop was held with all relevant stakeholders and role players to determine what the Human Settlements Index should entail, what information was available and to plan the way forward.

## **The National Housing Code**

The new National Housing Code, which has aligned housing policy and programmes with the Comprehensive Plan for the Development of Sustainable Human Settlements ("Breaking New Ground"), was approved by MinMEC and the Minister in February 2009. It was published in February 2010 and disseminated to all provinces, municipalities and stakeholders. The code is now far more flexible to cater for project-specific challenges and development conditions. The code is also available in electronic format and has been published on the Departmental website for easy access. The new code has been developed on the basis of the four key interventions envisaged in the Comprehensive Plan. This aids the use of the document, as the various sections are grouped together.

## **Farm Residents Housing Assistance Programme**

The Farm Residents Housing Assistance Programme was approved by MinMEC and incorporated into the new National Housing Code, 2009. The programme provides for housing assistance to eligible farm residents who will hold rental or freehold tenure. It also includes assistance to the beneficiaries of the Department of Land Affairs's Labour Tenants Programme.

During the period under review, the Department developed a set of pro forma contracts to assist the provinces and municipalities with the implementation of the programme.

## **Housing programme for persons with special housing needs**

The policy framework for this programme was completed but still has to be deliberated with the Department of Social Development, because the placement of children with caregivers and the appointment of care-givers fall within the ambit of that department. The programme is mainly focused on children who have lost both their guardians through death and/or who are currently destitute. The draft proposals are based on the community care concept, in contrast to institutionalised care. The programme therefore proposes the addition of rooms to existing dwellings to afford caregivers the opportunity to provide humane living conditions for the destitute children.

## **Policy on the Inclusionary Housing Programme**

The Draft Framework for the Inclusionary Housing Policy was reviewed during the financial year, especially in view of the changes in the market and the impact that the envisaged programme might have on the already fragile middle- to higher-income segments of the housing market. A further national consultation initiative was embarked upon in September 2009 and stakeholders were once again given an opportunity to table comments, objections and views. The findings of this consultation process and suggestions about alternative options will be presented to the Minister for guidance during 2010.

## **Finance-linked Individual Subsidy Programme (FLISP)**

The programme was revisited during 2009 with a view to refining it to promote its implementation. Comprehensive changes to the programme were formulated and tabled for consideration. However, the draft proposals for the revised programme were rejected owing to their substantial financial implications.

The NHFC was then requested to investigate the implementation of the existing programme in collaboration with the Banking Association of South Africa (BASA). The report by the NHFC will be deliberated on by the Department's Financial Sector Task Team early in the new financial year.

### **Adjustment of the Individual Housing Subsidy Programme**

This programme was enhanced by aligning the quantum of the grant available under the programme with the actual current delivery cost of a house of 40 square metres on a serviced stand. The new subsidy amount is R84 000,00. The amount comprises R6 000,00 for the raw land cost, R22 162 for internal municipal engineering services and R55 706 for the cost of constructing the top structure.

The revised subsidy amount will improve beneficiary access to mortgage finance; in addition, private-sector developers wishing to develop low-cost houses on their land may also apply to reserve individual subsidy funding for their low-income clients.

### **Policy formulation and policy interpretation models**

Models to assist the provinces and municipalities with formulating their own human settlement policies and also to assist them with policy interpretation were disseminated to them through regional workshops.

### **Promoting the National Housing Code**

Regional workshops on the code were held with all provinces and their respective municipalities, and workshops were also held with other stakeholders.

### **Policy advice and assistance to stakeholders**

Policy advice, assistance and interpretation are continuously being offered to various stakeholders through various mechanisms, including workshops, seminars and presentations. Stakeholders engaged in the past financial year include the various provinces and municipalities, housing institutions and the South African Local Government Association (SALGA),

### **Research on documenting the successes and challenges of the National Youth Housing Programme**

The research documenting the challenges encountered in the National Youth Housing Programme and the lessons learned, was completed. A presentation on the study was made to the role players in the Youth in Housing Programme.

### **A study on factors contributing to unrest in the service delivery value chain**

A literature review was conducted and a focused discussion held on 6 August 2009 with experts in community participation as one area of focus. A report was produced about the focused discussion.

### **Conceptual document for the Human Settlement Development Index (HSDI)**

A research paper on the development of HSDI was drafted, highlighting the background and objectives of the HSDI. It also highlights the process that will be followed in the development of the index.

### **Research on obstacles in the Issuing of title deeds to beneficiaries of government subsidies**

The research focused on the process followed by different provinces in the issuing of title deeds, the challenges encountered and the proposed ways of improving the issuing of title deeds to government-subsidy beneficiaries.

### **Research Report on the Indigent Policies of Municipalities and their Impact on Housing Beneficiaries**

A research report has been completed on the impact of municipal indigent policies with reference to services and rates collection. The research focused on different government interventions to the indigent and poor in the selected municipalities.

### **Analysis of the occupancy audit**

An analysis of the policy implications of the occupancy audit was completed. The report highlighted four main findings of the audit, while also reflecting the research design and policy implications of the findings.

### **Economic and housing market trend analysis**

Four analysis reports were completed on the trends in the broader macroeconomic and microeconomic environment, the building industry and property market performance. These reports analyse the environment in which the delivery of housing takes place and advise management of their potential impact on housing delivery.

### **Research project on the economic impact of housing programmes**

A research project has been initiated on the economic impact of housing programmes. The Terms of reference have been approved and the service provider has been appointed to conduct the research.

### **Discussion forums**

#### **National Research Task Team**

Two National Research Task Team meetings took place to share the findings of the research studies conducted and their policy implications. The discussion forums allow all spheres of government and the housing fraternity to share their research output. Two other discussion forums were held to discuss specific topical issues.

### **Alternative building technologies**

The Department reviewed and responded to product proposals from different companies offering alternative building technologies for the advancement of housing delivery. This included a series of presentations these companies made to the Department.

The request from companies to provide solutions to housing challenges prompted the idea of hosting a two-day event where innovators could showcase their technologies to the implementers of housing programmes and other relevant stakeholders. Preparations have commenced for the two-day event, called the National Indaba on Alternative Building Technologies. Preparations included the following:

- Concept document and meetings for logistical arrangements.
- The registration of inventors took place and queries about the indaba were continuously attended to.
- The proposed draft programme for the colloquium/indaba was compiled.

### **Research support**

- Provision of support to the Military Veterans Housing Programme: an intervention was made in the professionalisation of the Military Veterans Assistance Programme. This was aimed at providing the training and accreditation of the beneficiaries as competent artisans in the housing-delivery value chain.
- A report was drafted on the sustainability of the housing programmes.
- Information was collected about Duncan Village and a report drafted for the Minister's visit to the area.
- Statistics on building inflation were collected and submitted to top management.
- A response was written as part of the Department's response to queries from the Engineering News.
- A questionnaire was developed to update the information or knowledge about the extent to which the provinces use alternative building technologies and systems. This was done to aid the conceptual process of the Alternative Technology Indaba.
- The update of the analysis of the environment in which housing delivery takes place was completed for the Directorate: Strategic Management.
- Input was provided into the Minister's speech.
- Responded to ABSA's letter requesting advice and guidance from the Acting Director-General on that bank's intentions to host its innovation competition at the gala dinner for the Minister's budget speech.
- Support was provided to the NHBRC on preparing for the International Conference on warranty. Two meetings were held and support was provided for the development of the concept document and theme for the international conference.

### **Monitoring and Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the housing sector**

The Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for Human Settlements were revised for publication purposes, taking into account the emphasis on sustainable human settlements.

### **MEIA Information System**

The MEIA Information System was updated by including the provincial targets and performance information for the 2009/10 financial year and the analysis reports produced.

## **Beneficiary Occupancy Audit**

The Beneficiary Occupancy Audit was completed in seven of the nine provinces and the final reports were received. The Terms of Reference for the remaining two provinces were approved and advertised, and the successful service provider(s) will be appointed soon.

### **Beneficiary Occupancy Audit: Seraleng Housing Project, Rustenburg**

An occupancy audit was conducted specifically in the Seraleng Housing Project in Rustenburg to determine to what extent the completed houses are occupied by unauthorised beneficiaries.

The aim of the audit was to assess the profile of occupiers and to make recommendations on how to regularise the situation on the ground. The final report has been received and the findings will be discussed with the relevant provincial and local governments to regularise the situation on the ground.

### **Verification of Demand Database: N2 Gateway Project**

A verification and validation exercise of the Demand Database of potential beneficiaries in the informal settlements surrounding the N2 Gateway Project was completed and the final report submitted to the Western Cape Provincial Government for the implementation of mechanisms to address the needs on the ground urgently.

## **Impact Assessment Studies**

Impact Assessment Studies were conducted on the Rural Housing Programme, the Social and Rental Housing Programme and the Upgrading of Informal Settlements Programme. The last-mentioned was undertaken in collaboration with the World Bank and with the active participation of the Department of Health. The final reports on these studies are expected at the beginning of the 2010/11 financial year.

## **Monitoring reports**

Monitoring reports were compiled and submitted on the following:

- (a) The performance of provincial housing departments for the first three quarters of the 2009/10 financial year in terms of their Provincial Business Plans
- (b) Quarterly project-level monitoring conducted in all provinces
- (c) Upgrading of the Madelakufa Informal Settlement
- (d) Oversight visits of the Parliamentary Ad Hoc Committee on Service Delivery in the provinces of Free State, Gauteng and North West

### **Provincial Business Plans: Quarterly Reviews**

Participated in the process of evaluating and reviewing the performance of provincial housing departments in terms of their Provincial Business Plans over the first three quarters of the 2009/10 financial year.



## Service delivery achievements

### Programme 2: Housing Policy, Research and Monitoring

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Policy Development	National Housing Code	Published the New Housing Code	Publication of the New Housing Code	Revised Code was published in February 2010
	Housing programme for persons with special housing needs	Approved housing programme for persons with special housing needs	Approved policy	Draft policy completed for comment and consultation
	Policy for housing assistance for farm residents	Approved policy on farm residents' housing assistance	Approved policy and guidelines	Policy and guidelines were approved
Research	Revised Policy on Individual Housing Subsidies	Approved policy adjustment	Approved adjusted policy	Policy adjustment was approved
	Key housing stakeholders have an understanding of the National Housing Policy and Strategy and are equipped to develop regional housing policy	Workshops conducted	Familiarise key stakeholders with the National Housing Code and regional policy model through at least five workshops on structured policy	Workshops were conducted with all provinces and their respective municipalities
	Initiate and undertake research on identified pertinent issues regarding housing and human settlement	Number of research reports that contribute to the body of knowledge supporting the development and implementation of housing and human settlement policies	Number of research reports	8 study and/or research reports were produced
	Manage research and provide research support	Number of reports completed as requested	100% of research requests completed	100% target was achieved
	Manage research to determine trends in the broader macroeconomic environment and determine their impact	Provide constant reports on the analysis of key macroeconomic variables and their impact	Quarterly Reports or when required	4 quarterly reports were submitted

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Monitoring and Evaluation	MEIA Policy and Implementation Framework for the Housing Sector	Approved revised MEIA Policy and Implementation Framework for the Housing Sector	Approved revised MEIA Policy and Implementation Framework for the Housing Sector	Policy approved as per target
	Monitoring Reports	Monitoring Reports on the implementation and progress of human settlement policies, programmes and projects	Quarterly Monitoring Reports	4 reports were produced
	Occupancy Audits	Number of beneficiary occupancies audited	Number of occupancy audit reports	3 Occupancy Audit Reports were produced
Monitoring and Evaluation	Impact Evaluation Studies	Number of impact assessment reports produced	Draft reports on findings	3 reports were produced on the impact assessment studies conducted as well as on UIS Programme in collaboration with World Bank; data collection in progress
	MEIA System	Functional System	Updated performance information for three of the quarters of the 2009/10 financial year	System updated with performance information for the first three quarters of the 2009/10 financial year
	Human Settlement Index	Draft indicators for a Human Settlement Index for SA	Workshop with relevant stakeholders	Workshop was conducted with all relevant stakeholders

#### Reasons for major variances

None.

### 2.8.3 Programme 3: Housing Planning and Delivery Support

#### Purpose

To support implementation and delivery, build capacity, and liaise and communicate with stakeholders for effective housing and human settlement programmes. To coordinate and monitor the implementation of priority projects and the sanitation programme.

#### Measurable objective

Provide effective implementation and delivery support for sustainable human settlement development through capacity building, stakeholder liaison and information management and dissemination, as well as promote universal access to sanitation services by managing and administering the sanitation programme.

#### Service delivery objectives and indicators

#### Recent outputs

##### Chief Directorate: Capacity Development

Capacity development has continued to be a comprehensive process of enhancing the ability of individuals and organisations to perform their responsibilities effectively and to realise their potential. The Chief Directorate has put in place a training and capacity development strategy aimed at fostering a spirit of professional development, receptiveness to innovations and new approaches, and knowledge acquisition among officials in all three spheres of government, as well as among politicians and beneficiaries.

This strategy is based on the understanding that effective administration and the implementation of human settlements policies require a combination of technical, policy-making, administrative and managerial skills, which need to be systematically developed. The strategy is implemented through the Wits University, the Sustainability Institute linked to Stellenbosch University, Policy Orientation Programmes, Councillor Training Programmes as well as beneficiary empowerment programmes.

To ensure that human settlement practitioners protect and promote the public interest in the discharge of their duties and that they adhere to a code of conduct which will regulate members' conduct and create new ethics and responsibility in an attempt to stamp out rampant corruption, the Chief Directorate has formulated a draft strategy, a draft business plan and a draft Bill to facilitate the process leading to the development of a professional body. The necessary consultative processes with stakeholders to bring about ownership, credibility and integrity in this process have also been launched. As part of the professionalisation process, the scholarship programme continues to address the challenges of capacity gaps while creating a cadre of skilled practitioners who will form the core of the profession. Skills transfer and mentorship programmes to officials and communities through the Cuban/SA bilateral programme continued to gain momentum during the year, even though the contracts of most Cubans came to an end toward the end of this financial year. It was during the last year of the three-year contract in particular that the real benefits of this programme have been realised.

The programme of the Chief Directorate is carried out through the Training and Skills Development, the Sector Professional Development Support as well as the Institutional Capabilities Development Support Directorate. the successful performance of its work takes place through partnerships and collaboration with the provincial

departments of human settlements, municipalities, higher education institutions, housing institutions, community-based organisations, banks and other stakeholders.

### **Implementation of the Sustainable Communities Support Programme**

The first two phases of the programme have been concluded and the milestones for each phase were reached. During the first phase, partnerships and networks were formed across all provinces with the active participation and commitment of municipal and provincial officials and housing institutions. Two executive training programmes on sustainable development were conducted under the auspices of the University of Stellenbosch. The first programme was held from 19 to 24 October 2009 and the second from 23 to 27 November 2009. The first programme was attended by 29 officials and the second by 34 officials.

### **Implementation of the Housing Policy Development Course with WITS**

A total of 83 officials from the three spheres of government attended the Housing Policy Development and Management Programme held at the University of the Witwatersrand (WITS) during the year under review.

### **Implement the Induction Programme**

In collaboration with other Chief Directorates and housing institutions, the Training and Skills Development Directorate coordinated and facilitated the following sessions:

- Two induction workshops were held for the new members of the Human Settlements Portfolio Committee on housing policy and legislation during the second and third quarters of the year under review.
- One policy orientation session was conducted for newly appointed Departmental officials. The programme has now been handed over to the Human Resources Development Unit to avoid duplication and overlaps in implementation.
- Five policy training workshops were held for councillors in the Eastern Cape, covering the OR Tambo District Municipality, Cacadu and the Chris Hani District Municipality. In total, 382 councillors were reached.

### **Provide support to provincial housing departments to implement Beneficiary Empowerment Training Programmes**

In partnership with the Limpopo Department of Human Settlements, the directorate has conducted housing consumer education awareness sessions in the following three municipalities:

- Musina Local Municipality, Maruleng Local Municipality and Tzaneen Local Municipality.
- The directorate in collaboration with the Limpopo Housing Department (Housing Consumer Education Unit), the Mopani District Municipality and the Greater Giyani Municipality conducted a two-day training session at Muyexe for 90 beneficiaries during World Food Security Day at Muyexe in Giyani (Limpopo) as part of the Presidential Project.
- The directorate supported the housing consumer education awareness sessions at Howick in KwaZulu-Natal (KZN) in partnership with the KZN Department of Human Settlements.

The Housing Consumer Education Training Manual has been revised to include new housing programmes in accordance with the revised housing code. The directorate, in collaboration with the Directorate: Public Information and Marketing, placed two advertisements in the Commuter SA publication. The aim of the advertisement was to create awareness among the general public about human settlement programmes.

### **Training programme on the Home Loan Mortgage and Disclosure Act (HLAMDA)**

The directorate, in collaboration with the Office of Disclosure, implemented a Train-the-Trainer Training Programme on the HLAMDA. The programme was conducted in two phases, namely Generic and HLAMDA-specific training. In total, 103 officials were trained in the Generic training phase, and 96 officials were trained in the HLAMDA-specific training phase. In total, 87 officials were assessed and found competent. All competent officials received certificates of competence. The implementation of the programme commenced in March 2008 and ended in November 2009.

### **Facilitate the generation, review and registration of housing qualifications**

The following qualifications have been generated and registered on the National Qualifications Framework: National Certificate: Housing Development, Level 5: ID – 66089; FETC: Housing, Level 4: ID – 65989; GETC: Housing, Level 1: ID – 65969.

The South African Qualifications Authority approved the application to change the newly registered Housing Qualifications to Human Settlements Qualifications, owing to the change in the name of the Department.

A service provider has finally been appointed to assist with the professionalisation of Human Settlements Practitioners and this is helping the movement of the process.

### **Scholarship Implementation Programme**

#### Marketing the Human Settlements Scholarship for the 2010 intake.

The Scholarship Implementation Programme was marketed at the following events: Johannesburg Easter Festival; Pretoria Show; Oudtshoorn Career Expo; Mpumalanga Career Expo; and the Sandton Career Exhibition.

Cell C also invited the programme's officials to take part in the 2009 "Cell C Career Expo". The aim of the expo was to reach more rural learners in Grades 9 to 12. The following provinces were visited: North West, KwaZulu-Natal, Eastern Cape, Free State, Northern Cape, Limpopo and Mpumalanga.

#### Advertisement for the 2010 intake

In partnership with the Chief Directorate: Communication Services and GCIS the 2010 scholarship advertisement was placed in the following newspapers: Sowetan, the Daily Sun and Die Burger.

Advertisements were also placed with the following radio stations: Umhlobo Wenene; Ukhozi; Thobela; Lesedi; Motswedding; Ligwalagwala; Phalaphala; Munghana Lonene and IKwekwezi. The advertisement was aimed at attracting applications from diverse groups of young South Africans.

### **Participation of the scholarship beneficiaries in Departmental activities**

Participation at the Eshowe Youth Build: four scholarship beneficiaries participated in the Eshowe Youth Build.

An induction programme for the 2010 students was held from 29 to 31 January 2010. The Induction is an instrument to introduce the new scholarship beneficiaries to Human Settlements as a department, to motivate, empower and equip them with life skills.

### **Facilitation of registrations for beneficiaries**

A total of 108 young South Africans have been recruited as beneficiaries of the Human Settlements Scholarship for the 2010 academic year, and there are in total 190 beneficiaries. Registration, accommodation and the payment of fees were facilitated for all beneficiaries.

### **Scholarship student placement**

Four scholarship beneficiaries completed their studies at the end of 2009, and two of them have been successfully placed in the provinces of KwaZulu-Natal and the Northern Cape.

### **Visits to higher education institutions**

Regular visits are conducted to higher education institutions. The aim of the visits is to strengthen relationships, monitor student performance and support the students. Student invoices are also processed for timely payment.

### **South African Cuban Technical Support Programme**

The recruitment of Cuban technical advisers (CTAs) for Phase III of the South African/Cuban Technical Support Programme (SACTP) by three provinces, namely Limpopo, Free State, and Mpumalanga, was facilitated. A total of 14 Cuban technical advisers were recruited by the three provinces.

The arrival in South Africa of the 14 Cuban technical advisers for Phase III and their induction were facilitated. The implementation of the South African/Cuban Technical Support Programme by the Western Cape was monitored. The Western Cape Province is still in Phase II of the programme.

### **Knowledge management**

A needs analysis of knowledge management, targeting provincial human settlement departments and municipalities, was conducted and a report on the findings compiled. Consultation on the need for the development of a knowledge management framework, to inform the implementation of knowledge management interventions in the sector, took place at the workshop of the Capacity Development Task Team.

### **Provincial Business Plan**

A guide on business plans for developing provincial housing capacity was developed and aligned to the new mandate of the Department. Workshops were held for the provinces to enhance the implementation of the guide

## Chief Directorate: Human Settlement Planning

During the reporting period, the subprogramme honoured its commitments to the maintenance of the programmatic planning frameworks and instruments implemented by provincial departments. In addition to the maintenance and enhancement of these instruments, the sub-programme has made a concerted effort to improve its accessibility to provinces by way of targeted interventions to provincial departments and local municipalities. This has to a large extent accounted for the improvement in the credible Annual Performance Plans and Conditional Grant Business Plans that have been submitted by the said provincial departments.

## Chief Directorate: Programme Implementation Support

The Chief Directorate: Programme Implementation Support was established with a view to providing implementation support to provincial housing departments and municipalities to implement housing programmes and projects in accordance with the principles of BNG, the housing policy and the prescriptions of the various housing programmes. In this regard, the Chief Directorate has focused its activities on providing support for the unblocking of stalled housing projects and on upgrading informal settlements. It has also focused on identification and support so that the implementation of slow-moving projects can be expedited.

A major initiative was the provision of support in the Eastern Cape following a Cabinet decision that the Department had to intervene in this province in terms of section 100 of the Constitution. An investigation was launched to determine the number of informal settlements in South Africa, the location of these settlements as well as their socio-economic profile. The study is proceeding at a slower-than-expected pace. Efforts are being made to enhance the flow of required information from provinces.

Information on stalled and slow-moving housing projects is more readily available from the Housing Subsidy System (HSS). This information is serving as a database to guide the unit's activities and the identification of the priority projects that the unit should support. A comprehensive database was compiled on blocked projects, which is being discussed with the provinces with a view to reaching agreement on the database. In order to support the implementation of the Strategy for the Unblocking of Stalled Housing Projects, a process for the implementation of the strategy was developed and submitted to MinMEC for consideration.

The Project Programming and Implementation Guide was compiled to help housing implementers to understand the housing development process, to plan projects better, to manage projects more efficiently and to monitor project progress. This guide was completed towards the end of 2009 and was subsequently discussed at workshops with all provinces and many municipalities during the last quarter of the financial year.

The National Upgrading Support Programme (NUSP) was established in collaboration with the Cities Alliance through which 16 priority projects were studied with a view to identifying best practice for the upgrading of informal settlements. It is envisaged that the lessons learned in this manner will lend further substance to policy refinement and the development of new and/or improved implementation strategy at project level. This initiative will also provide critical support to projects during the first years of the programme. A team of national and international experts supports the programme by providing expertise, advice and guidance.

The NUSP has identified a total of 49 municipalities which will participate in the programme and it is envisaged that some 60% to 70% of informal settlements in the country will benefit from this programme in due course.

A large number of parliamentary questions and enquiries from the public about housing matters were received and dealt with during the financial year. However, certain requests for delivery support from provinces, particularly those of the Free State, Northern Cape, North West and Mpumalanga, could not be accommodated owing to a lack of sufficient resources.

### **Chief Directorate: Priority Projects Facilitation**

The Chief Directorate: Priority Projects Facilitation continued to facilitate rolling out the implementation of identified priority projects nationally. This facilitative and oversight function differed from project to project as each of these projects is at a different stage of the delivery cycle. The unit rendered technical and project management support to provinces and municipalities in the implementation of priority projects. Quarterly progress reports on all projects were prepared and submitted to the Director-General. A comprehensive report was drafted and submitted to Technical MinMEC and MinMEC for noting. The progress made with the projects as at the end of the financial year was as follows:

#### **1. Eastern Cape**

- a) Zanemvula Housing Project: the first phase of the project is almost complete and 3 000 houses have been handed over. On the Rectification Programme, 348 houses have been completed. The installation of internal civil engineering services for phase 2 has commenced. The tender for the construction of houses in phase 2 is at the evaluation stage.
- b) Duncan Village Project: 3 060 houses have been completed.

#### **2. Western Cape**

N2 Gateway Project: 6 733 housing units were handed over to beneficiaries.

#### **3. Northern Cape**

- a) Lerato Park Housing Project: the construction of an access road is 50% complete. Construction of internal civil engineering services for the first 600 units will commence in the 2010/2011 financial year.
- b) Ouboks Housing Project: 81 housing units were completed and handed over to beneficiaries. The construction of an 8-km bulk water pipe is 90% complete.

#### **4. Gauteng**

Khutsong Housing Project: the construction of civil engineering services for the first phase comprising 5 500 units, is 90% complete. A contract for building 5 500 units has been awarded and three show houses have been completed. Meetings were held with role players to discuss, inter alia, the implementation processes.



## 5. Mpumalanga

Klarinet Housing Project: the construction of bulk civil engineering services for phase 1 comprising 4 588 units, has been completed. The construction of internal civil engineering services will commence in the 2010/2011 financial year.

## 6. Free State

Grassland Housing Project: phase 1 of the project, comprising 1 241 bonded housing units, is being undertaken by a private developer. In phase 2, 1 840 of 2 831 BNG units have been completed, and 1 761 of 2 814 BNG units for phase 3 have been completed.

### Outputs on targets

#### 1. Finalise Implementation Agreements on identified projects

Implementation Agreements for the Khutsong, Lerato Park, Klarinet and Zanemvula Projects were finalised. Consultative processes on the implementation protocols were undertaken at Project Steering Committee and Technical Committee meetings during the year.

Discussions on project implementation also took place outside the formal meetings, as and when the need arose.

#### 2. Provide technical and project management support to the provinces and municipalities where priority projects are located

Technical and project management support was provided to provinces and municipalities at meetings held for the N2 Gateway, Zanemvula, Lerato Park, Ouboks, Khutsong and Klarinet Projects. Support was also provided to Grasslands, Mokopane Ext 20, Disteneng and Duncan Village.

#### 3. Identify blockages and facilitate progress with identified projects

Blockages were identified in the Khutsong, Lerato Park, Klarinet and Disteneng Projects.

#### 4. Track progress

Progress made with projects is being documented in updated progress reports.

Progress made on the N2 Gateway, Zanemvula, Khutsong, Lerato Park, Ouboks, and Klarinet Projects was tracked.

#### 5. Ensure compliance with national housing policy and programmes

Ensuring compliance with national housing policy and programmes was discussed at various meetings with the project teams responsible for the N2 Gateway, Zanemvula, Lerato Park, Ouboks, Klarinet and Khutsong Projects.

## 6. Ensure compliance with national norms and standards

Compliance with national norms and standards for the N2 Gateway, Khutsong, Zanemvula, Lerato Park, Ouboks and Klarinet projects was achieved by ensuring that the projects were registered with the NHBRC. All these projects have been registered with the NHBRC.

### Challenges

#### (a) Finalisation of the Implementation Agreements

Difficulties with the delays in the finalisation of the N2 Implementation Agreements have been due to the following:

- The difficulties encountered in the transition from Thubelisha to the HDA;
- The reluctance by the City of Cape Town to take over some of the responsibilities of the project; and the fact that the City of Cape Town's Administration still awaits directives from its political principals.

#### (b) Provision of technical and project management support to the provinces and municipalities where priority projects are located

Due to vacancies in the unit, it was not possible to attend meetings to offer technical and project management support to the following projects:

- i. KZN Department regarding the Emnambithi/Ladysmith Project;
- ii Gauteng Department regarding the Chief Albert Luthuli Ext. 6 Project; and
- iii Limpopo regarding the Disteneng Project.

#### (c) Identification of blockages and facilitating progress with identified projects

The challenge to the Khutsong Project has been insufficient funding to upgrade bulk infrastructure and the lack of funding to undertake subprojects aimed at complying with ROD requirements. Discussions with the role players are in progress

The challenge to the Lerato Park Project has been the insufficient capacity of the bulk infrastructure and the lack of funding to upgrade the bulk infrastructure. Discussions with the role players are in progress.

The challenge to the Klarinet Project has been the implementing agent's proposal for a higher level of services. After much consultation, it was agreed that the province, municipality and the implementing agent would contribute towards the shortfall.

With regard to the Disteneng Project, the following is recorded:

- i The municipality delayed the replacement of the project manager who had left the project;
- ii Contractors failed to perform, and there were payment disputes which led to the project becoming blocked;
- iii The unit learned of the blockage at a very late stage, because the Polokwane Municipality and the Limpopo Provincial Department did not submit progress reports, in spite of numerous requests;
- iv The management of and oversight over this project were not possible owing to the capacity constraints in the unit.

**(d) Tracking of progress**

Due to vacancies in the unit, it has been impossible to track the progress made with the other projects. Some provinces and municipalities continue to ignore requests for progress reports. This hampers the tracking of progress. The affected projects are Emnambithi/Ladysmith, Disteneng, Mokopane Ext. 20, Chief Albert Luthuli Ext. 6, Grasslands and Duncan Village.

**(e) Ensuring compliance with national housing policy and programmes**

Due to vacancies in the unit, it was not possible to ensure compliance with national housing policy and programmes for the following projects:

- (i) KZN Department regarding the Emnambithi/Ladysmith Project;
- (ii) Gauteng Department regarding the Chief Albert Luthuli Ext. 6 Project
- (iii) Limpopo Department regarding the Disteneng Project
- (iv) EC Department regarding the Duncan Village Project
- (v) Free State Department regarding the Grasslands Project

**(f) Ensuring compliance with national norms and standards**

Support could not be provided to other projects to ensure that they complied with national norms and standards, owing to the staff shortage. The affected projects are as follows:

- (i) KZN Department regarding the Emnambithi/Ladysmith Project;
- (ii) Gauteng Department regarding the Chief Albert Luthuli Ext. 6 Project
- (iii) Limpopo Department regarding the Disteneng Project
- (iv) EC Department regarding the Duncan Village Project
- (v) Free State Department regarding the Grasslands Project

**(g) Land availability**

Land availability is a major challenge that hampers progress in some priority projects such as the N2 Gateway and Khutsong Projects. Where land has been secured in other projects, township establishment and ownership transfers are delayed by unresolved land issues as in the Khutsong Project.

In order to overcome land-related problems in future, mega projects should be approved only when a guarantee has been given to the effect that all land parcels earmarked for the project have been secured.

**(h) Bulk infrastructure**

In some areas where national priority projects are located, a substantial upgrading of existing bulk infrastructure is required, because of the enormous size of projects such as the Lerato Park, Ouboks and Khutsong Projects. To date, it has been a challenge to get the upgrading of bulk infrastructure to coincide with the implementation of a project because the priorities of the sector departments controlling MIG funds have differed from the priorities of the Department of Human Settlements. This is evident in the Lerato Park, Duncan Village and Ouboks Projects. The transfer of MIG funds to this Department would begin to overcome this challenge.

**(i) Socio-economic amenities**

The timely provision of socio-economic amenities is not happening because of the misalignment of the Department's priorities with those of the relevant sector departments. This challenge is currently affecting all the projects. Greater inter-sectoral collaboration and coordination would begin to overcome this challenge.

**(j) Khutsong Housing Project**

The Record of Decision (ROD) was issued with a string of conditions. A sum of R225 million would be required to implement the measures aimed at complying with the stipulated conditions.

A source of funding has not yet been identified as these conditions fall beyond the scope of the Housing Fund. A delay in addressing the ROD requirements would hamper progress on the ground.

The project cannot afford such a delay because its objective is to relocate families from unstable dolomitic ground which may collapse at any time and which could result in deaths. However, various options are being explored to overcome the funding challenge.

**(k) Emnambithi/Ladysmith Urban Renewal Project**

The Emnambithi/Ladysmith Urban Renewal Project was identified in 2004 by the then State President as a project to be prioritised. To date, the project has not been implemented.

The KZN provincial department has been reluctant to use housing funds for the project. The Department's former Director-General held meetings with the provincial department in an attempt to pave the way for the project to be initiated, but nothing came of it. The Chief Directorate: Priority Projects Facilitation has also tried in vain to secure a meeting with the provincial department to address this issue.

**(l) Ouboks Project**

Insufficient funding for bulk infrastructure upgrading is also a challenge to this project. The Chief Directorate was advised that Eskom had indicated that the Umsobomvu Municipality, where the project is situated, lay at the end of an already overloaded power line. If Eskom were to supply additional power to Umsobomvu, it would have to divert power away from other areas, which would not be possible.

Eskom has no plans to upgrade the power supply to Umsobomvu in the near future. Electricity supply could therefore be a problem for the new development.

Internal roads were constructed to gravel standards because of insufficient funds.

**(m) Grassland Project**

Phases 2 and 3 still have rudimentary services because of insufficient funds to provide full services. However, the Mangaung Municipality is exploring various ways to address the funding problem.

**Reasons for major variances****(a) Assessing of business plans**

No business plans were received for assessment during the year. In previous years, business plans for individual projects were submitted to the provinces by municipalities when applying for the approval of project proposals. The provinces, in turn, only submitted broad annual business plans to the Finance Unit of this Department when applying for allocations from housing funds. The provinces have since then been requested to reflect individual projects in their annual business plans.

**Chief Directorate: Rental Housing and People's Housing Process****Directorate: Public/Private Rental Housing Development**

In the rental housing sector, the government has made significant progress through its legislative framework to provide an environment conducive to the growth and development of the rental housing sector. In addition, the government has provided for the upscaling of the delivery of rental stock and for low-income and lower-income segments of the community to gain access to rental housing accommodation. Upscaling the delivery of affordable rental housing is a national priority, but delivery at scale remains a challenge because of the following factors:

- Demand for affordable rental housing stock has grown significantly owing to increasing interest rates and restrictions on the purchase of property in terms of the National Credit Act.
- Higher building costs and increasing interest rates make the development of social housing and CRU significantly more expensive than the initial projections indicated.
- The lack of institutional and dedicated capacity in the various provinces and municipalities has a negative effect on the service delivery of rental housing stock.

- Other provincial priorities take precedence over the rental stock, resulting in a lack of support from provincial and municipal staff.
- There are significant delays in productivity and in the delivery of rental stock owing to the land and municipal processes related to land packaging, with the result that land and buildings become inaccessible for development.
- There are a range of role players in the sector who provide both formal and informal opportunities for rental housing in the market, but they have not been absorbed into the Department's rental housing approach.
- Non-profit organisations lack the technical infrastructure (systems) and maintenance planning capacity to administer rental projects properly.
- There is a lack of property management skills and infrastructure at municipal level to manage public rental stock.
- The funding streams are not aligned.
- Capacity (ability of social housing institutions and municipalities) to achieve their targets is a challenge to the delivery of rental stock and to setting targets.
- There is a lack of political buy-in or political will at local level to support the government's rental programme.
- The affordability of rentals is regarded as a constraint on reaching the deeper market.

The Directorate: Private/Public Rental Housing Development falls under the Chief Directorate: Social/Rental Housing and PHP. The directorate's main purpose is to manage and support the implementation of Government Rental Housing Programmes in line with the National Rental Housing Strategy and Rental Housing Legislative and Policy Framework.

It is comprised of two subdirectorates, namely the Subdirectorate: Public Rental Housing Development and the Subdirectorate: Private Rental Housing.

The main tasks of the Subdirectorate: Public Rental Housing are to manage and support the implementation of the approved Community Residential Programme, whereas the Subdirectorate: Private Rental Housing deals with managing the implementation of the Social Housing Programme.

The Director is responsible for managing the affairs of the directorate, and has a secretary attached to her office. Two Deputy-Directors are responsible for the two subdirectorates mentioned above. In each subdirectorate there are two posts for assistant directors, which are equal to four posts, two of which have been filled and the remaining two have been budgeted for filling in 2009/10.

### **Provincial lists of "ready" private and public rental housing projects**

The Department approved a National Rental Housing Strategy in 2008 which sets the target of 100 000 units to be delivered by 2012, divided into 75 000 social housing units and 25 000 CRU. To achieve these targets, the directorate has had to focus on the planning and project package so as to have what could be called projects "ready" for implementation. This was achieved through technical support and the Provincial Steering Committee meetings held in each province to assess the readiness of projects. About 28 000 units are ready for implementation across provinces, which exceeds the target set for the current financial year.

## Support Programme/Tools for the Rental Housing Programme

The directorate was set to provide support in the three main areas for the successful implantation of the programmes:

1. Technical – the focus being to provide the required technical expertise so as to have projects and implementation in line with the policy prescriptions. The required technical support for the CRU and social housing have been provided through the DBSA for the pilot project in North West and the SHF for both the Social Housing Programme and the Free State CRU Pilot Project.
2. Funding – to have the necessary Capital Restructuring Grant, inform the review of the subsidy quantum, and fund feasibility studies and strategies on request. The Restructuring Capital Grant for the development of 1 800 units was made available by the National Department of Human Settlements. One major challenge has been that this funding is not sufficient and is not aligned with the available Provincial Top-Up Subsidy (institutional subsidy). Through the 80/20 funding arrangement, an amount of R307 m was “ring-fenced” for rental housing. A document seeking to propose mechanisms for upscaling the delivery of rental stock is being prepared and a proposal will be put forward to prioritise rental housing and allocate sufficient funding for the development of the stock. The proposal on the ring-fencing of 15% will be submitted.
3. Public sector support – to provide the necessary capacity-building initiatives, especially concerning the legislative framework, so as to strengthen understanding of the programme. This has been done through various means, focusing mainly on the provincial requirements.

The need was identified to determine, develop and further communicate the relevant tools in order to enhance and guide the implementation of the programmes where policy is not clear. These tools are being identified on a continuous basis and are at various stages of development. The various tools will be communicated as soon as they have been finalised and approved.

### Development of Position Papers on different topics

In terms of the approved National Rental Strategy, there are two primary programmes that have to be pursued, but in order to accommodate a deeper market reach, it is proposed that complementary initiatives should be adopted and further developed into formal programmes.

The need was identified to address the plight of people living in backyards and the national Department has to respond. The question of what the rental housing incentives are should also be addressed, especially when seeking the involvement and meaningful participation of the private sector in the programme. A phase-in and phase-out approach to EEDBS and CRU was also crucial in this financial year, as this addresses the public stock that is available and can be used for rental accommodation.

### Mobilising support for the Rental Housing Programme

Rental housing requires a range of partners, because the government alone cannot fund this programme. Ongoing work is being done on this area by various means so as not only to facilitate the required understanding of the programmes but also to obtain the necessary buy-in from stakeholders and role players.

## Directorate: People's Housing Process

### Purpose of the directorate

To manage the implementation of the People's Housing Process programme and to provide support to the People's Housing Process sectors.

### Structure of the directorate

The Directorate: People's Housing Process consists of a Director, a Deputy-Director, two Assistant Directors, an SAO and a secretary. Approval of the appointment of the Deputy-Director is being awaited.

- (a) Engagements with all the provincial housing departments (PHDs) to pilot the enhanced PHP Policy Framework. The directorate consulted and engaged all the nine 9 PHDs to ensure the piloting of the new enhanced PHP Policy Framework in 2009/2010. However, because the provinces did not allocate funds to implement the PHP, the Policy Framework could not be piloted in the four provinces as planned. The enhanced PHP Policy Framework has only been piloted in Mpumalanga for 300 units and will be completed by the end of May 2010.
- (b) The resolution of old debt. A draft strategy for the resolution of old debt has been formulated and will be discussed at workshops with all the PHDs from May 2010. Provincial Joint Working Groups comprising officials at national and provincial levels as well as representatives from FEDUP/SDI hold meetings on a quarterly basis to discuss the progress made with the resolution of old debt.
- (c) The resolution of PHP blocked projects. A draft strategy to resolve PHP blocked projects has been formulated and will be discussed at workshops with the affected stakeholders in the respective provinces. In parallel to that process, an audit of all the PHP blocked projects will be conducted.
- (d) Engagements with the Federation of the Urban Poor (FEDUP) and Shack Dwellers International (SDI). Following the signing of the Memorandum of Understanding (MOU), between the Department and FEDUP/ SDI in 2006, the PHDs pledged one thousand (1 000) housing subsidies per province to FEDUP/SDI, but due to the lack of start-up funding and capacity in FEDUP/SDI, the pledge has not yielded the desired results. To date, approximately 600 housing units have been constructed throughout the nine provinces, with the Free State taking the lead. Limpopo (February 2009) and Mpumalanga (March 2010) have cancelled the pledge because of the lack of delivery.

The directorate has been in constant engagement with FEDUP/SDI to support and assist with fast-tracking the implementation of the pledge, and also to implement the Durban Declaration signed in 2008, which stipulates the need to involve other role players (NGOs and CBOs) to assist FEDUP/SDI to fast-track the implementation of the pledge.

- (e) Operationalisation of the sector support agencies and the strengthening of partnerships in the PHP environment. Constant engagements and workshops are being conducted to ensure that relationships with the PHP support agencies are strengthened and new partnerships formed. A consultation model outlining the roles and responsibilities as well as the code of ethics of the sector support agencies has been shared with the new PHP sector support agencies.



- (f) Training in the enhanced PHP Policy Framework and other related activities. The directorate constantly presents training and holds workshops on the enhanced PHP Policy Framework, following requests from the PHDs in preparation for the rollout of the enhanced PHP Policy. Training in the Community Resource Organisation (CRO) was presented in the Western Cape in March 2010.
- (g) Development of PHP project lists in a state of readiness to be implemented in 2010/2011. The directorate is currently assessing the provincial business plans for 2010/2011 to determine which PHP projects should be implemented. A list of pipeline projects submitted by CBOs, NGOs and civil society to PHDs has been consolidated by the directorate and is being discussed with the provinces to ensure the timely inclusion of the project lists in the PHD's planning process.

### Challenges

- Outsourcing the development of the Implementation Guidelines for the enhanced PHP Policy Framework has not been approved
- There is a lack of prioritisation of the programme by the provinces
- There is a lack of budgeting or planning for the implementation of the PHP by the provinces
- There is no alignment of planning between the provinces and municipalities
- Some provincial housing departments (PHDs) show resistance to implementing the PHP
- The Cuban professionals are utilised on other programmes instead of on the PHP

### Directorate: Rental Sector Regulation Support

The purpose of the directorate is to provide regulatory support in the rental housing sector. The directorate consists of two subdirectorates, namely the Rental Housing Tribunal and the SHRA Secretariat.

Quarterly meetings were held to identify the technical support required by tribunals.

The technical support required was identified as follows:

1. Training
  - a. Mediation training
  - b. Property management
  - c. Communication for the front office of the tribunals
  - d. Training for the presiding officer
2. Standardised remuneration for tribunal members
3. Standardised organisational structure for the optimum functioning of tribunals
4. Advocating the work of tribunals nationally
5. Amendment of the Rental Housing Act
6. The draft and promulgation of the regulations under the Rental Housing Act.
7. Centralised case-management system

To date the sub unit has facilitated the provision of training in mediation, and 28 officials from seven of the nine provinces have been trained and supported.

Guidelines were compiled on the organisational and remuneration structure and workshops are in progress on the implementation of the guidelines.

The Department of Justice was requested to roll out training for the presiding officers. The training will be presented in the 2010/11 financial year. Through the Chief Directorate: Legal Services efforts are being made to ensure that regulations and the amendments to the Rental Housing Act are promulgated.

The terms of reference for the appointment of a service provider to develop and implement the case-management system were drafted and approved, bids have been evaluated and calculations made. The only outstanding matter is the appearance before the BID Committee for final adjudication.

A pamphlet on advocating the work of tribunals was compiled and will be published in the 2010/11 financial year.

The sub-unit continues to provide support to the task team responsible for the establishment of the Social Housing Regulatory Authority.

The targets set for the SHRA Secretariat could not be achieved because the SHRA still has to be established as an institution.

### **Chief Directorate: Stakeholder Management**

The Chief Directorate: Stakeholder Management was established with a view to managing relations, engaging and collaborating with sector stakeholders by providing a channel to influence housing delivery. During the period under review, the sub-programme has worked hard to engage stakeholders that have the potential to assist the Department to deliver at scale.

A significant highlight of these strategic engagements has been entering into agreements with the platinum mines for the possible rollout of projects in Limpopo and North West, and with the DBSA for technical support for priority and blocked projects.

A major outcome has been the signing of an MOU with Intersite that will come in force with projects for joint developments on land around stations throughout the country. Significantly, the Chief Directorate negotiated the signing of the agreement with the Department of Public Works. This agreement gives the Department of Human Settlements first right of refusal on any land being considered for disposal by the Department of Public Works. In brief, the following developments have materialised during this financial year for each stakeholder:

#### **Intersite**

The implementation framework for Intersite was introduced and presented to KwaZulu-Natal and Gauteng in November 2009 and the Western Cape in March 2010. Gauteng has selected the Oakmoor and Residential stations for piloting the Intersite MOU.

### Development Bank of Southern Africa (DBSA)

The Department held a joint working committee meeting in October 2009. The implementation framework document was presented to Limpopo, Mpumalanga, Eastern Cape and North West. The Eastern Cape and North West have identified two projects each for piloting the DBSA relationship with them. Both provinces have completed their project appraisal forms. The Eastern Cape identified Duncan Village and Libode, and North West identified Tlokwe and Rustenburg. The Steering Committee meeting was held between the management of the DBSA and the Department to review the MOU signed.

### Department of Public Works (DPW)

The Department has entered into an MOU with the DPW, but for the smooth transfer of land, the Department will utilise the Housing Development Agency. For the current year, the Department has been negotiating with DPW to enter into an implementation protocol that will include the HDA as the implementing agent for the Department, and is currently awaiting a response from the legal section. The DPW has forwarded its legal response to the Department for further engagement. It is anticipated that the implementation protocol will be finalised in the current financial year.

### Department of Rural Development and Land Reform (DRDLR)

The Minister of Human Settlements has approved and signed the Implementation Protocol to be entered into between the Department and the DRDLR. The Department is still awaiting a response from the DRDLR. The protocol will be implemented by the Housing Development Agency.

### The Govan Mbeki Housing Awards

In March 2006, MinMEC took a resolution that the Department should host the National Awards to recognise a number of stakeholders that form part of the value chain for human settlement delivery.

The Minister of Human Settlements, Mr T. Sexwale, in his budget speech (June 2009) stated: "The Department's Medium Term Strategic Framework is to restore humanity and dignity, to address spatial inequalities and to provide comfort and security for all." This could be achieved through "working closely with communities, contractors, regulators, and other stakeholders to ensure that all those involved – from the largest contractor to the smallest – are focused on quality, and that they follow the appropriate design models".

Through the awards, the Department is in a better position to obtain more information about the best performers nation-wide, including the performance of provincial departments.

**The following provincial departments held their provincial ceremonies on the following dates:**

Province	Date
Eastern Cape	21 July 2009
North West	31 July 2009
Mpumalanga	07 August 2009
Limpopo	29 August 2009
Northern-Cape	10 September 2009
Gauteng	30 September 2009
KwaZulu-Natal	6 November 2009

The National Awards Ceremony has been postponed to the next financial year due to financial constraints.

## **Emerging Contractors Conference**

“Making the Delivery System work for Emerging Contractors”

The Department of Human Settlements conducted a study which revealed that 80% of all the developers interviewed, used emerging contractors as subcontractors in the delivery of top structures.

Provincial workshops will be held in all the nine provinces, followed by the National Workshop. The main objective of the workshops is to develop supporting frameworks to reinforce an enabling environment for emerging contractors. The conference is intended to open dialogue in the following areas: business management, training and support, quality management and institutional re-alignment.

It also gives the Department the perspective of different sector forums on emerging contractors regarding how the Department, together with other government departments, could support and create an environment conducive to supporting these contractors. Moreover, this may have the benefit of establishing a platform which may enable the Department to engage with emerging contractors on an ongoing basis to ensure sustainability.

## **Women and Youth in Human Settlements**

### **Mobilisation of women and youth**

#### **Women and Youth in Human Settlements Forums**

Forums were held in various provinces. The forums were aimed at also engaging women contractors and youth change agents.

The forums were held in the provinces of KwaZulu-Natal (May 2009), Mpumalanga (July 2009) and Gauteng (January 2010).

#### **Women and youth initiatives**

##### **YouthBuild – KwaZulu-Natal**

The Sub-programme: Stakeholder Management successfully coordinated the Youth Build Project which was hosted by the KwaZulu-Natal Provincial Department of Human Settlements and Public Works Department from 12 to 26 June 2009 in Eshowe, uMlalazi Municipality. A national breakfast session (2 June 2009) and a provincial breakfast (8 June 2009) were hosted. The provincial MEC Mrs M. Govender attended the provincial breakfast session as well as the opening ceremony, which was hosted on 12 June 2009. The opening ceremony was supported by the uMlalazi Mayor who pledged his full support for the event. On 26 June 2009, a ceremony was hosted by the National Minister of Human Settlements to hand over houses to beneficiaries.

The Minister, Mr T. M. G. Sexwale and Deputy Minister Zoe Kota-Frederichs attended the event and were accompanied by the KZN Premier, MEC and Mayor.

### **Women's Build Project**

The Sub-programme: Stakeholder Management successfully coordinated the Women's Build Project which was hosted by Mpumalanga Province in Thekwane North, falling under the Mbombela Municipality. The project entailed the construction of 53 housing units. The build commenced on 14 August 2009 and ended on 28 August 2009 to commemorate women's month. The Mpumalanga MEC for Human Settlements launched the project. A woman contractor was awarded the contract to construct 33 housing units and SAWIC 20 units. The beneficiaries of the latter houses included elderly women, people with disabilities and orphans. Various stakeholders were mobilised to support the build project. The Minister handed the houses over on 28 August 2009. About 96 volunteers participated in the build project.

The outcomes of the build project included the mobilisation of various stakeholders from civil society and the private sector. These stakeholders made contributions by sponsoring materials for extra features in the houses. This support demonstrates the government's philosophy that "together we can do more".

### **16 Days of Activism**

The Sub-programme: Stakeholder Management supported the Free State project where the Honourable Mr Jacob Zuma, the President of the Republic of South Africa, handed over two houses at the University of Free State in Qwa-Qwa. The Department participated in the mobilisation of volunteers for the project and the finishing off of the houses and also attended the handing-over ceremony. In addition, the Sub-programme: Stakeholder Management submitted a response to the Cabinet Memorandum on the 16 Days' Programme.

### **Youth Build International**

The Sub-programme: Stakeholder Management conducted the Youth Build International Project jointly with the National Youth Development Agency (NYDA) and YouthBuild USA. The project was launched by the National Chairperson of NYDA. This is a flagship project of the Department, and demonstrates the benefits of engaging young people in the delivery of human settlements.

### **National Youth Service Programme – YIHS**

The Sub-programme: Stakeholder Management supported the rollout of the programme to all the provinces except North West. The NHBRC presented the training in hard skills whereas the NYDA undertook the orientation and life-skills component.

### **Advisory support**

The Sub-programme: Stakeholder Management held strategic meetings with various stakeholders, provided advisory support and supported the programmes of sector stakeholders. This included engagements with the Presidency (women, youth and war on poverty issues), all the provinces (implementing the youth service programme), the National Youth Development Agency, (Youth Policy, IDCC meetings, Youth Build Project meetings), NHBRC (Youth Service Projects), Construction SEDA, YouthBuild USA, Khuthaza (Women Contractor Development Programme) and SAWIC (SAWIC Convention).

During this period, the Sub-programme: Stakeholder Management engaged the services of the Sub-programme: Research to assess and document good practices and challenges pertaining to the implementation of the youth service projects in all provinces. A report was produced by the unit to aid the Department in the massification of the youth programme. The unit also engaged the Sub-programme: Communication Services to document and profile programmes for women and the youth.

## **Stakeholder Relations Management**

### **Social contract**

The branch, through the Sub-programme: Stakeholder Management, hosted the Plenary Assembly during the third quarter and produced a framework for engagements and guidelines. After the Plenary Assembly, the Department established the Interdepartmental Forum to formulate a strategy for the implementation of the social contract and agree on deliverables.

### **Negotiations with identified stakeholders**

The branch, through the Sub-programme: Stakeholder Management, established partnerships with the international mining company Great Basin Gold Ltd and national religious leaders. An MOU will be signed in the next financial year. Further negotiations were held with the following stakeholders for the release of land:

- Tongaat Hulett Group in Durban
- Zion Christian Church in Limpopo
- Nazareth Church: 12 Apostles Church in East London

### **Support to the Social Compacts Task Team**

The following national forums were supported on a quarterly basis and minutes were kept and reports produced: Women and Youth in Human Settlements Forum, Women and Youth Build Project, Govan Mbeki Housing Awards.

### **Stakeholder newsletter**

The branch, through the Sub-programme: Stakeholder Management, compiled newsletters on a quarterly basis, which were circulated to stakeholders. The newsletters feature all the social compact activities.

### **Stakeholder database**

The branch, through the Sub-programme: Stakeholder Management administered the database for the Department. The database is used for sending invitations, managing confirmations and disseminating information to stakeholders.

During the period under review, the Sub-programme: Stakeholder Management coordinated the organising of the following national events/forums:

World Urban Forum, Plenary Assembly stakeholders, Youth Build Project database, the 2009 Ministerial Budget and the Women's Build Project.

## Challenges

During the period under review, the Sub-programme: Stakeholder Management experienced the following challenges:

Lack of adequate capturing and coordination of data on the women initiatives/contractors who had been allocated projects made it difficult to track the achievement of the 30% quota.

The implementation of the youth service project in North West was blocked due to the funding constraints of the Matlosana Municipality.

Consultation with sector stakeholders is currently in progress about the Integrated Model on Incubator and Mentorship for engagement and alignment with Ministerial directives on assessing and empowering emerging contractors.

Now that the Department's mandate has been broadened, the framework governing the Govan Mbeki Housing Awards has had to be reviewed with a view to matching this mandate. The sub-programme will then embark on an extensive remodelling which should be implemented in the following financial year. The broadened mandate also means that the Social Contract Implementation Strategies will have to be reviewed.

## Impact

The impact on the women and youth programme is strongest at community level through social transformation (beneficiaries are the recipients of the housing units constructed through the youth and women's programmes) and at individual level through personal transformation (young energy is channelled constructively to address societal challenges). In addition, the potential of youth is unleashed and it can be observed that youth are becoming purpose-driven and that women are becoming economically empowered by participating in a previously male-dominated arena.

### The following additional stakeholders have been engaged:

Afrisam	Service Delivery Achievements
Brickor	NURCHA
Selulumanzi	Department of Co-operative Governance
Sililu Investments	Department of Health and Social Development
Silliseal	Department of Public Works and Administration
TrussMasters	Department of Safety and Security
Tshidi Lebenya	Duro Pressings
Ukamba Coatings	Elite Group
York Timbers	Everite
Zuton/ Veralli	FNB
Crystal Sparkles	Group 5
The Presidency	Karino Wholesalers (provincial),
Department of Agriculture	LaFarge
Rakunchideba	Madala Land & Paving
PPC	Manadoma Trading
Progressive Glass	Matopo's Lodge
Mpumalanga Housing Finance	Motheo
NAFCOC	Mpfumelelo
NHBRC	Mpumalanga
Nkomazi Business Networks	Motivation Direct
RR Travel	

## Service delivery achievements

## Programme 3: Service Delivery Support

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Capacity Development	Manage training and skills development programmes	Training and empowerment programme implemented	Training and empowerment programme implemented	Phases one and two of the Sustainability Communities Support Programme implemented
				WITS Business School Certificate Programme was implemented and 83 officials completed their training
				Policy orientation sessions were facilitated for councillors, portfolio committee members and officials
				18 training sessions were conducted on the Home Loan Mortgage and Disclosure Act
				3 beneficiary empowerment programmes were initiated
	Support the professional development of the sector	Sector professional development programme developed and implemented	Strategy and framework implemented	A consultative workshop was held on the process of establishing the Housing Professional Body
				1 meeting was held with the Housing Standard Generating Body; 1 report was produced on the qualifications generated and registered
				All the student invoices received have been processed
				The induction workshop was held for students of the new Scholarship Programme
				1 provincial meeting was held



Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievement
Capacity Development	Develop institutional capability in the sector	Develop, implement and maintain the framework for the Institutional Capability Development Programme	Implement and maintain the framework for the Institutional Capability Development Programme	A consultation workshop was held to discuss strategies for developing institutional capacity for the three spheres of government, so as to deliver sustainable human settlements
				Guidelines on Provincial Business Plans were developed and aligned to the new mandate of the Department
				An analysis was done of knowledge management needs and a report was compiled on the findings
				Facilitated the recruitment of 14 Cuban Technical Advisers (CTAs) for Phase III of the South African/Cuban Technical Support Programme (SACTP) by 3 provinces
	Manage the training and skills development programmes	Develop and implement an integrated training and development programme with the housing financial sector for housing beneficiaries	Developed and implement an approved integrated training and development programme with the housing financial sector	Not achieved
			Develop and implement an inspector-training programme	Not achieved
Human Settlement Planning	Develop and maintain human settlement planning frameworks and instruments.	Framework for National Housing Conditional Grant Business Plan approved in line with latest revisions	Approved framework distributed to all PHDs	Achieved

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Human Settlement Planning	Develop and maintain human settlement planning frameworks and instruments.	Framework for Multi-Year Housing Development Plans (MHDPs) approved in line with latest revisions	Approved framework was distributed to all PHDs	Achieved
		National Programme for Housing Chapters of Integrated Development Plans approved in line with latest revisions	Approved framework was distributed to all PHDs	Done
		Technical Guide for Human Settlement Design (Red Book) amended and approved in line with latest revisions	-Draft paper ready for consultation	Actual performance in line with the draft amended Operational Plan for 2009/10
		Project Planning Module developed and implemented within HSS	-Project Planning Module developed and implemented within HSS	Actual performance in line with the draft amended Operational Plan for 2009/10
		National Housing Conditional Grant Business Plan for 2010/11 submitted for approval	-Receive and consolidate final drafts of PHD B/Plans for 2010/11 -Prepare final draft of National Housing Conditional Grant Business Plan for 2010/11 -Submit National Housing Conditional Grant Business Plan for 2010/11 for approval	-Final drafts of Business Plans for 2010/11 received from eight of the provinces -Final draft of the National Conditional Grant Business Plan and Compliance Certificate for 2010/11 were compiled and submitted for approval
	Support the implementation of human settlement and housing development planning frameworks at provincial level	9 Provincial Multi-Year Housing Development Plans submitted for approval	-Receive final Provincial Multi-Year Plans -9 Provincial Multi-Year Housing Development Plans submitted for approval	-Multi-Year Housing Development Plans were received from 4 provinces -Report was compiled and submitted
		9 provincial Housing Business Plans (BP) submitted for approval	-Receive 9 final HOD-approved provincial BP with attached project plans -Submit final Business Plans to Directorate: National Planning for inclusion in the National Business Plan	-Final drafts of BP for 2010/11 were received from 8 of the provinces -Final Business Plans were submitted for inclusion in the National Business Plan

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Human Settlement Planning	Support the implementation of human settlement and housing development planning frameworks at provincial level	Staff capacitation and induction for PHDs: provincial officials adequately capacitated in Housing Development Planning	-Ongoing hands-on support in the form of one-day workshops for provinces, targeting managers who deal with compiling the Multi-Year Development Plans and the Business Plans	-Support was given to targeted officials in provinces -1 quarterly review was conducted
		Annual Report on the Status of Provincial Multi-Year Housing Development Plans submitted	-Final draft of report prepared and submitted	Annual Report on the Status of Provincial Multi-Year Housing Development Plans was submitted
		Support rendered to municipalities in the preparation of housing sector plans	-Evaluation and development of Municipal Housing Chapters of Integrated Development Plans effected and approved, and distributed to relevant stakeholders as the need arises -Targeted support to municipalities guided by IDP and planning cycle	-Support was rendered to targeted municipalities for the period under review in conjunction with the Co-operative Governance Municipal Turn-Around Strategy
		Appropriate housing officials and municipal councillors, adequately skilled and trained to facilitate the compilation of housing chapter of IDPs	-Ongoing practical support in the form of workshops targeting municipal housing officials responsible for compiling Integrated Development Plans and the Business Plans	-Workshops were held in provinces in collaboration with Chief Directorate: Capacity Development -Participated in municipality's presentations in the Western Cape
		Participation and annual review of municipal IDPs	-Preparation for IDP reviews through communication to municipalities through provinces	-IDP review template was prepared and completed and submitted for publication to COGTA -Participated in the KZN IDP reviews

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Human Settlement Planning	Support the implementation of human settlement and housing development planning frameworks at municipal level	Participation and annual review of municipal IDPs	-Preparation for IDP reviews through communication to municipalities through provinces	-The development of the Industry Guide on level of service and unit costs with standards of infrastructure for urban and rural areas in the delivery of human settlements, as coordinated by the Department of Corporate Governance and Traditional Affairs, was finalised and approved by the task team -Engaged with COGTA in the Municipal Turn-Around Strategy in the Northern Cape
		Institutional alignment with other sector departments maintained	Ensure effective collaboration with the respective Chief Directorates as the need arises, and coordinate the execution of tasks emanating from this: -DEAT -DPLG -National Treasury DLA Note: The Department of Land Affairs has changed its name to the Department of Rural Development and Land Reform.	-The sanitation costing guidelines coordinated by the National Department of Water Affairs were finalised and endorsed by the task team -Promote the institutional alignment of planning with other sectors -The development of the Industry Guide on level of service and unit costs with standards of infrastructure for urban and rural areas in the delivery of human settlements, as coordinated by the Department of Corporate Governance and Traditional Affairs, was finalised and approved by the task team -Engaged with COGTA in the Municipal Turn-Around Strategy in the Northern Cape

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Human Settlement Planning	Institutional alignment with other sector departments maintained	Institutional alignment with other Departmental units maintained Collaboration with internal units	-Ensure effective collaboration with the respective Chief Directorates as the need arises, and coordinate the execution of tasks emanating from this: -Grant Management -M&E -Management information systems -IGR -Human Settlement Policy	-Maintenance of sound institutional alignment with other Departmental units was reflected in the achievement of the targets referred to above
		Participation in the Quarterly Performance Reviews of PHDs	-Quarterly Review of Performance by PHDs -Post-quarterly one-on-one engagements with provinces in collaboration with IGR, information systems and Grant Management	-Quarterly Performance Reviews of PHDs were held in collaboration with IGR, Mgt Information Systems and Grant Management -Other incidental priorities did not allow for further one-on-one engagements with PHDs
	Render advisory services and assistance in respect of human settlement planning	Planning and Urban Design support offered to PHDs	-Continued support to the Hill View Informal Settlements project in Cape Town and any other projects which might arise	-Support was provided as per target to Hill View Informal Settlement Project and Eastern Cape Intervention
		AMCHUD Secretariat and UN Habitat Governing Council	Participate in ad hoc team/s as the need arises	No reporting requirements for the period under review
		SALGA/ Cities network	-Participate in the Task Team and coordinate the execution of the resultant tasks	-No engagements with the sector for the period under review
		Support rendered to PHDs et. al., as these are requested by said offices	Timely responses to incidental requests, with an accurate record of all requests kept on file	Requests were responded to timeously and accurate records kept
Programme Implementation Support	The provision of support to provinces and municipalities to unblock stalled projects	Recovery plans in respect of identified priority blocked projects	Facilitate and support the development and implementation of recovery plans in respect of 50 projects	Twelve projects in three provinces were unblocked and five projects were closed

Subprogramme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Programme Implementation Support	The provision of support to provinces and municipalities for the implementation of housing programmes	Facilitating the implementation of projects	Facilitate the support and development of 40 projects	Not fully achieved 37 projects were identified for support and 3 projects were earmarked for dolomite investigations. Advice/project support was provided to a further 15 projects
	The provision of support to provinces and municipalities to upgrade informal settlements	Facilitating the implementation of identified projects for upgrading informal settlements	Facilitate and support the development and implementation of 40 projects	Achieved
		An enhanced and approved strategy for upgrading informal settlements	An approved enhanced strategy for upgrading informal settlements	
Priority Projects Facilitation	Promote inter-sectoral collaboration for the achievement of sustainable human settlements	Number of progress reports on the priority projects	Finalise the Implementation Agreements on identified projects	Partially achieved
			Provide technical and project management support to the provinces and municipalities where priority projects are located	Partially achieved
			Identify blockages and facilitate progress with identified projects	Partially achieved
			Assess project business plans	Not achieved
			Ensure compliance with national housing policy and programmes	Partially achieved

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
People's Housing process (PHP)	Develop, manage and support implementation and oversight of PHP and related programmes	Nine PHDs supported in the delivery of at least 15 000 units by 2012	Support provinces in piloting the enhanced PHP Policy Framework and prepare for the rollout of PHP	<p>Components of the target partially achieved and other component targets achieved as per target</p> <p>Achieved: the sector support agencies are operationalised on a continuous basis throughout the year for old and new sector support agencies</p> <p>Partially achieved: draft strategy was formulated to resolve old debt</p> <p>Not achieved: pilot in Mpumalanga will be completed at end April 2010; report on lessons learnt will be compiled afterwards</p> <p>Not achieved: PHP Indaba to be informed by the completion of the pilot in Mpumalanga</p>
Rental Sector Regulation Support	Regulatory support and oversight of the rental housing sector and dealing with tenant protection issues	Institutional arrangements for rental housing sector regulation and oversight operational in all nine provincial housing departments	Oversight of performance of regulatory institutions and institutional arrangements for the rental housing sector	<p>Partially achieved: Terms of Reference for the appointment of service provider to develop and implement the case management system were compiled and approved</p> <p>Achieved: quarterly meetings were held to identify the technical assistance required</p> <p>Achieved: the organisational structure was developed and remuneration guidelines were compiled for tribunals and tribunal members, respectively</p> <p>Achieved: administrative support was provided for the establishment of the Social Housing Regulatory Authority</p> <p>Achieved: mediation training was presented</p>

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Private Public Rental Housing Development	The development, management and support of the implementation of Government's Rental Housing Programmes	"Ready" public and private rental housing projects in all nine provincial housing departments (PHDs)	Request and assess public and private rental housing projects from all PHD Roll out the support programme in nine PHDs on public and private rental housing	Achieved. Requested and assessed public and private rental housing projects from all PHD Achieved. Support programme rolled out in 9 PHDs on public and private rental housing
		Support tools for supporting the implementation of rental housing programmes developed and communicated to stakeholders	Identify Support Tools and information required for rental projects Development of support tools and information required for rental housing projects Communication and implementation of Support Tools for rental housing projects	Partially achieved Rental Housing Support Tools were identified and are at different stages of development
		Three Position Papers	Backyard, Incentives and EEDBS	Achieved 3 Position Papers were compiled
		4 Rental Sector Forum meetings held through various task teams	Mobilising support for rental housing delivery in the sector through sector forums	Achieved In total 23 Rental Sector meetings were held through various task teams
Stakeholder Management	Manage the liaison and involvement of stakeholders in Human Settlement projects	Social compacts implemented	Social Contract and Rural Compact Strategies implemented	Partially achieved
		Targeted agreements signed with stakeholders	Negotiations with identified stakeholders concluded	Achieved
		Support for the national quarterly forums and the social compacts task teams	Support for the national implementation forum on: The Govan Mbeki Housing Awards Women and Youth in Housing	Achieved
			Six-monthly Social Contract Preplenary and Plenary held	Achieved



Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Stakeholder Management	Manage the liaison and involvement of stakeholders in Human Settlement projects	Production of the quarterly stakeholder newsletter	Stakeholders' newsletter compiled and circulated	Achieved
		Update stakeholder database twice a year	Develop and update stakeholder database	Achieved
	Manage collaboration on projects with sector stakeholders	Partnership agreements implemented	Signed MOUs for partnership projects identified and implemented	Achieved –progress was as per portfolio of evidence
		Stakeholder engagement plans and guidelines developed	Stakeholder engagement plans and guidelines approved	Achieved
		Co-operation with national and provincial departments	Engaged provincial departments in supporting the implementation process of projects	Achieved
		Organised the National Govan Mbeki Human Settlements Awards	Annual Awards coordinated	Not achieved
		Supported Provincial Govan Mbeki Awards	Provincial Govan Mbeki Awards supported	7 out of 9 provinces successfully hosted their awards with national support
			Stakeholder support for housing awards and builds mobilised	Achieved
	Manage the empowerment and support of women and youth in Human Settlement Programmes	Women in Human Settlements Programme implemented	WIH Framework approved and implemented	Achieved
		Mentorship programme model approved	Mentorship programme model for WIH developed and implemented	Partially achieved.
		% of WiHS initiatives supported	100% rollout of housing units delivered through women's initiatives during women's month	Partially achieved
		Number of reports on WiHS Forums	National and Provincial Women in Housing Forums coordinated and supported	Achieved

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Stakeholder Management	Manage the empowerment and support of women and youth in Human Settlement Programmes	Number of reports on WiHS Forums	Advisory support rendered to sector stakeholders	Achieved
		Youth in Human Settlements (YHS) Framework implemented	YIH Framework implemented	Achieved
			100% housing units delivered through youth initiatives during youth month	Partially achieved
			Exit Opportunity Strategy developed and implemented; 00% housing units delivered through Youth Build Projects	Partially achieved
			National and Provincial Youth in Housing Forums coordinated and supported	Achieved
			Provincial Youth in Housing Forums supported	Achieved
			Advisory support rendered to sector stakeholders	Achieved

### Reasons for major variances

There are many reasons for not achieving the targets that were originally envisaged. These reasons include the following:

- A shortage of staff, largely due to restrictions on funding and accommodation
- A shortage of funds to implement the required mandate effectively
- The late appointment of staff owing to cumbersome administrative processes
- The intervention in the Eastern Cape, which necessitated the use of resources in that province
- Limited number of capacitated delivery agents
- The hesitancy and/or unwillingness of provinces to support and take part in the unit's activities.
- Lack of political support at local level and at provincial level, which is reflected in the lack of commitment to funding the programme
- Lack of support from the private sector
- Lack of serviced land for development

## 2.8.4 Programme 4: Housing Development Finance

### Purpose

To fund national housing and human settlement development programmes in terms of the Housing Act, 1997 (Act No. 107 of 1997); to provide financial, grant and housing institutions management; and to manage all matters provided for by the Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000).

### Measurable objective

Funding of housing and human settlement development programmes; providing financial, grant and housing institutional management, as well as oversight of financial and non-financial compliance with relevant legislation.

- The Chief Directorate: Financial and Grant Management provides overall financial and grant management services.
- The Chief Directorate: Housing Equity promotes human settlement equity.

### Service delivery objectives and indicators

The following are the strategic objectives of the programme for the MTEF period for the 2008/2011:

- Providing financial administration and supply chain management services
- Providing overall budgetary and grant management services
- The Chief Directorate: Housing Equity manages the activities related to the functioning of the Office of Disclosure and Financial Sector Charter, to facilitate, promote and monitor access to affordable housing

### Recent outputs

A summary of the progress made in the recent past with the business activities of the branch is given below:

- Monthly reconciliation was done between the BAS and LOGIS fixed asset register;
- Redundant movable fixed assets worth R1 157 208,90 were disposed of;
- Better compliance with financial prescripts was ensured by amending financial management policies and improving controls through the introduction of new measures;
- The Department's budget and adjustment budget were approved and published;
- Monthly expenditure reports to National Treasury and provincial reports on the conditional grant were submitted and all deadlines were met;
- Visits were made to provinces as part of the monitoring function, reports in this regard were prepared, and key aspects emanating from the visits were incorporated in the DORA reports;
- The number of visits to provinces and engagements with provinces for hands-on assistance were increased;
- The Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000), its Regulations and reporting format were implemented in terms of the provisions of the Act;
- Information from financial institutions was received, analysed and an annual report on lending patterns

- and practices by financial institutions on home loans was prepared in terms of the Act;
- Information on the mandate, Home Loan and Mortgage Disclosure Act and its supporting tools was disseminated to all local authorities;
- Advertisements for and short-listing of the Members of the Office of Disclosure were completed;
- The impact and challenges of micro finance, the Financial Sector Charter and Financial Risk Factors on housing delivery were analysed;
- Requests for official development assistance were made through National Treasury for housing projects;
- Anglo Plats, Rustenburg Municipality and the North West Province were engaged to resolve the blockages of the Seraleng employer-assisted housing project.

The funding of the Integrated Housing and Human Settlement Development Grant is allocated to this programme and therefore accounts for the bulk of Departmental expenditure. The funds in this programme are transferred directly from the Department's budget vote to the nine provincial treasuries for onward transmission to the provincial housing departments to finance housing delivery. Expenditure on the grant has increased steadily from R4,8 billion in 2005/2006 to R10,1 billion in 2008/2009.

Sections 26 and 27 of DORA were enforced in the Eastern Cape Province because that province could not indicate that it could spend all its funds. The amounts of R270 million and R52 million were stopped to the Eastern Cape and North West Provinces respectively, in terms of section 26 of DORA. It should be pointed out that the R52 million for the North West Province was stopped and reallocated to the Northern Cape Province in order to finance projects in the former cross-border towns. The funds were stopped in terms of an inter-provincial agreement between the two provinces concerned. The amount stopped in respect of the Eastern Cape Province was reallocated and transferred as follows: Gauteng – R152 million, Free State – R68 million and Mpumalanga – R50 million.

It is confirmed that the monthly rate of expenditure of the various provinces was closely monitored and appropriately reported on to the Executive Authority and Accounting Officer. In addition, various periodic reports were submitted to and discussed with the Heads of Department Committee, known as the Housing Technical MinMEC, and the intergovernmental structure of the executive authorities of the nine provincial housing departments and the National Department of Housing, known as MinMEC.

Stopping a portion of the Eastern Cape's funds was sanctioned by MinMEC at its meeting held on 22 November 2009. In addition, it was indicated that the cabinet had approved the use of section 100(a) of the Constitution to intervene and assist the Eastern Cape Provincial Housing Department during the period under review. The National Department of Human Settlements visited the provincial staff members more frequently and at the same time viewed the projects, inter alia in the North West Province, selected by the Department to establish and ensure that quality housing units were delivered and that value for money was received.

## Service delivery achievements

## Programme 4: Housing Development Funding

Sub-programme	Outputs	Performance measure indicator	Actual performance against target	
			Target	Actual achievements
Financial and Funds Management	Manage financial support, internal control and compliance checking	Annual Financial Statements	Annual Financial Statements	Annual Financial Statements were submitted
		Reconciliations	12 monthly reconciliations	12 monthly reconciliations were submitted
		System and document reviews	12 monthly system and document reviews	12 monthly system reviews were submitted
		% of trained officials	100% trained officials	5 workshops were held
	Manage the provision of supply chain management services	Periodic and full stock-taking reports	1 stock count report	1 stock count report was submitted
		Reconciliations (LOGIS and BAS)	12 reconciliation reports	12 reconciliation reports were submitted
		Fixed Asset register	Fixed Asset register	Fixed Asset Register was updated
		Reports on SMME and HDI	12 reports	12 reports were submitted
		Bid report to National Treasury and Stratman	Submit 12 reports to National Treasury and 4 quarterly reports to Stratman	12 monthly reports and 4 quarterly reports were submitted
		Number of travelling reports	4 quarterly reports	4 quarterly reports were submitted
		Number of reports on Government Fleet	12 monthly reports	12 monthly reports were submitted
		Provide customer care service	4 workshops to be held	5 workshops were held
	Provide overall budgetary and grant management services	Approved budget	2010 Budget approved	2010 Budget was approved
		% of funds transferred	100% of funds transferred	100% achieved
		Number of reports on system support provided	4 management reports	4 management reports were provided
Housing Equity	Provide a secretariat function for the Office of Disclosure and also manage and analyse the information disclosed by financial institutions	Reports on engagements and agreements with financial institutions and other stakeholders	4 reports on engagements with financial institutions and other stakeholders related to HLAMDA	4 reports on engagements with financial institutions and other stakeholders related to HLAMDA were produced

Sub-programme	Outputs	Performance measure indicator	Actual performance against target	
			Target	Actual achievements
Housing Equity	Provide a secretariat function for the Office of Disclosure and also manage and analyse the information disclosed by financial institutions	4 reports on training provided to other spheres of government on HLAMDA	4 reports on training provided to other spheres of government on HLAMDA	2 reports were produced on the training provided to other spheres of government on HLAMDA
		2 reports on dissemination of information to provincial housing departments and municipalities' help desks (district and local municipalities)	2 reports on dissemination of information to provincial housing departments and municipalities' help desks (district and local municipalities)	2 reports were produced on the dissemination of information to provincial housing departments and municipalities' help desks (district and local municipalities)
		4 reports on secretariat functions to the OOD in terms of the Act	4 reports on secretariat functions to the OOD in terms of the Act	3 reports were produced on secretariat functions to the OOD in terms of the Act
		Reports on lending patterns and practices by financial institutions on home loans	4 reports on lending patterns and practices	4 reports were produced on lending patterns and practices
	Manage public complaints related to HLAMDA	Reports on rating of financial institutions in terms of their performance	Reports on rating of financial institutions in terms of their performance	Achieved
		Reports on public complaints about home loans and mortgages received, investigated and resolved	Reports on public complaints about home loans and mortgages received, investigated and resolved	4 reports were produced on public complaints about home loans and mortgages received, investigated and resolved
	Propose affordable housing finance instruments/products	2 reports on housing finance instruments or products explored/ encouraged for housing developments	2 reports on housing finance instruments or products explored/ encouraged for housing developments	2 reports were produced on finance instruments for human settlements development purposes
	Evaluate impact of various housing finance instruments/ products on housing delivery	1 report on funding investments promoted for human settlement	1 report on funding investments promoted for human settlement	1 report was produced
		2 reports on the housing finance institutional products and their impact on housing delivery	2 reports on the housing finance institutional products and their impact on housing delivery	2 reports were produced on the housing finance institutional products and their impact on human settlements delivery

Sub-programme	Outputs	Performance measure indicator	Actual performance against target	
			Target	Actual achievements
Housing Equity	Evaluate impact of various housing finance instruments/ products on housing delivery	2 reports on the housing finance institutional products and their impact on housing delivery	2 reports on the housing finance institutional products and their impact on housing delivery	2 reports were produced on the housing finance institutional products and their impact on human settlements delivery
		2 reports on the impact made by Official Development Assistance funding on housing delivery	2 reports on the impact made by Official Development Assistance funding on housing delivery	2 reports were produced on the impact of ODA on human settlements
		2 reports on the progress and the impact of FSC on housing delivery	2 reports on the progress and the impact of FSC on housing delivery	2 reports were produced on the progress and the impact of FSC on human settlements delivery

### Reasons for major variances

Housing Equity: Reports on Secretariat functions to the OOD in terms of the Act.

- There was no achievement on the performance measure/indicator because no meetings had been held in relation to the indicator during the third quarter of the financial year 2009/10.

## 2.8.5 Programme 5: Strategic Relations and Governance

### Purpose

To coordinate the Department's mandate within intergovernmental and international relations and promote good governance practices in the Department and its public entities, as well as to provide timely and integrated business information to the Department.

### Measurable objectives

The branch has the following measurable objectives:

- Provide oversight management of housing institutions by monitoring performance and corporate planning as well as by governance oversight, measured by compliance with regulations and the delivery of mandates
- Provide integrated business solutions and support as well as business information and related products by maintaining databases on housing and human settlements and ensuring quality control, measured by the availability of accurate information, data and solutions

- Provide an integrated communication service through public information and marketing, corporate communications and media relations, measured by sustainable awareness and the dissemination of knowledge and information that empowers stakeholders in and outside the Department
- Provide governance management by co-ordinating transversal programmes, measured by adequate comprehensive risk management, internal auditing, programme alignment and reporting

### Service delivery objectives and indicators

#### Recent outputs

The branch, through the Sub-programme: Management Information Services, continued to support Breaking New Ground (BNG) by ensuring that an enabling environment for planning, implementation and monitoring was facilitated through the provision of housing and housing-related information. Management was timeously provided with reports on important economic, financial and service delivery indicators.

The Sub-programme: Management Information Services continued to maintain and manage the operational and control system environment to ensure effective service delivery. Assistance was given to provincial housing departments to enable them to administer their housing subsidies on the HSS effectively. The draft Housing Delivery Business Model was developed, which addresses planning and budgeting, contract management, project management, beneficiary management, and claims and payments. The model was discussed at provincial and national workshops.

The HSS Steering Committee held meetings with provinces on a quarterly basis and discussed the following: issues related to cross-border projects; recording the procurement of land; electronic filing of application forms; inspection, planning and budgeting processes; beneficiary approval process; and the moving of approved beneficiaries between projects. Quarterly meetings of the Change Committee were held, where provincial representatives endorsed the change requests implemented in the various releases of the HSS.

The National Demand Database is now called the National Housing Needs Register. The National Housing Needs Register provides for the capturing, editing, viewing and reporting of the questionnaires completed at a household level by various provincial departments and municipalities. Support and training were provided to role players on a continuous basis.

The Minister's Information Management Portal was developed, based on requirements and feedback received from the Ministry. The portal is operational and maintained on the basis of the requests received.

The project to develop and publish a Human Settlement Investment Atlas has been concluded. The Atlas was distributed in the National Department and to provincial departments.

The project to develop an atlas of housing demand in informal settlements in respect of 70 municipalities has been completed. The compact discs and folders were distributed to all Chief Directors in the Department, and the verification and updates of the informal areas are being undertaken on an ongoing basis.



The data from the operational system was restored to the Department's data warehouse. Queries were run and reports generated for ad hoc requests. Monthly housing delivery statistics were obtained from the provinces for the non-financial performance report. Business information reports were updated and analysed, and the information was presented in the Human Settlement Journal for all four quarters.

Six information products were made available during the year (MapServer, Human Settlement Journal, Information Handbook, Fact sheets and Information reports, Informal Settlements Atlas and the Human Settlement Investment Atlas).

Accessibility to information about human settlements and knowledge services was ensured through the Library and Resource Centre. The knowledge zone was maintained and updated with e-books and housing-related articles.

Three Knowledge Services Reports were made available in the year. Accessibility to housing-related information and knowledge services was ensured through the Library and Resource Centre, the official Departmental website was maintained and made available on the Internet. Internally the Info Hub was maintained. Three requests in terms of Promotion of access to information (PAIA) were received. Two requests were granted in full and one request was transferred to another public body.

The branch, through the Sub-programme: Intergovernmental Relations and International Relations, has achieved its three objectives in the year under review, namely to coordinate the convergence of mandates through interdepartmental co-operation, to manage and facilitate inter-sphere co-operation, and to leverage international partnerships and best practice in support of the development of sustainable human settlements.

In the area of inter-sphere coordination, the branch coordinated and facilitated five National Accreditation Task Team meetings and provincial accreditation engagements in order to provide a platform for the sharing of lessons and experiences. These meetings provided a platform for the provinces and accreditation priority municipalities to share lessons and best practices on managing accredited municipalities and on sustainable human settlement planning and delivery for the provinces and municipalities respectively. The lessons will inform future interventions and support in the planning and delivery of housing/human settlements to ensure the alignment of municipal housing development planning with provincial multi-year housing development planning. Furthermore, continuous engagements are important as they enable stakeholders to identify challenges and solutions collectively and also to identify areas that require early intervention. As part of monitoring the programme, the provinces also report on the process of accreditation implementation. During the period under review, the Buffalo City and Polokwane municipalities were granted accreditation, bringing the number of level-one accredited municipalities to five.

The implementation of the municipal accreditation programme has been slower in other provinces, owing to different approaches to managing the provincial housing/human settlements delivery model and streamlining housing development with the existing institutional arrangement and governance. However, the sub-programme recently completed the municipal accreditation capacity and compliance assessments of six metropolitan and four local municipalities to determine their state of readiness to administer national housing programmes.

As envisaged in the municipal accreditation framework, the sub-programme provided a measure to ensure that accreditation municipalities can also benefit from forward planning by gazetting a three-year horizon funding allocation and concluding payment schedules with provinces.

Accordingly, section 15 of DORA 2010 gives effect to this rationale to ensure that accredited municipalities have funding certainty and predictability. The intervention is aimed at improving the transparency of municipal allocations, which will allow for the better planning, budgeting and integration of delivery objectives.

In ensuring that the Department coordinates and aligns its engagement with the provinces and municipalities, the sub-programme facilitated the quarterly provincial performance and delivery reviews to monitor overall provincial financial and non-financial performance on the housing and human settlements delivery programmes, as funded through the Housing and Integrated Human Settlement Development Grant and other sectoral grants.

Though the Department is repositioning itself to deliver on its mandate for human settlements, it is equally important to heighten and improve co-operative governance among national, provincial and local governments (metros/cities) through structured dialogue/engagements on the development of human settlements. The Intergovernmental (IGR) Human Settlements Planning and Alignment Reviews were held to promote this objective. The reviews furthermore created a platform for strategic engagement, the comprehensive analysis and assessment of the provincial housing/human settlements multi-year development plans (projects), spatial plans and land availability over the Medium Term Expenditure Framework (MTEF) period. Key municipalities and sector departments participated to share information and foster joint planning, alignment and coordination in the human settlement sector.

One of the key areas of work for the Department has been the development of the Framework: Macro Coordination and Alignment for Sustainable Human Settlements, which was consulted extensively with sector departments and spheres of government.

The Framework: Macro Coordination and Alignment is intended to ensure a convergence of government mandates across spheres and sector departments in terms of planning, public sector grants and implementation. Therefore the location of the framework is varied internally in the Department, as it affects the IGR, planning and funding functions in the Department.

Since the development of the Framework: Macro Coordination and Alignment, it has been informed by the Polokwane Resolutions, namely to develop a Central Planning Framework for Human Settlements. This has resulted from the shift in mandate from housing to human settlements and has been key to the development of the Outcomes-Based Approach to Create Sustainable Human Settlements and Improved Quality of Household Life. The delivery agreement process will be the key aspect of measuring performance and strengthening coordination.

The area of international relations was severely affected by the financial austerity measures imposed on international travel. Accordingly, new ways of ensuring that existing partnerships would be maintained and provide the Department with the intended benefit were devised. The international programme has had to be significantly reduced to include only the Department's crucial international commitments. All study and exposure visits were removed from the programme, and even servicing the Department's international commitments has proved difficult owing to the financial austerity measures. Alternative means of servicing our commitments are being devised, so that we will be able to meet our commitments without incurring many costs.

However, expansion over the medium term will not be possible. On the contrary, the trend is towards dramatically scaling back our international activities.

This implies that the South African voice in international debates on human settlements will not be as audible as in the past, where we were seen as a role model and key advocate for the human settlement issues affecting the poor and developing countries. It will also mean a reduction in exposure to international best practice and to emerging approaches to human settlement development.

To reduce this risk, stronger partnerships are being pursued with the local presence of UN Habitat and the World Bank and, wherever possible, partners and experts are invited to meetings in South Africa to reduce costs.

Nonetheless, the branch has made significant achievements in the period under review. At the 22nd Session of the Governing Council of the United Nations Programme on Human Settlements (UN-HABITAT), in Nairobi in April 2009, a resolution was taken that greater South-South co-operation would be earnestly explored by UN-HABITAT, both within regions and between regions, to create opportunities for learning networks and knowledge-exchange platforms among developing countries. This resolution led to a Special Session on South-South Co-operation, co-chaired by Brazil and India during the World Urban Forum in Rio de Janeiro, Brazil, in March 2010.

As Secretariat of the African Ministers' Conference on Housing and Urban Development (AMCHUD), the branch prepared a work programme and a series of proposals for implementing the decisions taken by AMCHUD at the Abuja Conference in July 2008. The AMCHUD Bureau adopted the work programme and resolved to deal with other issues at the next bureau meeting. Unfortunately, resource constraints prevented a further bureau meeting from taking place until March 2010 during the World Urban Forum in Rio de Janeiro, and even so a full quorum was not present. Therefore the implementation of the AMCHUD Bureau's work programme remains a challenge. South Africa will remain as interim secretariat of AMCHUD until the next AMCHUD Conference scheduled for the 2010/2011 financial year.

In its role as AMCHUD Secretariat, the branch has been lobbying for greater South-South co-operation opportunities to be facilitated by partners such as UN-HABITAT, the World Bank and the Cities Alliance. As member of the Executive Committee of the Cities Alliance, the Department has been participating in discussions on changing the business model of the institution, arguing for a stronger focus on the Cities Alliance as a knowledge hub and a stronger advocacy role for best practice in human settlements.

As an example of the model for South-South co-operation, India, Brazil and South Africa (IBSA) have established an IBSA Working Group on Human Settlements Co-operation which is implementing a work programme to facilitate the exchange of knowledge and experience by human settlements experts and practitioners. Unfortunately a seminar on slum upgrading best practice in the three countries had to be cancelled as part of the financial austerity measures in the current economic climate. However the preparatory work was then put to use to prepare for a session at the World Urban Forum, where the three countries exchanged ideas and perspectives on slum upgrading. This co-operation will continue to be strengthened going forward, with the support of partners such as the Cities Alliance and the World Bank.

South Africa and Angola concluded a Memorandum of Understanding on Co-operation in the Field of Human Settlements, signed by Minister Sexwale and his Angolan counterpart during the State Visit of President Zuma to Angola in August 2009.

The MOU provides for co-operation in planning and management systems; population migration and urbanisation; basic services including sanitation and potable water; land tenure and other pertinent issues related to land; urban employment and poverty alleviation; strategies for the integration of vulnerable groups; and the development of the informal sector and of communities; and co-operation with multilateral organisations on these matters. The MOU may also be an impetus for South African companies to participate in the construction of housing projects in Angola.

South Africa and the Netherlands have had a long-standing relationship of co-operation in the field of social (rental) housing. The Arrangement on Co-operation in the Field of Social Rental Housing for 2009 to 2014 has been finalised and an annual work programme agreed upon, which is currently being implemented. For the initial part of 2010, the focus will be on support for the establishment of the Social Housing Regulatory Authority (SHRA). In addition, the co-operation includes capacity building and technical support for the implementation of South Africa's social rental housing strategy, as well as financial assistance in the form of guarantees to social housing institutions in South Africa.

Co-operation with Cuba continues, and the third phase of the Cuban Technical Support Programme commenced in April 2010. A review of phases one and two has resulted in considerable strengthening and improvement of the already highly successful programme of seconding Cuban engineers and architects to various provinces to assist with the development of capacity and skills.

With regard to co-operation between South Africa and Denmark, Denmark has provided funding for an energy-efficiency pilot project for low-income housing. A total of 49 show houses in Joe Slovo 3 at the N2 Gateway have been completed. A further rollout is planned for 2010, and the intention is to have the project completed by the 2010/11 financial year.

The branch, through the Sub-programme: Communication Services, which comprises the Corporate Communication, Media Service and Public Information and Marketing Units, succeeded in achieving its objective to develop, implement and manage the corporate strategy and plans in support of Sub-programme: Communication Services' aim of managing communication and public relations. Furthermore, the sub-programme implemented a sustained media campaign to profile the Departmental programme. The Minister was profiled and beneficiaries were informed of the available subsidies. In addition, the sub-programme promoted public awareness and knowledge of human settlement programmes, developments, achievements and challenges to all the relevant target audiences in the housing delivery chain.

The Sub-programme: Communication Services also ensured that the Minister's office and the Department received overall positive media profiling as a result of the enhanced efforts of the Communication Programme. In line with these deliverables, the sub-programme participated in all programmes and events aimed at creating awareness of the mandate, deliverables and achievements of the Department during the 2009/10 financial year.

One of the branch's most notable achievements through the Sub-programme: Communication Services was the development of the Presidential Call Centre, in line with the Presidency's request for all departments to establish call centres by 1 September 2009.

The primary objective of the Call Centre is to deal with public queries related to the development of human settlements nationally. The Call Centre currently employs 16 agents, including individuals able to interact with members of the public in six of the official languages, in line with the minimum standard set by government.

The Call Centre agents receive continuous training in Human Settlements policies and procedures, and are kept updated with relevant information so that they can respond effectively to public queries. Since the establishment of the Call Centre in September 2009 to date, 6 571 calls have been received from the public. Of that number, only four cases have not yet been resolved. In addition there are 11 active cases awaiting further client information to give the Department the requested information about the query, and two pending cases waiting for responses from project managers as to where and when the housing project will commence in those provinces.

A recent report from the Presidency shows that the Department of Human Settlements received the second-highest number of queries totalling 5 571, after the Department of Labour. In terms of the percentage of solving these queries; the Department is the second-highest with a score of 86%. The Presidency congratulated the Department on its turnaround time in responding to the queries received through the Presidential Hotline.

The Department also received compliments from the public for rendering effective and efficient services to all citizens of South Africa. The successful cases handled and resolved by the Call Centre include the following: Mr Steven Makgafole of 52/1929 Block XX Soshanguve received his house through the help of the Call Centre, and the Parliament Constituency Office informed the Department that Ms Mthetwa is now living on her property after being helped by the National Call Centre.

The queries come in the form of communications such as email messages, written letters, SMSs and faxes, and through the toll-free number which caters for all the nine provinces in South Africa. There is a growing tendency for the public to direct enquiries, concerns and complaints to the national office, while disregarding the role of the service delivery arms of government, i.e. the provinces and local government. Consequently it is imperative for the National Call Centre to be given capacity with all the required resources. A large number of community representatives visited the Department's Help Desk on a daily basis for assistance with resolving their concerns.

The Sub-programme: Communication Services through the Corporate Communication Unit produced regular publications and information posters, which keep the Department's employees aware of developments relating to the Department.

The in-house Desktop Publishing Unit was able to provide cost-effective support for all programmes in the Department through the unit's design, layout and production services, whereas the Event Management Unit managed the planning of all major Departmental and Ministerial events. In the year under review, the Events Management Unit supported and provided logistics on several ministerial projects/activities, including the following:

- Deputy Minister's visit to Port Elizabeth
- Minister's outreach visit to N2 Gateway
- Minister's visit to Thokoza Hostel
- Youth Build
- Women's Build Project in Mpumalanga

- Social Contract conference
- National Audit Launch in Eastern Cape

In the year under review, the key achievements of the Sub-programme: Communication Services through the Media Services Unit included introducing the Minister to the media, stakeholders and the community at large. The warm reception that the Minister received from these various stakeholders has created hope that the challenges we face in providing decent human settlements are appreciated by all role players and stakeholders, who are willing to partner the Department to contribute to overcoming these challenges.

The positive media coverage that the Department received as it announced measures to tackle fraud and corruption, remains one of the highlights of the year as it demonstrated the Department's commitment to rooting out undesirable elements in the housing delivery chain. Another highlight was the launch of the National Audit Task Team that is headed by the National Special Investigation Unit and the Auditor-General.

The Sub-programme: Communication Services, through the Media Services Unit, also provided a daily media-monitoring and analysis service to the Department, provincial departments and other stakeholders. Through the Human Settlements Communicators' Forum, the branch supported the projects of provincial and sector partners.

Some of the significant activities of the Media Services Unit in the Sub-programme: Communication Services during the year under review, are as follows:

- First National Department of Human Settlements (housing) MinMEC briefing under the new Minister
- Youth Build ceremony at Sunnydale, Eshowe, KZN on 26 June 2009
- Minister's visits to various projects in the country were supported
- Cluster Briefing 2010 inputs
- Media support for Human Settlements Week
- Media support for the Social Contract Plenary
- Media support for the National Audit Task Team (fraud and corruption)
- Media support for the Rectification Programme
- Establishment of media support for the Social Housing Regulatory Authority
- The statement issued to the media after the Constitutional Court's ruling on the relocation of Joe Slovo residents

Through the Public Information and Marketing Unit, the Sub-programme: Communication Services' effectiveness levels continued to be enhanced through the implementation of innovative strategies and improved sector partnerships. The Public Information and Marketing Unit also put a great deal of effort into conceptualising high-visibility external marketing and branding campaigns aimed at using a variety of multimedia platforms and exhibitions.

The focus on consumer awareness through scheduled exhibitions and participation at government-wide events has had a positive impact because it broadened access to consumer information about basic human settlements. Accordingly, beneficiaries and other members of the public have become better informed about the processes, roles and responsibilities of role players and stakeholders, as well as the achievements of the government in relation to the Human Settlements Development Programme.



Among the notable achievements of the Public Information and Marketing Unit for the year under review was the production of corporate and generic beneficiary publications.

These included Human Settlements Programmes and Subsidies, Economic Opportunities Created by Human Settlements and a comic book. Generic beneficiary publications were updated and produced in the 11 official languages. In addition, two of the primary generic publications – Human Settlements Programmes and Subsidies and Economic opportunities created by Human Settlements – have been translated into Braille. Two issues of the quarterly corporate publication – “Building the Nation” – were produced. The unit produced a one-off publication “Women in Human Settlements” commissioned by the Sub-programme: Stakeholder Management Unit in the Department.

The front page of the Departmental website has been reviewed. A bigger project to revise the entire website will be rolled out in the new financial year.

The Public Information and Marketing Unit assisted with planning and implementing the Social Contract Plenary, National Audit Launch at Alfordale and with the Deputy Minister’s visit to the Eastern Cape. The unit also participated in all the GCIS Fora called to plan for the 2009 Imbizo Focus Week, 16 Days of Activism and also represented the Department at the NCOP hearings in Limpopo.

The Human Settlements brand and products were showcased at a number of sector and general public events, including the annual Pretoria Show and the South African Housing Foundation Exhibition. The Johannesburg Easter Festival Show was implemented in partnership with some of the housing institutions during the first quarter of 2009/10. At these exhibitions, the Department’s primary objective was to interact with all sectors of the public interested in State-provided housing via interactive displays of housing products, the on-site ability to verify waiting list status on the HSS and the dramatisation of housing issues. The showcasing of the different life-size housing products at the Easter Exhibition pavilion enhanced the Department’s ability to demonstrate to visitors the wide variety of housing typologies, their quality and increased size. Accordingly, three typologies were displayed on the stand, namely a 40<sup>2</sup> metre BNG unit, a 65<sup>2</sup> metre affordable unit and the 35<sup>2</sup> metre social housing unit.

The Public Information and Marketing Unit also played a pivotal role in supporting the programmes of other units in the Department. These include the annual stakeholder interactions such as the Youth and Women’s Builds hosted in KwaZulu-Natal and Mpumalanga respectively, planning for the Govan Mbeki Housing Awards as well as participating in the Social Housing Regulatory Agency (SHRA) Establishment Task Team, and planning the Alternative Technologies workshop and the 16 Days of Activism campaign. During these events the unit’s role was to maximise public awareness and understanding of the Human Settlements programme and to promote co-operation with relevant units in the province.

The unit facilitated the advertisement of programmes in relevant publications, namely the announcements of the Govan Mbeki Awards, scholarship announcements, the Commuta Net publication, announcement of SHRA nominations and A call for Alternative Technology Builders.

The dissemination of Human Settlements messages was maximised through a multi-pronged dissemination strategy which utilised sector and general exhibition opportunities, Government-wide events, the Government Communication Information System (GCIS), Thusong Centres and provincial information centres. In addition use was also made of customised profiles published in various publications aimed at target audiences.

Partnerships with institutions such as the GCIS, provincial housing departments and housing institutions are a continuing area of focus for the unit, as these relationships enhance the implementation and effectiveness of projects. Accordingly, the housing institutions are formally engaged to participate at events and the Directorate obtains sponsorship, where appropriate.

Beneficiaries across the country have been exposed to common messages from the Department of Human Settlements, enabling them to gain a common understanding of the Department's processes, challenges, achievements and their own role in the housing programme.

The achievements of the Public Information and Marketing Unit mentioned in this report were aimed at reaching and promoting internal and external audiences' enhanced awareness of the human settlements mandate, challenges and achievements. During the year under review, the Chief Directorate's output continued to strengthen and existing capacity gaps were filled.

The commitment of the staff in the Sub-programme: Communication Services has ensured that the work of the Public Information and Marketing Unit continues to be achieved. Participation in provincial and local government campaigns continues to grow.

For the year under review, the branch, through the Sub-programme: Housing Entities Governance, continued to exercise its oversight over its entities. The subdirectorates facilitated the development and approval of institutional strategic plans to ensure alignment with national priorities, and continuously analysed and reported on the actual outputs achieved. Furthermore, analysis reports included reporting on housing institutions' compliance with good corporate governance practices. On various occasions the Department engaged with institutions on issues pertaining to financial and non-financial performance as well as entity governance. The sub-programme conducted visits to institutions for verification purposes. Though some Institutions are progressing well, others lag behind and require coercion to play the role that is the reason for their existence.

During the year under review the Board, Chief Executive Officer and Chief Financial Officer of the Housing Development Agency (HDA) were appointed and the agency commenced its operations. The institution identified four projects, namely Cornubia in KwaZulu-Natal, Lephalale in Limpopo, Northern Cape informal settlements and eradicating the housing backlog and redeveloping buildings in the inner city of Johannesburg. For these projects, the agency will facilitate land acquisition, assembly, planning, project structuring and funding.

The General Manager for the Land Acquisition and Management Unit was appointed in October 2009. As a result, the activities of this key focus area, the HDA started to take shape. The institution entered into negotiations with Transnet, the nine provinces and the major municipalities, relating to their land requirements over the next three years.

A new Council for the National Home Builder's Registration Council was appointed with effect from May 2009 and a Council Advisory Committee (CAC) Secretariat appointed to facilitate the effective discharge of the duties of the CAC.



Closure Steering Committees provided oversight over the closure processes of Thubelisha Homes and Servcon Housing Solutions. These institutions ceased operations as planned by 31 July 2009 and 31 August 2009, respectively.

The project management of the N2 Gateway and Zanemvula mega-projects was transferred to the HDA.

The Department constituted an Establishment Task Team to drive the establishment of the Social Housing Regulatory Authority (SHRA), as provided for in the Social Housing Act (Act No. 16 of 2008). Nominations of individuals to serve on the SHRA Council have been received and appointments are being considered by the Minister. The first strategic plan for the institution is being developed and should be finalised in April 2010.

In the absence of SHRA, the implementation of the Interim Social Housing Programme was extended through the Social Housing Foundation (SHF). Nine projects located in four provinces from four social housing institutions were selected to receive the Restructuring Capital Grant (RCG).

A Closure Plan for the Closure of the Social Housing Foundation (SHF) was approved and the implementation of the plan commenced.

Following the national review of development finance institutions (DFIs), the Department commenced a sector review of housing development finance institutions, namely the National Housing Finance Corporation (NHFC), the National Urban Reconstruction and Housing Agency (NURCHA) and the Rural Housing Loan Fund (RHLF). Workshops were held with the institutions concerned, and Terms of Reference were issued for a service provider to assess the appropriate institutional arrangement required for adequately addressing the development finance gap throughout the human settlement development chain.

The branch, through Sub-programme: Strategic Management, is mandated to manage overall organisational planning and supports the strategic management and operations of the Department. The sub-programme comprises the Organisational Performance Monitoring Unit and the Organisational Planning Unit. In the year under review, the sub-programme could timeously submit the Departmental consolidated annual and quarterly performance reports for the financial year as well as the corresponding performance evaluation reports, to the Director-General for discussion with the Minister. The purpose of the performance evaluation reports is to provide a progress report on the implementation of the approved Departmental Strategic and Performance Plans. The determination is therefore made on the factual correctness or accuracy of the programmes' actual achievements compared with the approved targets during each performance-reporting period.

The performance evaluation report also covers the issues that need urgent and ongoing attention as regards the performance of the Department.

The Departmental verification reports were also compiled and submitted to the Accounting Officer. The verification process is aimed at determining the factual correctness or accuracy of programmes' actual achievements compared with the targets that are detailed and predetermined in the Annual Performance Plan, with specific emphasis on the quarterly targets that have been set.

The Departmental Annual Report for the financial year 2008/09 was tabled in Parliament as per the parliamentary schedule.

Guidance was provided during the planning and performance review and information sessions were held on planning and performance monitoring and reporting in the Department. In its endeavour to improve its service to officials of the Department, the Chief Directorate: Strategic Management also developed an information session evaluation form, to obtain feedback from participants on the presentations made during the sessions.

All presentations on planning and performance monitoring reports were timeously compiled and prepared for the Departmental Strategic Management Committee, the Departmental Audit Committee and the Oversight Committees of Parliament.

The existing approved Departmental Strategic Planning and Monitoring Policies, Frameworks and Tools were reviewed and updated with the latest information from the relevant policies and legislation in order to guide Departmental planning and performance-monitoring processes.

During the period under review, an annual calendar of submission dates and review sessions for Departmental strategic and performance plans as well as for Departmental performance reports for the rest of the 2010/2011 financial year was developed and distributed.

The Chief Directorate has also facilitated the completion of worksheets on the description and implementation of performance-monitoring controls in the Department.

In view of the transition, name change and changed mandate for the Department, the sub-programme facilitated strategic planning review sessions with all branches of the Department, which culminated in a three-day Department-wide strategic planning session held in December 2009 to finalise the 2009 – 14 Strategy and the 2009 – 12 Strategic and Performance Plans.

The sub-programme was also able to develop and submit to the Executing Authority for approval the Departmental Strategic and Performance Plans 2009 – 14 and 2010 – 13. All these documents were approved by the Accounting Officer and then submitted to the Office of the Minister for further processing. The 2009 – 14 Strategic and Performance Plans were submitted to Parliament through presentations developed by the Strategic Management Sub-programme.

The sub-programme has, during the period under review, aligned and verified SMS performance agreements with the approved operational plans for 2009/10 and submitted a report to the Accounting Officer.

Even though the Chief Directorate: Strategic Management performed all strategic support and coordination functions, compliance reports were not produced because of staff shortages in the Directorate: Organisational Planning.

The branch, through the sub-programme: Transformation is mandated to oversee and ensure Departmental transformation processes, systems, procedures and culture. This sub-programme is comprised of two units, namely the Organisational Transformation Unit and the Sector Transformation Unit, whose functions are to develop and manage organisational transformation and transformation in the human settlements sector, respectively.

During the year under review, the Assistant Director who had initially been appointed in the Organisational Transformation Unit, under the Subdirectorate: Employment Equity; Change Management and Batho Pele, was transferred to Sector Transformation with effect from 1 September 2009.

During the year under review, the branch, through the Sub-programme: Transformation, made the following notable achievements.

As part of the Batho Pele Flagship Projects, a report was compiled for the DPSA on Departmental participation during the Public Service Week deployments. Project assessment questionnaires were also distributed to participants in the KHAEDU training course.

The branch also compiled and submitted the quarterly Employment Equity Reports and the Annual Departmental Employment Equity Report to the Department of Labour. The Annual Departmental Employment Equity Report was compiled for presentation to the Strategic Management Team. The sub-programme formulated the Change Management Strategy; and conducted the Departmental 16 Days of Activism, Aids Day and Disability Day, and the Departmental Wellness Day, HIV and Aids Day during the period under review. Coordinated Employment Equity training was provided to members of the Employment Equity Forum and the sub-programme also coordinated the Sports and Recreation Promotion Programme of the top four tournaments as well as compiling a conceptual paper on Change Management and a draft Disability Policy.

The Sub-programme: Transformation furthermore developed a draft Service Delivery Improvement Programme (SDIP). A Departmental Wellness Management Policy was compiled and approved, and a draft Life after VCT Programme was also developed and is awaiting approval. Also developed were the draft Peer Educators Programme, and the Departmental National Strategy on HIV and Aids and TB. The Departmental Retirement Programme was developed too. Partnerships were established with the provinces of Limpopo and the Northern Cape in rolling out the KYSRC. A partnership was also established with the DPSA on the Know Your Service Rights Campaign (KYSRC), including wall murals on the KYSRC during the 2009 Women's Month at Thekwane North (Mpumalanga).

In addition, the sub-programme facilitated and coordinated a sport and recreation promotion programme; facilitated and participated in children's activities – an MDG (Take a Girl Child to Work initiative); facilitated and participated in the HIV/Aids and TB awareness (Candlelight Memorial); participated in the events of Africa Public Service Day and Public Service Week; participated in youth events – Eshowe (EHWP); and submitted the Job Access Quarterly Report to the DPSA.

### **Targets not achieved**

In the Sub-programme: Communication Services, some of the planned annual media services deliverables were adversely affected by a number of limitations which included, but were not limited to, adequate skills and refocusing the media strategy to accommodate Ministerial communication priorities. Previously there were a number of media campaigns but the Minister's current communication strategy requires a different form of communication, which is less prominent in terms of occupying media space.

Some of the planned annual public information and marketing deliverables were negatively affected by funding and policy revisions. Among these were the development and implementation of a multimedia advertising campaign which was approved in principle by the Office of the Accounting Officer but now awaits alignment with the revised communication strategy and funding in the new financial year (2010/11).

The branch, through the planned annual deliverables of the Sub-programme: Housing Entities Governance, was by funding and capacity limitations, including the final closure of Thubelisha Homes and Servcon Housing Solutions as well as the establishment of SHRA.

The conclusion of shareholder compacts between the executive authorities of the institution and government was put on hold, pending the enactment of the new Companies Act (Act No. 71 of 2008).

The total budget appropriation to housing institutions could not be transferred as a result of administrative delays in obtaining approval for the opening of a bank account for SHRA.

During the year under review, the branch, through the Sub-programme: Transformation was not able to carry out the following planned activities:

- Benchmarking with other departments' best practices on issues affecting youth could not be done;
- Could not facilitate and review the implementation of the mainstreaming guideline on special programmes (gender);
- The National Human Settlement Batho Pele Forum Programme of Action has not been approved because the unit is currently still constituting a national task team for the establishment of the National Human Settlement Batho Pele Forum;
- The Human Settlements Sector Transformation Charter has not been approved because the unit was consolidating the inputs from various stakeholders and is awaiting approval of the terms of reference.

The unit is in currently developing the Batho Pele Revitalisation Programme in consultation with relevant stakeholders in the Department; The unit is currently finalising the development and review of EHW policies that are aligned to the DPSA's Framework; the unit is still involved in a research process with the Department of Social Development and the Ministry of Women, Children and People with Disabilities aimed at the development of the mainstreaming guideline on transformation special programmes; a draft mainstreaming guideline has been developed for the Sector Transformation Special Programmes. The draft has not yet been approved due to the continuing process of benchmarking with the newly established Ministry of Women, Children and People with Disabilities.

### **Challenges**

Among the challenges faced by the Sub-programme: Communication Services and the Sub-programme: Transformation, the following had the greatest impact:

During the reporting period there was no appointed Chief Director for 75% of the 2009/10 financial year; the changes in policy imperatives have necessitated a review of the communication sub-programme's planned activities in the absence of a Chief Director which has been a major challenge; the changed focus from communication about housing to human settlements has necessitated the re-focusing of messages to include

issues such as sanitation but management and structural clarity is still needed; the re-branding of the Department has had cost implications across the board and the branding process has not yet been completed.

Shortages of office accommodation have impacted on the ability to fill vacant posts and also affected the management of officials who are accommodated far away from their line function colleagues; the ever-increasing volume of enquiries received at Call Centre and the Help Desk due to the service delivery protests is another area of concern and has the potential for credibility risks when enquirers do not receive the kind of responses they expect; the number of referrals from the Presidential Hotline continue to grow; and the Department is required to deal with communities who demand the opportunity to address the Minister about their grievances.

The natural attrition of staff also deprives the sub-programme of key skills at a time when the recruitment processes are unfolding at a snail's pace; some of the events are not included in the sub-programmes' calendar of events so that the unit is unable to prepare in advance. Project managers are still outsourcing the event management function to service providers. Commissioning the services of an organisation or individual to organise on behalf of the Department is interpreted negatively because the subdirectorates believe that they are regarded as not being capable of performing their duties. Some events are planned and prepared without the involvement of the unit.

Although some events are done on an ad hoc basis, Project Managers should at least inform Corporate Function about the event well in advance. Currently, most of the service providers require a deposit before we can confirm a booking. As a result, the unit enquires about the availability of a venue through agencies and this costs more because the agencies add a service fee to the invoice price. There is a need for the directorate to be in touch with the calendar of events and any other activities that are planned for the Department in or outside the Department. There is a lack of clarity about the functional mandate between the Sub-programme: Transformation and the Sub-programme: Stakeholder Mobilisation on youth and gender issues. In addition, the National Disability Policy Framework and Implementation Strategy require attention.

### **Management responses to address the challenges**

The Department is currently appointing a Chief Director and Director Media Services; the Chief Directorate is making efforts aimed at strengthening communication with the Ministry; Departmental publications have played a large role in explaining the new mandate to internal and external publics; the re-branding of all aspects of the Department continues to be rolled out internally and externally in order to minimise public confusion; the issue of office accommodation is being addressed through Programme Corporate Services; and management is increasingly recognising the need to develop management capacity at the Call Centre and Helpdesk,

The Sub-programme: Communication Services is currently filling the approved vacant positions in order to optimise delivery; it is also developing an Events Management Framework document; the Branch Head will engage with Branch: Service Delivery on clarifying the functional mandate between the sub-programmes of Transformation and Service Delivery; the Sub-programme: Transformation is involved in continuous engagement with the Office on the Status of Disabled People.

## Service delivery achievements

### Programme 5: Strategic Relations and Governance

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Management Information Services	Provide integrated business solutions	Change requests approved for development	Approved change requests	43 change requests were approved
		% of hours of support provided	100% of hours of support provided	100% of hours of support services were provided to the nine provincial human settlements departments
		Number of HSS-related training sessions conducted	Number of training sessions conducted	42 training sessions were conducted, based on requests received from various role players
	Manage data and information, and provide knowledge services	Business Information available for reporting	A developed and enhanced business information portal / tool	Business information was available in 4 quarters. The data in the warehouse for HUIMS as the portal / tool was maintained, and data and information were made available. National Housing Journal was updated to reflect the analysed data.
		Reports on the availability of business information and data	4 reports on business information and data available for reporting	4 reports on business information and data were available for reporting
		Number of information products available	4 information products available	6 information products were produced and available
		Number of information and knowledge services available	3 information and knowledge services (Library, Online and PAIA) available	3 information and knowledge services were made available
	Coordinate the convergence of mandates in support of sustainable human settlements development through interdepartmental co-operation	Framework developed for IGR collaboration for the creation of sustainable human settlements	Approved IGR collaboration framework	Framework for IGR collaboration for the creation of sustainable human settlement developed and approved

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Intergovernmental Relations and International Relations	Coordinate the convergence of mandates in support of sustainable human settlements development through interdepartmental co-operation	4 reports to reflect participation in, and compliance with the requirements of the relevant interdepartmental forums	4 reports to reflect participation in, and compliance with the requirements of the relevant interdepartmental forums	4 reports were submitted to reflect participation in, and compliance with the requirements of the relevant interdepartmental forums
	Manage and facilitate Inter-sphere co-operation in support of housing development	Completed municipal accreditation capacity and compliance audit	Terms of reference for the municipal accreditation capacity and compliance audit completed and municipal accreditation capacity and compliance audit completed	Terms of reference for the municipal accreditation capacity and compliance audit were developed and approved but the audit has not yet been completed
		% support to priority municipalities for accreditation of housing functions	100% support to priority municipalities for accreditation of housing functions	100% support provided to priority municipalities for accreditation of housing functions
		4 reports to reflect facilitation of and participation in IGR Fora to enhance vertical integration across spheres of government with regard to human settlement issues	4 reports to reflect facilitation of the Department's participation in the various IGR structures to enhance vertical integration across spheres	4 reports were submitted to reflect facilitation of the Department's participation in the various IGR structures' initiatives
	Leverage international partnerships and best practice for the development of sustainable human settlements	Develop a framework and programme of international engagements	Approved framework and programme of international engagements	Framework and programme for international relations was not approved owing to financial austerity measures
		4 reports on implementation of agreements, action plans and project plans with key strategic countries	4 reports on implementation of agreements, action plans and project plans with key strategic countries	4 reports were submitted on the implementation of agreements, action plans and project plans with key strategic countries



Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Intergovernmental Relations and International Relations	Leverage international partnerships and best practice for the development of sustainable human settlements	4 reports to reflect participation in strategic international forums to articulate South Africa's position <i>vis-à-vis</i> human settlement issues	4 reports to reflect participation in strategic international forums	4 reports to reflect participation in strategic international forums were submitted
Communication Services	Manage the Communication and Public Relations functions	An approved corporate communication strategy and plan	Hold 4 workshops to develop a corporate communication strategy and plans, streamline corporate communication activities, assess progress with the implementation of the strategy and plans, and review strategy and plans	Partially achieved and reasons are given in the portfolio of evidence
			Train and develop staff competencies	3 staff members were trained during the year
			Manage content on the Departmental INFOHUB	Partially achieved and target was revised
			Develop and disseminate information messages to internal stakeholders through posters, emails, brochures and information boards	Relevant posters, emails, brochures and information boards were developed and disseminated
			Manage the Departmental Call Centre and Helpdesk and produce 12 monthly reports	12 monthly reports and 48 weekly reports were produced.
			Produce 8 internal publications (Human Settlements Communiqué)	6 Human Settlements Communiqués were produced
			Manage information from staff collected via suggestion boxes and write reports for management's attention	Not achieved



Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Communication Services	Manage the Communication and Public Relations functions	An approved corporate communication strategy and plan	Manage Ministerial and Departmental events, functions and projects launches and human settlement handovers	100% of commissioned functions and events were managed
			Manage the production and design of Departmental publications	100% of Ministerial and Departmental branded material was produced and designed
			Manage and oversee the correct usage of the Department's brand on all promotional items/ material produced in-house	100% achieved
			Manage the Department's participation in transversal activities of government such as Internal Communication for a Social Cluster, organised by the GCIS	3 GCIS meetings were attended
	Develop and manage the Public Information and Marketing Strategy and plans (Annual Communication Strategy)	Implemented strategy and plan developed to prioritise communication of programmes/ campaigns	Develop a prioritised plan for Public Information and Marketing activities Implement the PI&M prioritised plan of activities and review the plan	Achieved
			Cost the prioritised PI&M campaigns in line with the disbursed budget and implement the prioritised PI&M programmes/ campaigns	Partially achieved
		Develop and implement a content management schedule for external publications and website	External Publications Schedule developed and implemented	Annual publications plan was developed
			External printing of publications commissioned	External printing of publications were commissioned
	Develop a distribution strategy	Distribution strategy implemented	Distribution strategy reviewed for accuracy and implemented	The Distribution Strategy was developed

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Communication Services	Develop a distribution strategy	Develop interactive beneficiary campaigns	Face-to-face beneficiary and stakeholder interaction campaigns developed and implemented	Partially achieved
			Human Settlements Week Campaign programme developed and implemented	Developed and implemented activities for Human Settlements Week
			16 Days of Activism campaign developed and implemented	Activities for the public awareness plan for 16 Days of Activism were developed and implemented
		External Corporate Branding Management	External Branding implemented	Target achieved
			Programmed participation at sector-related exhibitions	Target achieved
			Advertising campaigns developed and implemented	Target achieved
	Manage the communication and public relations functions	Develop Consumer Awareness Campaigns	Multi-media programme campaigns implemented.	Target achieved
		Perceptions research	Research on public opinion completed	Not achieved
		Provide comprehensive management of media services to the Department and stakeholders	Media monitoring and reports provided to Management and Minister per quarter	240 reports were provided on media monitoring
			Features and articles on housing for print media	48 features and articles on housing were published in the print media
			48 provincial hotline (individual communicators)	48 calls were made to individual communicators on a weekly basis to get their weekly programmes
			Forty media releases	A total of 40 media releases were issued
			Support 12 ministerial media events	12 ministerial media events were supported

Sub-programme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Communication Services	Manage the communication and public relations functions	Provide comprehensive management of media services to the Department and stakeholders	12 media events of national importance	12 media events of national importance were supported
Housing Entities Governance Oversight	Oversight management of housing institutions, including monitoring, analysing and reporting on financial and non-financial performance and corporate governance	Approved the business plans and reports on corporate governance and performance monitoring of housing institutions	Approved business plans, budgets and corporate governance issues of housing institutions	The strategic plans of six housing entities and two closure plans were approved
			Number of Performance Monitoring Reports produced on financial, non-financial and corporate governance	4 quarterly reports were produced
			Mid-term performance monitoring report produced (financial, non-financial and corporate governance)	1 mid-term and 1 annual performance report were produced
			Percentage of transfers of funds requested approved	(91%) of the funds requested were transferred
		Number of institutions rationalised	Number of institutions rationalised	Closure of Thubelisha Homes is at an advanced stage
			Closure of Servcon	Closure of Servcon is at an advanced stage
			•Establish SHRA	Establishment of SHRA is at an advanced stage
			Closure of Social Housing Foundation	Closure Plan was approved and the implementation of the Closure Plan has commenced
	Provide policy advocacy, governance oversight and compliance monitoring	Reminder letters with regard to compliance with PFMA and Treasury Regulations by housing entities	Reminder letters for submission of quarterly reports as well as Draft Strategic Plans sent to all entities	Completed
		Number of reports produced on housing institutions' governance status	1 report on housing institutions' governance status produced	1 report was produced on housing institutions' governance status
		Approved shareholder compact per institution	Approved shareholder compact per institution	Not achieved

Subprogramme	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual achievements
Housing Entities Governance Oversight	Provide policy advocacy, governance oversight and compliance monitoring	Reminder letters with regard to compliance with PFMA and Treasury Regulations by housing entities	Reminder letters for submission of quarterly reports as well as Draft Strategic Plans sent to all entities	Completed
		Number of reports produced on housing institutions' governance status	1 report on housing institutions' governance status produced	1 report was produced on housing institutions' governance status
		Approved shareholder compact per institution	Approved shareholder compact per institution	Not achieved
		Approved frameworks developed for Board Charters and for the evaluation of Board members of housing entities	Approved framework for Board Charters developed	Approved framework for Board Charters was developed
			Provide secretarial service to the NHBRC Council Advisory Committee meeting and produce report	Completed
Strategic Management	Management of the development of Departmental Strategic and Performance Plans	Approved Departmental Strategic and Performance Plans	Approved Departmental Strategic and Performance Plans	Achieved
	Provision of Strategic Management support to transversal functions of the Department	Number of Departmental Strategy Management Compliance reports	Four Departmental Strategy Management Compliance reports	Not achieved
	Monitor the implementation of the Departmental Strategic and Performance Plans	Departmental Annual Report	Departmental Annual Performance Report	Completed