

Vote 38

Human Settlements

Adjusted budget summary

2017/18				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated of which:	33 464 300	33 477 701	(4 488)	17 889
Current payments	777 354	772 866	(4 488)	–
Transfers and subsidies	32 531 261	32 531 943	–	682
Payments for capital assets	5 685	22 842	–	17 157
Payments for financial assets	150 000	150 050	–	50
Executive authority	Minister of Human Settlements			
Accounting officer	Director-General of Human Settlements			
Website address	www.dhs.gov.za			

Vote purpose

Facilitate the creation of sustainable human settlements and the improvement to household quality of life.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support	Outcome 8: Sustainable human settlements and improved quality of household life	41	14	–
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		446	87	–
Number of title deeds registered to eradicate backlog per year	Housing Development Finance		207 146	10 148 ¹	–
Number of title deeds registered for new developments per year	Housing Development Finance		170 240	4 896 ¹	–
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Housing Development Finance		7 500	898 ¹	–
Number of subsidy housing units completed per year	Housing Development Finance		113 341	13 850 ¹	–
Number of additional households living in affordable rental housing units per year	Housing Development Finance		13 920	451 ¹	–
Number of households benefiting from informal settlements upgraded to level 2 per year	Housing Development Finance		189 039	25 130 ¹	–
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		17 231	708 ²	–
Number of integrated and catalytic projects initiated per year	Housing Development Finance		8	3 ¹	–

1. Only data for the first quarter of 2017/18 is available.

2. Only data for the first five months of 2017/18 is available.

Mid-year progress

In the first six months of the financial year, 14 municipalities were provided with technical assistance to upgrade informal settlements against an annual target of 41, and only 87 out of 446 targeted informal settlements have settlement upgrading plans. This slow performance is mainly due to delays in appointing new professional resource teams under the national upgrading support programme.

In the first quarter of 2017/18, the department completed 13 850 housing subsidy units against an annual target of 113 341, for which 4 896 title deeds were registered. A further 10 148 title deeds were delivered in the first quarter to address the historic backlog from before 2014. By the end of June, 25 130 households in

informal settlements against an annual target of 189 039 had been upgraded, and 451 affordable rental housing units delivered out of a target of 13 920 for the year.

In the first five months of 2017/18, the department disbursed 708 finance-linked individual subsidies to beneficiaries out of the annual target of 17 231.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll- overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	457 665	13 401	–	(1 060)	–	–	12 341	470 006
Human Settlements Policy, Strategy and Planning	93 573	–	–	–	–	–	–	93 573
Human Settlements Delivery Support	217 302	–	–	(440)	–	–	(440)	216 862
Housing Development Finance	32 695 760	–	–	1 500	–	–	1 500	32 697 260
Total	33 464 300	13 401	–	–	–	–	13 401	33 477 701
Economic classification								
Current payments	777 354	–	–	(4 488)	–	–	(4 488)	772 866
Compensation of employees	383 257	–	–	–	–	–	–	383 257
Goods and services	394 097	–	–	(4 488)	–	–	(4 488)	389 609
Transfers and subsidies	32 531 261	–	–	682	–	–	682	32 531 943
Provinces and municipalities	31 351 590	–	–	–	–	–	–	31 351 590
Departmental agencies and accounts	1 167 031	–	–	–	–	–	–	1 167 031
Foreign governments and international organisations	1 272	–	–	203	–	–	203	1 475
Public corporations and private enterprises	1 500	–	–	–	–	–	–	1 500
Households	9 868	–	–	479	–	–	479	10 347
Payments for capital assets	5 685	13 401	–	3 756	–	–	17 157	22 842
Machinery and equipment	5 685	13 401	–	3 756	–	–	17 157	22 842
Payments for financial assets	150 000	–	–	50	–	–	50	150 050
Total	33 464 300	13 401	–	–	–	–	13 401	33 477 701

Programme 1: Administration

Programme Administration								
Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry	63 488	—	—	—	—	—	—	63 488
Departmental Management	101 479	—	—	(1 500)	—	—	(1 500)	99 979
Corporate Services	196 055	13 401	—	440	—	—	13 841	209 896
Property Management	41 097	—	—	—	—	—	—	41 097
Financial Management	55 546	—	—	—	—	—	—	55 546
Total	457 665	13 401	—	(1 060)	—	—	12 341	470 006
Economic classification								
Current payments	454 137	—	—	(4 412)	—	—	(4 412)	449 725
Compensation of employees	224 770	—	—	—	—	—	—	224 770
Goods and services	229 367	—	—	(4 412)	—	—	(4 412)	224 955
Transfers and subsidies	46	—	—	235	—	—	235	281
Households	46	—	—	235	—	—	235	281
Payments for capital assets	3 482	13 401	—	3 067	—	—	16 468	19 950
Machinery and equipment	3 482	13 401	—	3 067	—	—	16 468	19 950
Payments for financial assets	—	—	—	50	—	—	50	50
Total	457 665	13 401	—	(1 060)	—	—	12 341	470 006

Programme 2: Human Settlements Policy, Strategy and Planning

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management for Policy, Strategy and Planning	7 730	–	–	–	–	–	–	7 730
Human Settlements Policy Frameworks	32 143	–	–	–	–	–	–	32 143
Human Settlements Strategy and Planning	53 700	–	–	–	–	–	–	53 700
Total	93 573	–	–	–	–	–	–	93 573

Programme 2: Human Settlements Policy, Strategy and Planning (continued)

Economic classification		2017/18						
		Adjustments appropriation						
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Current payments	89 908	—	—	(723)	—	—	(723)	89 185
Compensation of employees	63 892	—	—	—	—	—	—	63 892
Goods and services	26 016	—	—	(723)	—	—	(723)	25 293
Transfers and subsidies	2 772	—	—	324	—	—	324	3 096
Foreign governments and international organisations	1 272	—	—	203	—	—	203	1 475
Public corporations and private enterprises	1 500	—	—	—	—	—	—	1 500
Households	—	—	—	121	—	—	121	121
Payments for capital assets	893	—	—	399	—	—	399	1 292
Machinery and equipment	893	—	—	399	—	—	399	1 292
Total	93 573	—	—	—	—	—	—	93 573

Programme 3: Human Settlements Delivery Support

Subprogramme		2017/18						
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management for Human Settlements Delivery Support	9 403	–	–	–	–	–	–	9 403
Programme Management Unit	159 731	–	–	(440)	–	–	(440)	159 291
Chief of Operations	48 168	–	–	–	–	–	–	48 168
Total	217 302	–	–	(440)	–	–	(440)	216 862
Economic classification								
Current payments	206 399	–	–	(743)	–	–	(743)	205 656
Compensation of employees	74 700	–	–	–	–	–	–	74 700
Goods and services	131 699	–	–	(743)	–	–	(743)	130 956
Transfers and subsidies	9 822	–	–	123	–	–	123	9 945
Households	9 822	–	–	123	–	–	123	9 945
Payments for capital assets	1 081	–	–	180	–	–	180	1 261
Machinery and equipment	1 081	–	–	180	–	–	180	1 261
Total	217 302	–	–	(440)	–	–	(440)	216 862

Programme 4: Housing Development Finance

Subprogramme		2017/18						
		Adjustments appropriation						
	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Management for Housing Development Finance	4 082	—	—	—	—	—	—	4 082
Chief Investment Officer	23 057	—	—	1 500	—	—	1 500	24 557
Human Settlements Development Grant	19 969 343	—	—	—	—	—	—	19 969 343
Contributions	1 317 031	—	—	—	—	—	—	1 317 031
Urban Settlements Development Grant	11 382 247	—	—	—	—	—	—	11 382 247
Total	32 695 760	—	—	1 500	—	—	1 500	32 697 260
Economic classification								
Current payments	26 910	—	—	1 390	—	—	1 390	28 300
Compensation of employees	19 895	—	—	—	—	—	—	19 895
Goods and services	7 015	—	—	1 390	—	—	1 390	8 405
Transfers and subsidies	32 518 621	—	—	—	—	—	—	32 518 621
Provinces and municipalities	31 351 590	—	—	—	—	—	—	31 351 590
Departmental agencies and accounts	1 167 031	—	—	—	—	—	—	1 167 031
Payments for capital assets	229	—	—	110	—	—	110	339
Machinery and equipment	229	—	—	110	—	—	110	339
Payments for financial assets	150 000	—	—	—	—	—	—	150 000
Total	32 695 760	—	—	1 500	—	—	1 500	32 697 260

Details of adjustments to Estimates of National Expenditure 2017

Roll-overs – R13.401 million

Programme 1: Administration

R13.401 million has been rolled over to pay for ICT network equipment.

Virements and shifts within votes

Programmes					
1. Administration					
2. Human Settlements Policy, Strategy and Planning					
3. Human Settlements Delivery Support					
4. Housing Development Finance					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(4 852)	Programme 1		3 352
Goods and services	Various non-core goods and services items	(3 067)	Machinery and equipment	Office equipment	3 067
	Various non-core goods and services items	(235)	Households	Leave gratuities	235
	Various non-core goods and services items	(50)	Payments for financial assets	Vehicle damages and loss of equipment	50
	Various non-core goods and services items	(1 500)	Programme 4		1 500
			Goods and services	Review of national tender system	1 500
Shifts within the programme as a percentage of the programme budget		0.7%			
Virements to other programmes as a percentage of the programme budget		0.3%			
Programme 2		(723)	Programme 2		723
Goods and services	Various non-core goods and services items	(399)	Machinery and equipment	Office equipment	399
	Various non-core goods and services items	(121)	Households	Leave gratuities	121
	Various non-core goods and services items	(203)	Foreign governments and international organisations	UN-Habitat membership fees ¹	203
Shifts within the programme as a percentage of the programme budget		0.8%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(743)	Programme 1		440
Goods and services	Various non-core goods and services items	(440)	Goods and services	Amendments to the Rental Housing Amendment Act (2014)	440
	Various non-core goods and services items	(180)	Programme 3		303
	Various non-core goods and services items	(123)	Machinery and equipment	Office equipment	180
			Households	Leave gratuities	123
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.2%			
Programme 4		(110)	Programme 4		110
Goods and services	Various non-core goods and services items	(110)	Machinery and equipment	Office equipment	110
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(6 428)			6 428

1. National Treasury approval has been obtained.

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17					2017/18			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation
Administration	455 458	197 641	43.4	420 897	92.4	470 006	1.4	197 919	42.1
Human Settlements Policy, Strategy and Planning	92 276	35 457	38.4	86 600	93.8	93 573	0.3	38 318	40.9
Human Settlements Delivery Support	217 685	58 908	27.1	151 742	69.7	216 862	0.6	61 311	28.3
Housing Development Finance	29 930 937	12 737 748	42.6	29 927 992	100.0	32 697 260	97.7	12 766 104	39.0
Total	30 696 356	13 029 754	42.4	30 587 231	99.6	33 477 701	100.0	13 063 652	39.0
Economic classification									
Current payments	745 966	295 589	39.6	657 797	88.2	772 866	2.3	303 841	39.3
Compensation of employees	371 491	160 312	43.2	325 288	87.6	383 257	1.1	166 615	43.5
Goods and services	374 463	135 265	36.1	332 497	88.8	389 609	1.2	137 226	35.2
Interest and rent on land	12	12	100.0	12	100.0	–	0.0	–	–
Transfers and subsidies	29 823 992	12 631 002	42.4	29 822 601	100.0	32 531 943	97.2	12 608 096	38.8
Provinces and municipalities	29 123 459	12 512 111	43.0	29 123 459	100.0	31 351 590	93.6	12 420 884	39.6
Departmental agencies and accounts	685 895	115 392	16.8	685 895	100.0	1 167 031	3.5	183 449	15.7
Foreign governments and international organisations	1 924	–	0.0	1 923	99.9	1 475	0.0	–	0.0
Public corporations and private enterprises	5 000	–	0.0	5 000	100.0	1 500	0.0	1 703	113.5
Households	7 714	3 499	45.4	6 324	82.0	10 347	0.0	2 060	19.9
Payments for capital assets	26 168	3 153	12.0	6 611	25.3	22 842	0.1	1 628	7.1
Machinery and equipment	26 168	3 153	12.0	6 611	25.3	22 842	0.1	1 628	7.1
Payments for financial assets	100 230	100 010	99.8	100 222	100.0	150 050	0.4	150 087	100.0
Total	30 696 356	13 029 754	42.4	30 587 231	99.6	33 477 701	100.0	13 063 652	39.0

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R30.6 billion, or 99.6 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R13.1 billion, or 39 per cent of the adjusted appropriation of R33.5 billion for the year. In comparison, mid-year expenditure in 2016/17 was R13 billion, or 42.4 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 increased by R33.9 million, or 0.3 per cent. This is attributed to an increase in payments for financial assets and transfer payments to departmental agencies.

Departmental receipts

	2016/17					2017/18				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	764	339	44.4	539	70.5	235	452	100.0	229	50.7
Sales of goods and services produced by department	205	100	48.8	201	98.0	217	208	46.0	101	48.6
Sales of scrap, waste, arms and other used current goods	2	1	50.0	3	150.0	5	2	0.4	2	100.0
Interest, dividends and rent on land	12	6	50.0	20	166.7	13	22	4.9	11	50.0
Transactions in financial assets and liabilities	545	232	42.6	315	57.8	–	220	48.7	115	52.3
Total	764	339	44.4	539	70.5	235	452	100.0	229	50.7

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R229 000, or 50.7 per cent of the adjusted revenue estimate of R452 000 for the year. In comparison, mid-year revenue in 2016/17 was R339 000, or 44.4 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 decreased by R110 000, or 32.4 per cent. This is mainly due to a once off spike in funds recovered from staff for damages to vehicles and the loss of assets in 2016/17.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2017/18						
	Adjustments appropriation						Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	
Administration							
Households							
Other transfers to households							
Current	–	–	–	235	–	–	235
Transfers to households	–	–	–	235	–	–	235
Human Settlements Policy, Strategy and Planning							
Foreign governments and international organisations							
Current	1 272	–	–	203	–	–	1 475
Habitat Foundation	1 272	–	–	203	–	–	1 475
Households							
Other transfers to households							
Current	–	–	–	121	–	–	121
Transfers to households	–	–	–	121	–	–	121
Human Settlements Delivery							
Support							
Households							
Other transfers to households							
Current	–	–	–	123	–	–	123
Transfers to households	–	–	–	123	–	–	123