

Vote 27

Housing

2007/08				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	8 877 608	8 982 358	–	104 750
<i>of which:</i>				
Current payments	393 596	377 175	(16 421)	–
Transfers and subsidies	8 477 441	8 601 112	–	123 671
Payments for capital assets	6 571	4 071	(2 500)	–
Executive authority	Minister of Housing			
Accounting officer	Director-General of Housing			

Aim

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

Adjusted Estimates of National Expenditure 2007

Table 27.1: Adjusted estimates

Programme		2007/08					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	116 419	–	–	6 000	–	6 000	122 419
2. Housing Policy Research and Planning	89 979	–	–	(12 000)	–	(12 000)	77 979
3. Housing Implementation Support	147 926	–	–	(3 750)	(250)	(4 000)	143 926
4. Housing Development Finance	8 523 284	–	105 000	9 750	–	114 750	8 638 034
Total	8 877 608	–	105 000	–	(250)	104 750	8 982 358
Economic classification							
Current payments	393 596	–	–	(16 171)	(250)	(16 421)	377 175
Compensation of employees	107 973	–	–	1 000	–	1 000	108 973
Goods and services	285 623	–	–	(17 171)	(250)	(17 421)	268 202
Transfers and subsidies	8 477 441	–	105 000	18 671	–	123 671	8 601 112
Provinces and municipalities	8 237 946	–	105 000	–	–	105 000	8 342 946
Departmental agencies and accounts	239 416	–	–	17 750	–	17 750	257 166
Foreign governments and international organisations	79	–	–	921	–	921	1 000
Payments for capital assets	6 571	–	–	(2 500)	–	(2 500)	4 071
Machinery and equipment	6 458	–	–	(2 500)	–	(2 500)	3 958
Software and other intangible assets	113	–	–	–	–	–	113
Total	8 877 608	–	105 000	–	(250)	104 750	8 982 358

Details of adjustments to Estimates of National Expenditure 2007

Unforeseeable and unavoidable expenditure – R105 million

Programme 4: Housing Development Finance

R105 million has been allocated for emergency housing in the North West province.

Virements

Table 27.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(1 000)	7 000	
Current payments	–	7 000	
Compensation of employees	–	6 000	Funds shifted from compensation of employees in programmes 2, 3 and 4 (R2 million each) will be used for pensionable service costs in the government employees pension fund for former non-statutory forces members.
Goods and services	–	1 000	Funds shifted from machinery and equipment will be used to refurbish the office building.
Payments for capital assets	(1 000)	–	
Machinery and equipment	(1 000)	–	Savings from funds for replacing ministerial vehicles, which were bought in 2005/06, have been shifted to goods and services.
2. Housing Policy Research and Planning	(12 921)	921	
Current payments	(11 421)	–	
Compensation of employees	(2 000)	–	Savings due to vacancies at various levels have been shifted to compensation of employees in programme 1.
Goods and services	(9 421)	–	R10 million was reprioritised and shifted to departmental agencies and accounts in programme 4. R921 000 was reprioritised and shifted to foreign governments and international organizations in this programme. R1.5 million shifted from capital equipment will be used for computer equipment and furniture.
Transfers and Subsidies	–	921	
Foreign governments and international organisations	–	921	Funds shifted from machinery and equipment will be used to increase the UNHABITAT contribution in line with the new scale for contributions.
Payments for capital assets	(1 500)	–	
Machinery and equipment	(1 500)	–	Incorrectly classified funds were shifted to goods and services.
3. Housing Implementation Support	(3 750)	–	
Current payments	(3 750)	–	
Compensation of employees	(1 000)	–	Savings of R2 million due to vacancies at various levels have been shifted to compensation of employees in programme 1. R1 million has been shifted from departmental agencies and accounts in programme 4 because the People's Housing Partnership trust was disestablished and its functions absorbed by the department.
Goods and services	(2 750)	–	R7 million was reprioritised and shifted to departmental agencies and accounts in programme 4. R4.25 million was shifted from departmental agencies and accounts in programme 4 and will be used for operating costs for the People's Housing Partnership trust, which was disestablished and its functions absorbed by the department.
4. Housing Development Finance	(8 000)	17 750	
Current payments	(8 000)	–	
Compensation of employees	(2 000)	–	Savings due to vacancies at various levels have been shifted to compensation of employees in programme 1.
Goods and services	(6 000)	–	R6 million was reprioritised and shifted to departmental agencies and accounts.
Transfers and Subsidies	–	17 750	
Departmental agencies and accounts	–	17 750	R23 million shifted from goods and services in programmes 2, 3 and 4 will be used for operational expenditure for Thubelisha Homes. R5.25 million was shifted to goods and services in programme 3 as the People's Housing Partnership trust was disestablished and functions absorbed by the department. Funds will be utilized to fund the function within the department.
Total for Vote	(25 671)	25 671	

Other adjustments – (R250 000)

Shifting of funds between votes

Programme 3: Housing Implementation Support

R250 000 will be transferred to Government Communication and Information System for the mass communications campaign on second economy interventions.

Expenditure 2006/07 and preliminary expenditure 2007/08

Table 27.3: Expenditure trends

Programme	2006/07				2007/08		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
1. Administration	117 391	49 456	112 695	96.0	122 419	47 803	(3.3)
2. Housing Policy Research and Planning	75 761	13 024	70 434	93.0	77 979	13 214	1.5
3. Housing Implementation Support	73 154	14 973	70 227	96.0	143 926	25 446	69.9
4. Housing Development Finance	7 067 420	3 417 276	6 912 606	97.8	8 638 034	3 728 284	9.1
Total	7 333 726	3 494 729	7 165 962	97.7	8 982 358	3 814 747	9.2
Current payments	273 959	78 891	254 068	92.7	377 175	99 923	26.7
Compensation of employees	80 408	36 615	76 475	95.1	108 973	43 905	19.9
Goods and services	193 508	42 276	177 550	91.8	268 202	56 018	32.5
Financial transactions in assets and liabilities	43	–	43	100.0	–	–	(100.0)
Transfers and subsidies	7 052 318	3 414 925	6 907 689	97.9	8 601 112	3 713 221	8.7
Provinces and municipalities	6 822 367	3 362 434	6 677 860	97.9	8 342 946	3 671 655	9.2
Departmental agencies and accounts	229 439	52 207	229 437	100.0	257 166	41 367	(20.8)
Foreign governments and international organisations	73	151	73	100.0	1 000	–	(100.0)
Non-profit institutions	80	–	74	92.5	–	–	(100.0)
Households	359	133	245	68.2	–	199	49.6
Payments for capital assets	7 449	913	4 205	56.5	4 071	1 603	75.6
Machinery and equipment	7 194	831	3 952	54.9	3 958	1 589	91.2
Software and other intangible assets	255	82	253	99.2	113	14	(82.9)
Total	7 333 726	3 494 729	7 165 962	97.7	8 982 358	3 814 747	9.2

Selected expenditure trends for the first half of 2007/08

Expenditure in the first six months of 2007/08 was R3.815 million or 42.5 per cent of the adjusted appropriation of R8.982 million for the year as a whole. Expenditure in the first six months of 2007/08 increased by 9.2 per cent compared to the first six months of 2006/07.

The main increases compared to 2006/07 are related to the implementation of the department's new organisational structure, aimed at providing increased implementation and capacity support to provinces and municipalities, and transfers made on the integrated housing and human settlement development grant in programme 4, where funds are transferred according to the housing projects' life cycle as planned by provinces.

Expenditure in 2006/07 was 97.7 per cent of the adjusted appropriation for that year.

Changes to transfers and subsidies and conditional grants

Table 27.4: Summary of changes to transfers and subsidies per programme

R thousand	2007/08						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Housing Policy Research and Planning	79	–	–	921	–	921	1 000
Foreign governments and international organisations							
Current	79	–	–	921	–	921	1 000
Habitat Foundation	79	–	–	921	–	921	1 000
4. Housing Development Finance	8 477 362	–	105 000	17 750	–	122 750	8 600 112
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	8 237 946	–	105 000	–	–	105 000	8 342 946
Integrated Housing and Human Settlement Development Grant	8 237 946	–	105 000	–	–	105 000	8 342 946
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	239 416	–	–	17 750	–	17 750	257 166
People's Housing Partnership Trust	5 250	–	–	(5 250)	–	(5 250)	–
Thubelisha Homes	12 000	–	–	23 000	–	23 000	35 000

Table 27.5: Summary of changes to conditional grants: Provinces¹

R thousand	2007/08						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
4. Housing Development Finance							
Intregated Housing and Human Settlement Development Grant	8 237 946	–	105 000	–	–	105 000	8 342 946

¹ Main appropriation detail provided in the Division of Revenue Act, 2007