

Vote 26

Housing

Adjusted budget summary

2008/09				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	10 586 523	10 928 487	-	341 964
<i>of which:</i>				
Current payments	497 429	507 454	-	10 025
Transfers and subsidies	10 081 581	10 408 682	-	327 101
Payments for capital assets	7 513	12 351	-	4 838
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.

Mid-year performance status

Indicators	Annual performance	
	Projected for 2008/09 as published in the 2008 ENE	Achieved in the first six months of 2008/09 (April to September)
As published in the 2008 ENE		
Number of houses completed and in process of completion	226 471	113 761
Number of units completed in rental programme	900	0
Number of individual credit linked subsidies approved	700	102 (five months) ¹
Number of beneficiaries approved in the People's Housing Process	12 500	6 633 (five months) ¹
Number of municipalities provided with capacity development to support accreditation	18	18
Number of sector impact publications	4	2
Turnaround time for projects to units (months)	37 - 48	37 - 48

1. At the time of going to print, the department had provided figures for five months.

Construction work on the rental programme has commenced. Projects are between 30% and 60% complete.

Adjusted Estimates of National Expenditure 2008

Table 26.1: Adjusted estimates

Programme	2008/09						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	126 509	3 300	-	10 000	-	13 300	139 809
2. Housing Policy Research and Planning	105 542	-	-	(10 000)	-	(10 000)	95 542
3. Housing Delivery Support	182 926	13 568	-	-	-	13 568	196 494
4. Housing Development Finance	10 171 546	74 600	-	-	250 496	325 096	10 496 642
Departmental Total	10 586 523	91 468	-	-	250 496	341 964	10 928 487

Table 26.1: Adjusted estimates (continued)

R thousand	2008/09						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Economic classification							
Current payments	497 429	15 368	-	(5 343)	-	10 025	507 454
Compensation of employees	133 625	-	-	6	-	6	133 631
Goods and services	363 804	15 368	-	(5 349)	-	10 019	373 823
Transfers and subsidies	10 081 581	74 600	-	2 005	250 496	327 101	10 408 682
Provinces and municipalities	9 852 842	74 600	-	-	250 496	325 096	10 177 938
Departmental agencies and accounts	227 739	-	-	-	-	-	227 739
Foreign governments and international organisations	1 000	-	-	-	-	-	1 000
Households	-	-	-	2 005	-	2 005	2 005
Payments for capital assets	7 513	1 500	-	3 338	-	4 838	12 351
Machinery and equipment	7 313	1 500	-	2 523	-	4 023	11 336
Software and other intangible assets	200	-	-	815	-	815	1 015
Total	10 586 523	91 468	-	-	250 496	341 964	10 928 487

Details of adjustments to Estimates of National Expenditure 2008

Roll-over of funds – R91.468 million

Programme 1: Administration

R3.3 million has been rolled over for furniture and audiovisual equipment for the newly refurbished office in Cape Town and for a generator for the Pretoria office.

Programme 3: Housing Delivery Support

R2.568 million has been rolled over to Hlaniki/Wits Business School for the councillor training programme.

R11 million has been rolled over for the media campaigns administered by the Government Communication and Information Systems for the department.

Programme 4: Housing Development Finance

R74.6 million has been rolled over on the integrated housing and human settlement development grant for completing various housing projects in the Western Cape (R56.062 million) and Limpopo (R18.538 million).

Virements

Table 26.2: Virements

Programme / Economic classification	R thousand		Details and motivation
	From	To	
1. Administration	(175)	10 175	
Current payments	(175)	8 734	
Compensation of employees	(175)	-	Various low level posts were filled late: To machinery and equipment in this programme R10 million from goods and services in programme 2 for the Special Investigation Unit to conduct additional investigations into housing related corruption and fraud Equipment budgeted at less than R5 000 was more than R5 000, and the expenditure was reclassified: R5 000 to households in this programme R1.111 million to machinery and equipment in this programme R150 000 to software and other intangible assets in this programme
Goods and services	-	8 734	

Table 26.2: Virements (continued)

Programme / Economic classification	R thousand		Details and motivation
	From	To	
Transfers and Subsidies	-	5	
Households	-	5	From goods and services in this programme for gifts
Payments for capital assets	-	1 436	
Machinery and equipment	-	1 286	R175 000 from compensation of employees in this programme R1.111 million from goods and services in this programme for computers, notebooks and printers
Software and other intangible assets	-	150	From goods and services in this programme for computer software
2. Housing Policy Research and Planning	(10 925)	925	
Current payments	(10 925)	-	
Goods and services	(10 925)	-	Savings on the management of various housing information databases: R10 million to goods and services in programme 1 Equipment budgeted at less than R5 000 was more than R5 000, and the expenditure was reclassified: R270 000 to machinery and equipment in this programme R655 000 to software and other intangible assets in this programme
Payments for capital assets	-	925	
Machinery and equipment	-	270	From goods and services for computer equipment
Software and other intangible assets	-	655	From goods and services for computer software
3. Housing Delivery Support	(2 889)	2 889	
Current payments	(2 889)	-	
Goods and services	(2 889)	-	Equipment budgeted at less than R5 000 was more than R5 000, and the expenditure was reclassified: R2 million to households in this programme R889 000 shifted to machinery and equipment in this programme
Transfers and Subsidies	-	2 000	
Households	-	2 000	From goods and services in this programme for bursaries to non-employees
Payments for capital assets	-	889	
Machinery and equipment	-	889	From goods and services in this programme for computers and printers
4. Housing Development Finance	(269)	269	
Current payments	(269)	181	
Compensation of employees	-	181	From goods and services in this programme for appointing interns
Goods and services	(269)	-	Equipment budgeted at less than R5 000 was more than R5 000, and the expenditure was reclassified: R181 000 to compensation of employees in this programme R78 000 to machinery and equipment in this programme R10 000 to software and other intangible assets in this programme
Payments for capital assets	-	88	
Machinery and equipment	-	78	From goods and services in this programme for computers and printers
Software and other intangible assets	-	10	From goods and services in this programme for computer software
Total for Vote	(14 258)	14 258	

Other adjustments – R250.496 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 4: Housing Development Finance

Additional funding of R250.496 million has been allocated on the Integrated Housing and Human Settlement development grant for the increasing costs of construction materials.

Expenditure 2007/08 and preliminary expenditure 2008/09

Table 26.3: Expenditure trends

Programme	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007- Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
1. Administration	122 419	47 803	39.0	114 050	93.2	139 809	60 693	43.4
2. Housing Policy Research and Planning	77 979	13 214	16.9	72 744	93.3	95 542	26 710	28.0
3. Housing Delivery Support	143 926	25 446	17.7	140 411	97.6	196 494	110 918	56.4
4. Housing Development Finance	8 638 034	3 728 284	43.2	8 259 067	95.6	10 496 642	5 147 449	49.0
Total	8 982 358	3 814 747	42.5	8 586 272	95.6	10 928 487	5 345 770	48.9
Economic classification								
Current payments	377 175	99 923	26.5	352 487	93.5	507 454	214 562	42.3
Compensation of employees	108 973	43 905	40.3	97 241	89.2	133 631	57 554	43.1
Goods and services	268 202	56 018	20.9	255 246	95.2	373 823	157 008	42.0
Transfers and subsidies	8 601 112	3 713 221	43.2	8 228 340	95.7	10 408 682	5 126 242	49.2
Provinces and municipalities	8 342 946	3 671 655	44.0	8 149 869	97.7	10 177 938	4 991 480	49.0
Departmental agencies and accounts	257 166	41 367	16.1	77 165	30.0	227 739	133 457	58.6
Foreign governments and international organisations	1 000	-	-	606	60.6	1 000	359	35.9
Households	-	199	-	700	-	2 005	946	47.2
Payments for capital assets	4 071	1 603	39.4	5 445	133.8	12 351	4 966	40.2
Machinery and equipment	3 958	1 589	40.1	5 343	135.0	11 336	4 775	42.1
Software and other intangible assets	113	14	12.4	102	90.3	1 015	191	18.8
Total	8 982 358	3 814 747	42.5	8 586 272	95.6	10 928 487	5 345 770	48.9

Selected expenditure trends for the first half of 2008/09

Expenditure in the first six months of 2008/09 was R5.346 billion, or 48.9 per cent of the adjusted appropriation of R10.928 billion for the year as a whole. Expenditure in the first six months of 2008/09 increased by R1.531 billion, or 40.1 per cent compared to spending in the first six months of 2007/08 which amounted to R3.815 billion, or 42.5 per cent of the 2007/08 adjusted appropriation.

The increase in expenditure is largely related to the Integrated Housing and Human Settlement development grant. The department has transferred R4.991 billion or 49 per cent to provinces in the first six months of the 2008/09 financial year compared to 44 per cent over the same period in the last financial year. Further increases in spending compared to 2007/08 are related to the increased support provided to provinces and to the improved project monitoring at provincial level in programme 3.

Expenditure for 2007/08 was 95.6 per cent of the adjusted appropriation for that year.

Departmental receipts

Table 26.4: Receipts

R thousand	2008/09			
	Budget estimate	Adjusted estimate	Actual receipts Apr 08 - Sep 08	% of Adjusted estimate
Departmental receipts				
Sales of goods and services other than capital assets	120	120	36	30.0
Interest, dividends and rent on land	66	458	229	50.0
Financial transactions in assets and liabilities	475	475	110	23.2
Total	661	1 053	375	35.6

Actual departmental revenue collections for the first six months of 2008/09 were R375 000 or 35.6 per cent of the adjusted estimate of R1.1 million.

Changes to transfers and subsidies, and conditional grants

Table 26.5: Summary of changes to transfers and subsidies per programme

R thousands	2008/09						Adjusted appropriation
	Main appropriation	Additional Appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements	Other adjustments		
1. Administration	-	-	-	5	-	5	5
Households							
Other transfers							
Current	-	-	-	5	-	5	5
Gifts and donations	-	-	-	5	-	5	5
3. Housing Delivery Support	-	-	-	2 000	-	2 000	2 000
Households							
Other transfers							
Current	-	-	-	2 000	-	2 000	2 000
Bursaries for non-employees	-	-	-	2 000	-	2 000	2 000
4. Housing Development Finance	10 080 581	74 600	-	-	250 496	325 096	10 405 677
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	9 852 842	74 600	-	-	250 496	325 096	10 177 938
Integrated Housing and Human Settlement Development Grant	9 852 842	74 600	-	-	250 496	325 096	10 177 938
Departmental agencies and accounts							
Departmental agencies and accounts (non-business entities)							
Current	227 739	-	-	-	-	-	227 739
Social Housing Foundation	21 738	-	-	196 000	-	196 000	217 738
Social Housing Regulator	196 000	-	-	(196 000)	-	(196 000)	-

Table 26.6: Summary of changes to conditional grants: Provinces¹

R thousand	2008/09						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
4. Housing Development Finance							
Integrated Housing and Human Settlement Development Grant	9 852 842	74 600	-	-	250 496	325 096	10 177 938

¹ Main appropriation detail provided in the Division of Revenue Act, 2008

