

Vote 31

Human Settlements

Adjusted budget summary

R thousand	2011/12			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	22 578 495	22 825 541	–	247 046
of which:				
Current payments	642 204	648 888	–	6 684
Transfers and subsidies	21 700 605	21 881 276	–	180 671
Payments for capital assets	235 686	295 367	–	59 681
Payments for financial assets	–	10	–	10
Executive authority	Minister of Human Settlements			
Accounting officer	Director-General of Human Settlements			
Website address	www.dhs.gov.za			

Aim

Determine, finance, promote, coordinate, communicate and monitor the implementation of housing and sanitation policies and programmes.

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Number of houses completed per year	Housing Development Finance	120 000	45 720 ¹	
Number of sites serviced per year	Housing Development Finance	70 000	19 329 ¹	
Number of municipalities provided with technical support to implement basic water and sanitation infrastructure per year	Housing Planning and Delivery Support	40	13	
Number of rural households provided with basic infrastructure for water and sanitation per year	Housing Development Finance	31 000	1 253	
Number of municipalities provided with technical support for informal settlement upgrading per year	Strategic Relations and Governance	16	5	
Number of municipalities provided with capacity development to be accredited per year	Strategic Relations and Governance	27	18	

1. As at 31 August 2011.

Mid-year progress

Delivery is slower than expected due to delays in the appointment on contractors as a result of procurement processes, the lack of response from most municipalities on the verification of information relating to the enhanced extended discount benefit scheme, and delays in the finalisation of land parcels. The delay in providing basic infrastructure to rural households is as a result of lengthy negotiations between service providers, local authorities and households before building can start.

To support sustainable human settlements and improved quality of household life, the Department of Human Settlements, through the provinces, delivered 45 720 housing opportunities to subsidy beneficiaries, delivered basic sanitation to 1 253 rural households and provided 19 329 serviced sites.

Adjusted Estimates of National Expenditure 2011

Programme		2011/12					
		Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand	Main appropriation						
Administration	232 435	–	–	–	676	676	233 111
Housing Policy, Research and Monitoring	39 215	–	–	–	227	227	39 442
Housing Planning and Delivery Support	156 163	31 135	–	7 000	713	38 848	195 011
Housing Development Finance	21 995 147	26 008	–	(4 000)	180 344	202 352	22 197 499
Strategic Relations and Governance	155 535	7 496	–	(3 000)	447	4 943	160 478
Total	22 578 495	64 639	–	–	182 407	247 046	22 825 541
Economic classification							
Current payments	642 204	7 496	–	(3 219)	2 407	6 684	648 888
Compensation of employees	319 004	–	–	(19 144)	2 407	(16 737)	302 267
Goods and services	322 670	7 496	–	15 906	–	23 402	346 072
Interest and rent on land	530	–	–	19	–	19	549
Transfers and subsidies	21 700 605	–	–	671	180 000	180 671	21 881 276
Provinces and municipalities	21 208 514	–	–	–	180 000	180 000	21 388 514
Departmental agencies and accounts	487 091	–	–	–	–	–	487 091
Foreign governments and international organisations	1 000	–	–	–	–	–	1 000
Households	4 000	–	–	671	–	671	4 671
Payments for capital assets	235 686	57 143	–	2 538	–	59 681	295 367
Buildings and other fixed structures	231 500	57 143	–	–	–	57 143	288 643
Machinery and equipment	3 961	–	–	2 528	–	2 528	6 489
Software and other intangible assets	225	–	–	10	–	10	235
Payments for financial assets	–	–	–	10	–	10	10
Total	22 578 495	64 639	–	–	182 407	247 046	22 825 541

Programme 1: Administration

Subprogramme		2011/12					
		Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand	Main appropriation						
Ministry	27 880	–	–	–	110	110	27 990
Management	89 728	–	–	–	186	186	89 914
Corporate Services	85 059	–	–	1 000	380	1 380	86 439
Office Accommodation	29 768	–	–	(1 000)	–	(1 000)	28 768
Total	232 435	–	–	–	676	676	233 111
Economic classification							
Current payments	230 556	–	–	(1 928)	676	(1 252)	229 304
Compensation of employees	88 162	–	–	–	676	676	88 838
Goods and services	142 224	–	–	(1 983)	–	(1 983)	140 241
Interest and rent on land	170	–	–	55	–	55	225
Transfers and subsidies	–	–	–	50	–	50	50
Households	–	–	–	50	–	50	50
Payments for capital assets	1 879	–	–	1 868	–	1 868	3 747
Machinery and equipment	1 779	–	–	1 858	–	1 858	3 637
Software and other intangible assets	100	–	–	10	–	10	110
Payments for financial assets	–	–	–	10	–	10	10
Total	232 435	–	–	–	676	676	233 111

Programme 2: Housing Policy, Research and Monitoring

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand							
Management	2 309	–	–	–	12	12	2 321
Policy Development	10 191	–	–	–	65	65	10 256
Research	11 232	–	–	–	60	60	11 292
Monitoring and Evaluation	15 483	–	–	–	90	90	15 573
Total	39 215	–	–	–	227	227	39 442
Economic classification							
Current payments	38 960	–	–	(262)	227	(35)	38 925
Compensation of employees	29 852	–	–	(3 000)	227	(2 773)	27 079
Goods and services	9 048	–	–	2 759	–	2 759	11 807
Interest and rent on land	60	–	–	(21)	–	(21)	39
Payments for capital assets	255	–	–	262	–	262	517
Machinery and equipment	255	–	–	262	–	262	517
Total	39 215	–	–	–	227	227	39 442

Programme 3: Housing Planning and Delivery Support

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
R thousand							
Management	3 208	–	–	–	12	12	3 220
Programme Implementation Support	12 617	–	–	8 500	73	8 573	21 190
Rental Housing and People's Housing Process	13 233	–	–	–	68	68	13 301
Stakeholder Mobilisation	13 757	–	–	–	73	73	13 830
Capacity Development	24 468	–	–	–	91	91	24 559
Priority Projects Facilitation	9 947	–	–	–	44	44	9 991
Human Settlement Planning	12 492	–	–	(1 500)	82	(1 418)	11 074
Sanitation Services	66 441	31 135	–	–	270	31 405	97 846
Total	156 163	31 135	–	7 000	713	38 848	195 011
Economic classification							
Current payments	151 507	–	–	6 103	713	6 816	158 323
Compensation of employees	93 801	–	–	(11 143)	713	(10 430)	83 371
Goods and services	57 556	–	–	17 288	–	17 288	74 844
Interest and rent on land	150	–	–	(42)	–	(42)	108
Transfers and subsidies	4 000	–	–	621	–	621	4 621
Households	4 000	–	–	621	–	621	4 621
Payments for capital assets	656	31 135	–	276	–	31 411	32 067
Buildings and other fixed structures	–	31 135	–	–	–	31 135	31 135
Machinery and equipment	631	–	–	276	–	276	907
Software and other intangible assets	25	–	–	–	–	–	25
Total	156 163	31 135	–	7 000	713	38 848	195 011

Programme 4: Housing Development Finance

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Management	2 804	–	–	–	12	12	2 816
Financial and Funds Management	55 101	–	–	(4 000)	275	(3 725)	51 376
Housing Equity	10 137	–	–	–	57	57	10 194
Human Settlements Development Grant	14 941 516	–	–	–	–	–	14 941 516
Contributions	487 091	–	–	–	–	–	487 091
Rural Households Infrastructure Grant	231 500	26 008	–	–	–	26 008	257 508
Housing Disaster Relief Grant	–	–	–	–	180 000	180 000	180 000
Urban Settlements Development Grant	6 266 998	–	–	–	–	–	6 266 998
Total	21 995 147	26 008	–	(4 000)	180 344	202 352	22 197 499
Economic classification							
Current payments	67 453	–	–	(3 572)	344	(3 228)	64 225
Compensation of employees	48 371	–	–	(4 001)	344	(3 657)	44 714
Goods and services	19 042	–	–	424	–	424	19 466
Interest and rent on land	40	–	–	5	–	5	45
Transfers and subsidies	21 695 605	–	–	–	180 000	180 000	21 875 605
Provinces and municipalities	21 208 514	–	–	–	180 000	180 000	21 388 514
Departmental agencies and accounts	487 091	–	–	–	–	–	487 091
Payments for capital assets	232 089	26 008	–	(428)	–	25 580	257 669
Buildings and other fixed structures	231 500	26 008	–	–	–	26 008	257 508
Machinery and equipment	589	–	–	(428)	–	(428)	161
Total	21 995 147	26 008	–	(4 000)	180 344	202 352	22 197 499

Programme 5: Strategic Relations and Governance

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Management	2 685	–	–	–	12	12	2 697
Management Information Services	65 963	4 300	–	(2 000)	83	2 383	68 346
Intergovernmental and International Relations	19 547	–	–	(1 000)	58	(942)	18 605
Communications	36 063	–	–	–	128	128	36 191
Housing Institutions	15 263	–	–	–	70	70	15 333
Strategic Management	8 112	3 196	–	–	53	3 249	11 361
Transformation	6 902	–	–	–	43	43	6 945
Contributions	1 000	–	–	–	–	–	1 000
Total	155 535	7 496	–	(3 000)	447	4 943	160 478
Economic classification							
Current payments	153 728	7 496	–	(3 560)	447	4 383	158 111
Compensation of employees	58 818	–	–	(1 000)	447	(553)	58 265
Goods and services	94 800	7 496	–	(2 582)	–	4 914	99 714
Interest and rent on land	110	–	–	22	–	22	132
Transfers and subsidies	1 000	–	–	–	–	–	1 000
Foreign governments and international organisations	1 000	–	–	–	–	–	1 000
Payments for capital assets	807	–	–	560	–	560	1 367
Machinery and equipment	707	–	–	560	–	560	1 267
Software and other intangible assets	100	–	–	–	–	–	100
Total	155 535	7 496	–	(3 000)	447	4 943	160 478

Details of adjustments to Estimates of National Expenditure 2011

Roll-overs – R64.639 million

Programme 3: Housing Planning and Delivery Support

R31.135 million has been rolled over for the accelerated community infrastructure programme.

Programme 4: Housing Development Finance

R26.008 million has been rolled over for the rural household infrastructure grant.

Programme 5: Strategic Relations and Governance

Funds have been rolled over as follows:

- R3.196 million for the completion of the department's turnaround strategy
- R4.300 million for specialised services provided by the State Information Technology Agency.

Virements and shifts

Programmes					
1. Administration 2. Housing Policy, Research and Monitoring 3. Housing Planning and Delivery Support 4. Housing Development Finance 5. Strategic Relations and Governance					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(2 749)	Programme 1		2 749
Goods and services	Funds shifted to payments for capital assets because items cost more than R5 000	(2 226)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	2 226
	Vacant posts	(50)	Households	For payment of retirement benefits	50
	Funds incorrectly classified in the 2011 ENE were reclassified	(65)	Interest and rent on land	To fund shortage in payments for financial leases	65
	Funds shifted to Interest and rent on land to address fund shortage due to interest paid on financial leases	(10)	Payments for financial assets	Funds shifted to fund approved losses	10
	Funds shifted to payments for capital assets because items cost more than R5 000	(10)	Software and other intangible assets	Funds shifted from current payments because items cost more than R5 000	10
Machinery and equipment	Funds shifted due to savings on personnel related machinery and equipment	(378)	Goods and services	To fund the development of regulations to the Sectional Titles Schemes Management Act (2011) and Community Schemes Ombud Service Act (2011)	378
Interest and rent on land	Underspending in interest paid on financial leases	(10)	Machinery and equipment	To address underspending in interest paid on financial leases	10
Percentage of programme budget		1.2%			
Programme 2		(3 281)	Programme 2		3 281
Compensation of employees	Vacant posts	(3 000)	Goods and services	To fund various research evaluation projects	3 000
Goods and services	Funds shifted to payments for capital assets because items cost more than R5 000	(240)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	240
	Vacant posts	(10)	Interest and rent on land	To address fund shortage on financial leases	10
Interest and rent on land	Underspending in interest paid on financial leases	(9)	Goods and services	To fund payments on financial leases	9
	Underspending in interest paid on financial leases	(22)	Machinery and equipment	For furniture for new offices	22
Percentage of programme budget		8.4%			

2011 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(12 193)	Programme 3		12 193
Compensation of employees	Vacant posts	(10 643)	Goods and services	For the national upgrading support programme	10 643
	Vacant posts	(500)	Households	For the department's bursary scheme	500
Goods and services	Funds shifted to payments for capital assets because items cost more than R5 000	(531)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	531
	Savings from personnel related goods and services	(121)	Households	For the department's bursary scheme	121
	Vacant posts	(28)	Interest and rent on land	To fund interest payments on financial leases	28
Machinery and equipment	Vacant posts	(300)	Goods and services	To fund departmental operational expenditure	300
Interest and rent on land	Underspending in interest paid on financial leases	(25)	Goods and services	To fund travel and subsistence in the capacity building unit	25
	Funds shifted to payments for capital assets because items cost more than R5 000	(45)	Machinery and equipment	Funds shifted to payments for capital assets because items cost more than R5 000	45
Percentage of programme budget		7.8%			
Programme 4		(4 434)	Programme 4		1
Compensation of employees	Vacant posts	(1)	Goods and services	For shortages from savings	1
	Vacant posts	(4 000)	Programme 3		4 000
			Goods and services	For consultants and professional services for the national upgrading support programme	4 000
Machinery and equipment	Vacant posts	(418)	Programme 4		433
	Vacant posts	(10)	Goods and services	To fund personnel related expenditure due to vacancies	418
Interest and rent on land	Underspending in interest paid on financial leases	(5)	Interest and rent on land	To fund shortage due to interest paid on financial leases	10
			Goods and services	To fund departmental operations	5
Percentage of programme budget		0.0%			
Programme 5		(4 378)	Programme 3		3 000
Compensation of employees	Vacant posts	(1 000)	Goods and services	For consultants and professional services for the national upgrading support programme	1 000
Goods and services	Reduction on computer services	(2 000)	Goods and services	For consultants and professional services for the national upgrading support programme	2 000
	Funds shifted to payments for capital assets because items cost more than R5 000	(919)	Programme 5		1 378
	Funds shifted to payments for capital assets because items cost more than R5 000	(58)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	919
Machinery and equipment	Vacant posts	(365)	Interest and rent on land	Funds shifted from current payments because items cost more than R5 000	58
Interest and rent on land	Underspending in interest paid on financial leases	(30)	Goods and services	For goods and services for communication services for conferences and indaba	365
	Underspending in interest paid on financial leases	(6)	Goods and services	For goods and services for communication services for conferences and indaba	30
			Machinery and equipment	For furniture for new offices	6
Percentage of programme budget		2.8%			
Total		(27 035)			27 035

Other adjustments – R182.407 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R2.407 million has been allocated for higher personnel remuneration increases than the main budget provided for, as follows:

Programme 1: Administration

R676 000

Programme 2: Housing Policy, Research and Monitoring

R227 000

Programme 3: Housing Planning and Delivery Support

R713 000

Programme 4: Housing Development Finance

R344 000

Programme 5: Strategic Relations and Governance

R447 000

Function shifts between votes

Programme 4: Housing Development Finance

R180 million shifted from National Treasury for disaster relief.

Expenditure for 2010/11 and preliminary expenditure for 2011/12

Programme	2010/11					2011/12		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation
R thousand								
Administration	211 997	66 755	31.5	188 577	89.0	233 111	57 110	24.5
Housing Policy, Research and Monitoring	47 686	12 817	26.9	32 636	68.4	39 442	16 362	41.5
Housing Planning and Delivery Support	225 221	48 389	21.5	158 375	70.3	195 011	66 606	34.2
Housing Development Finance	15 649 195	7 642 896	48.8	15 624 981	99.8	22 197 499	10 411 675	46.9
Strategic Relations and Governance	157 660	27 434	17.4	87 384	55.4	160 478	42 659	26.6
Total	16 291 759	7 798 291	47.9	16 091 953	98.8	22 825 541	10 594 412	46.4
Economic classification								
Current payments	626 922	168 753	26.9	439 085	70.0	648 888	198 756	30.6
Compensation of employees	289 006	97 245	33.6	216 455	74.9	302 267	118 460	39.2
Goods and services	337 431	71 420	21.2	222 457	65.9	346 072	80 190	23.2
Interest and rent on land	485	88	18.1	173	35.7	549	106	19.3

R thousand	2010/11					2011/12		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation
Transfers and subsidies	15 492 762	7 625 758	49.2	15 533 357	100.3	21 881 276	10 385 517	47.5
Provinces and municipalities	15 175 563	7 576 391	49.9	15 175 563	100.0	21 388 514	10 021 782	46.9
Departmental agencies and accounts	312 193	45 513	14.6	346 193	110.9	487 091	358 915	73.7
Foreign governments and international organisations	1 000	–	0.0	684	68.4	1 000	78	7.8
Households	4 006	3 854	96.2	10 917	272.5	4 671	4 742	101.5
Payments for capital assets	172 075	3 589	2.1	119 312	69.3	295 367	10 138	3.4
Buildings and other fixed structures	153 060	2 442	1.6	108 559	70.9	288 643	9 402	3.3
Machinery and equipment	16 372	976	6.0	10 383	63.4	6 489	736	11.3
Software and other intangible assets	2 643	171	6.5	370	14.0	235	–	0.0
Payments for financial assets	–	191	–	199	–	10	1	10
Total	16 291 759	7 798 291	47.9	16 091 953	98.8	22 825 541	10 594 412	46.4

Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 amounted to 98.8 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R10.594 billion, or 46.4 per cent of the adjusted appropriation of R22.826 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R7.798 billion, or 47.9 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 increased by R2.796 billion or 35.9 per cent, compared with expenditure in the first six months of 2010/11.

The main expenditure increase, compared to 2010/11, can be attributed to payments made to metropolitan municipalities for the urban settlement development grant.

Departmental receipts

R thousand	2010/11					2011/12			
	Audited outcome					Actual receipts			
	Adjusted estimate	Apr 10 - Sep 10	% of adjusted estimate	Apr 10 - Mar 11	% of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	% of adjusted estimate
Departmental receipts	1 184	956	80.7	2 826	238.7	540	1 319	441	33.4
Sales of goods and services produced by department	154	60	39.0	121	78.6	163	155	71	45.8
Sales of scrap, waste, arms and other used current goods	–	–	–	2	–	–	2	1	50.0
Interest, dividends and rent on land	49	15	30.6	23	46.9	52	21	8	38.1
Sales of capital assets	–	–	–	–	–	–	153	153	100.0
Transactions in financial assets and liabilities	981	881	89.8	2 680	273.2	325	988	208	21.1
Total	1 184	956	80.7	2 826	238.7	540	1 319	441	33.4

Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R441 000, or 33.4 per cent of the adjusted revenue estimate of R1.319 million for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R956 000, or 80.7 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 decreased by R515 000 or 53.9 per cent, compared to revenue in the first six months of 2010/11.

The main revenue decrease compared to 2010/11 can be attributed to changes in the way recoveries by the Special Investigations Unit are accounted for.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2011/12						
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
Administration							
Households							
Other transfers to households							
Current	–	–	–	50	–	50	50
Employee social benefits	–	–	–	50	–	50	50
Housing Planning and Delivery							
Support							
Households							
Other transfers to households							
Current	4 000	–	–	621	–	621	4 621
Bursaries non-employees	4 000	–	–	621	–	621	4 621
Housing Development Finance							
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Capital	–	–	–	–	180 000	180 000	180 000
Housing disaster relief grant	–	–	–	–	180 000	180 000	180 000

Summary of changes to conditional grants: Provinces

R thousand	2011/12						
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
Housing Development Finance							
Housing disaster relief grant	–	–	–	–	180 000	180 000	180 000

