

Vote 31

Human Settlements

Adjusted budget summary

2013/14				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	28 110 463	28 255 456	–	144 993
of which:				
Current payments	796 785	772 347	(24 438)	–
Transfers and subsidies	27 309 764	27 372 287	–	62 523
Payments for capital assets	3 914	110 822	–	106 908
Executive authority	Minister of Human Settlements			
Accounting officer	Director-General of Human Settlements			
Website address	www.dhs.gov.za			

Aim

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 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Number of additional municipalities assessed for accreditation level 2 per year	Human Settlements Policy, Strategy and Planning	Outcome 8: Sustainable human settlements and improved quality of household life	5	5	–
Total number of municipalities provided with technical assistance for informal settlement upgrading	Programme Delivery Support		49	33 ¹	–
Number of additional residential units completed per year	Housing Development Finance		132 705	35 304 ¹	–
Number of additional sites serviced per year (greenfield)	Housing Development Finance		77 248	12 090 ¹	–
Number of additional households upgraded in well located informal settlements with access to secure tenure and basic services per year (brownfield)	Housing Development Finance		62 752	10 356 ¹	–
Number of additional hectares of land prepared for human settlements development per year	Housing Development Finance		2 000	1 444	–
Number of additional loans granted in the affordable housing segment per year	Housing Development Finance		63 798	41 416 ²	–
Number of additional households provided with on-site sanitation in rural areas per year	Housing Development Finance		11 858	12 462 ¹	22 800

1. Performance information is for the five months to August 2013, as data for the full six months was not available.

2. Performance information is for the first quarter of 2013/14, as data for the full six months was not available.

Changes to indicators and targets published in the 2013 ENE

The 2013/14 target for additional households provided with on-site sanitation through the rural household infrastructure grant has increased from 11 858 to 22 800. This was due to the approval of a roll-over of R100.5 million, which will allow for more households in rural areas to be provided with sanitation.

Mid-year progress

In the first quarter of 2013/14, 10 356 households in informal settlements were upgraded by provinces and municipalities, and 41 416 borrowers in the affordable housing market were provided with loans as a result of the lending activities by development finance institutions in the human settlements sector. Municipal reporting relates to the municipal financial year (from 1 July to 30 June), resulting in lower initial performance outcomes.

In the first five months of 2013/14, 12 090 additional stands were serviced in greenfield developments, and 35 504 additional residential units were completed. The department is on track with these indicators and targets are expected to be met.

Due to roll-overs relating to underspending in 2012/13, the rural household sanitation programme will be able to increase the target from 11 858 to 22 800 in 2013/14, the largest part of which will be spent over the municipal financial year.

Adjusted Estimates of National Expenditure 2013

Programme	2013/14							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Administration	422 399	—	—	—	—	—	—	422 399
Human Settlements Policy, Strategy and Planning	84 055	—	—	—	—	—	—	84 055
Programme Delivery Support	226 922	—	—	(1 220)	(20 000)	—	(21 220)	205 702
Housing Development Finance	27 377 087	120 539	—	1 220	—	44 454	166 213	27 543 300
Total	28 110 463	120 539	—	—	(20 000)	44 454	144 993	28 255 456
Economic classification								
Current payments	796 785	3 000	—	(7 438)	(20 000)	—	(24 438)	772 347
Compensation of employees	365 984	—	—	(3 142)	—	—	(3 142)	362 842
Goods and services	430 449	3 000	—	(3 944)	(20 000)	—	(20 944)	409 505
Interest and rent on land	352	—	—	(352)	—	—	(352)	—
Transfers and subsidies	27 309 764	17 000	—	1 069	—	44 454	62 523	27 372 287
Provinces and municipalities	26 167 499	—	—	—	—	44 454	44 454	26 211 953
Departmental agencies and accounts	1 133 751	17 000	—	—	—	—	17 000	1 150 751
Higher education institutions	3 244	—	—	505	—	—	505	3 749
Foreign governments and international organisations	1 050	—	—	500	—	—	500	1 550
Households	4 220	—	—	64	—	—	64	4 284
Payments for capital assets	3 914	100 539	—	6 369	—	—	106 908	110 822
Buildings and other fixed structures	—	100 539	—	—	—	—	100 539	100 539
Machinery and equipment	3 681	—	—	6 120	—	—	6 120	9 801
Software and other intangible assets	233	—	—	249	—	—	249	482
Total	28 110 463	120 539	—	—	(20 000)	44 454	144 993	28 255 456

Programme 1: Administration

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Ministry	31 809	–	–	–	–	–	–	31 809
Departmental Management	108 793	–	–	–	–	–	–	108 793
Corporate Services	205 868	–	–	–	–	–	–	205 868
Property Management	34 403	–	–	–	–	–	–	34 403
Financial Management	41 526	–	–	–	–	–	–	41 526
Total	422 399	–	–	–	–	–	–	422 399
Economic classification								
Current payments	420 038	–	–	(4 721)	–	–	(4 721)	415 317
Compensation of employees	180 016	–	–	(645)	–	–	(645)	179 371
Goods and services	239 883	–	–	(3 937)	–	–	(3 937)	235 946
Interest and rent on land	139	–	–	(139)	–	–	(139)	–
Transfers and subsidies	–	–	–	24	–	–	24	24
Households	–	–	–	24	–	–	24	24
Payments for capital assets	2 361	–	–	4 697	–	–	4 697	7 058
Machinery and equipment	2 128	–	–	4 495	–	–	4 495	6 623
Software and other intangible assets	233	–	–	202	–	–	202	435
Total	422 399	–	–	–	–	–	–	422 399

Programme 2: Human Settlements Policy, Strategy and Planning

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management for Policy, Strategy and Planning	5 845	–	–	(30)	–	–	(30)	5 815
Human Settlements Policy Frameworks	27 752	–	–	66	–	–	66	27 818
Human Settlements Strategy and Planning	50 458	–	–	(36)	–	–	(36)	50 422
Total	84 055	–	–	–	–	–	–	84 055
Economic classification								
Current payments	82 679	–	–	(1 069)	–	–	(1 069)	81 610
Compensation of employees	59 554	–	–	(1 842)	–	–	(1 842)	57 712
Goods and services	23 021	–	–	877	–	–	877	23 898
Interest and rent on land	104	–	–	(104)	–	–	(104)	–
Transfers and subsidies	1 050	–	–	500	–	–	500	1 550
Foreign governments and international organisations	1 050	–	–	500	–	–	500	1 550
Payments for capital assets	326	–	–	569	–	–	569	895
Machinery and equipment	326	–	–	569	–	–	569	895
Total	84 055	–	–	–	–	–	–	84 055

Programme 3: Programme Delivery Support

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management for Programme Delivery Support	3 530	–	–	–	–	–	–	3 530
Programme Implementation Facilitation	111 056	–	–	–	(20 000)	–	(20 000)	91 056
Technical Capacity Development	25 064	–	–	(715)	–	–	(715)	24 349
Programme and Project Planning Support	13 999	–	–	–	–	–	–	13 999
National Sanitation Programme	73 273	–	–	(505)	–	–	(505)	72 768
Total	226 922	–	–	(1 220)	(20 000)	–	(21 220)	205 702
Economic classification								
Current payments	218 487	–	–	(2 160)	(20 000)	–	(22 160)	196 327
Compensation of employees	69 923	–	–	(505)	–	–	(505)	69 418
Goods and services	148 499	–	–	(1 590)	(20 000)	–	(21 590)	126 909
Interest and rent on land	65	–	–	(65)	–	–	(65)	–
Transfers and subsidies	7 464	–	–	505	–	–	505	7 969
Higher education institutions	3 244	–	–	505	–	–	505	3 749
Households	4 220	–	–	–	–	–	–	4 220
Payments for capital assets	971	–	–	435	–	–	435	1 406
Machinery and equipment	971	–	–	388	–	–	388	1 359
Software and other intangible assets	–	–	–	47	–	–	47	47
Total	226 922	–	–	(1 220)	(20 000)	–	(21 220)	205 702

Programme 4: Housing Development Finance

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management for Housing Development Finance	3 175	–	–	–	–	–	–	3 175
Chief Investment Officer	20 880	–	–	–	–	–	–	20 880
Regulatory Compliance Services	21 593	3 000	–	1 220	–	–	4 220	25 813
Human Settlements Development Grant	16 983 872	–	–	–	–	44 454	44 454	17 028 326
Contributions	1 133 751	17 000	–	–	–	–	17 000	1 150 751
Rural Households Infrastructure Grant	106 721	100 539	–	–	–	–	100 539	207 260
Urban Settlements Development Grant	9 076 906	–	–	–	–	–	–	9 076 906
Programme Monitoring and Evaluation	30 189	–	–	–	–	–	–	30 189
Total	27 377 087	120 539	–	1 220	–	44 454	166 213	27 543 300

Programme 4: Housing Development Finance (continued)

R thousand	Main appropriation	2013/14 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Economic classification								
Current payments	75 581	3 000	–	512	–	–	3 512	79 093
Compensation of employees	56 491	–	–	(150)	–	–	(150)	56 341
Goods and services	19 046	3 000	–	706	–	–	3 706	22 752
Interest and rent on land	44	–	–	(44)	–	–	(44)	–
Transfers and subsidies	27 301 250	17 000	–	40	–	44 454	61 494	27 362 744
Provinces and municipalities	26 167 499	–	–	–	–	44 454	44 454	26 211 953
Departmental agencies and accounts	1 133 751	17 000	–	–	–	–	17 000	1 150 751
Households	–	–	–	40	–	–	40	40
Payments for capital assets	256	100 539	–	668	–	–	101 207	101 463
Buildings and other fixed structures	–	100 539	–	–	–	–	100 539	100 539
Machinery and equipment	256	–	–	668	–	–	668	924
Total	27 377 087	120 539	–	1 220	–	44 454	166 213	27 543 300

Details of adjustments to the Estimates of National Expenditure 2013**Roll-overs – R120.539 million**

Funds have been rolled over as follows:

Programme 4: Housing Development Finance

R100.539 million to complete projects related to the 2012/13 rural household infrastructure indirect grant.

R20 million for the initial start-up costs for the community schemes ombud service.

Virements and shifts**Programmes**

1. Administration
2. Human Settlements Policy, Strategy and Planning
3. Programme Delivery Support
4. Housing Development Finance

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(4 721)	Programme 1		4 721
Compensation of employees	Vacant posts	(645)	Machinery and equipment	Vehicle for the new minister	645
Goods and services	Reallocation of funds from non-core goods and services items such as advertising and stationery	(3 711)	Machinery and equipment	New computer servers	3 711

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Reallocation of funds from various non-core goods and services items	(24)	Households	Leave gratuities	24
	Reallocation of funds from various non-core goods and services items	(202)	Software and other intangible assets	Purchase of software	202
Interest and rent on land	Reclassification of funds due to changes in the standard chart of accounts	(139)	Machinery and equipment	Interest payments on the lease of photocopy machines	139
Shifts within the programme as a percentage of the programme budget		1.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(1 972)	Programme 2		1 972
Compensation of employees	Vacant posts	(543)	Machinery and equipment	Staff related equipment	543
	Vacant posts	(799)	Goods and services	Capacity and compliance assessment panel for municipal accreditation	799
	Vacant posts	(500)	Foreign governments and international organisations	Membership fees for the Cities Alliance	500
Goods and services	Reallocation of funds from stationery	(26)	Machinery and equipment	Purchase of office equipment	26
Interest and rent on land	Reclassification of funds due to changes in the standard chart of accounts	(104)	Machinery and equipment	Interest payments on the lease of office equipment	104
Shifts within the programme as a percentage of the programme budget		2.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(2 270)	Programme 3		940
Compensation of employees	Savings due to vacancies	(505)	Higher education institutions	Transfer to the Nelson Mandela Metropolitan University for the chair of human settlements	505
Goods and services	Reallocation of funds from various items such as stationery, travel and subsistence, and venues and facilities	(433)	Machinery and equipment	Office furniture and equipment	433
	Reallocation of funds from consultants	(2)	Software and other intangible assets	Software licences	2
	Reallocation of funds from various goods and services items such as advertising, entertainment and stationery	(1 220)	Programme 4		1 220
			Goods and services	Consultants for the closure of Servcon Housing Solutions	1 220
Interest and rent on land	Funds reclassified for finance leases	(65)	Programme 3		110
			Machinery and equipment	Interest payments on the lease of office equipment	65
Machinery and equipment	Reallocation of funds from computer equipment due to vacancies	(45)	Software and other intangible assets	Software licences	45
Shifts within the programme as a percentage of the programme budget		0.5%			
Virements to other programmes as a percentage of the programme		0.5%			

budget					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(708)	Programme 4		708
Compensation of employees	Vacant posts	(110)	Machinery and equipment	Office furniture and equipment	110
	Vacant posts	(40)	Households	Leave gratuities	40
Goods and services	Reallocation of funds from goods and services items such as catering, travel and subsistence, and venues, and facilities	(514)	Machinery and equipment	Office furniture and equipment	514
Interest and rent on land	Reclassification of funds due to changes in the standard chart of accounts	(44)	Machinery and equipment	Interest payments on the lease of office equipment	44
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		(9 671)			9 671

Other adjustments – R24.454 million

Appropriation of expenditure earmarked in the 2013 Budget speech for future allocation

Programme 4: Housing Development Finance

An additional R44.454 million has been allocated to the human settlements development grant for disaster relief.

Declared unspent funds

Programme 3: Programme Delivery Support

R20 million in unspent funds has been declared due to slow spending on the national upgrading support programme.

Gifts, donations and sponsorships – R8.4 million

Programme 2: Human Settlements Policy, Strategy and Planning

The department has pledged R8.4 million in prizes for the Govan Mbeki Housing Awards.

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Administration	430 278	131 102	30.5	300 556	69.9	422 399	1.5	148 299	35.1
Human Settlements Policy, Strategy and Planning	67 902	24 926	36.7	63 200	93.1	84 055	0.3	29 788	35.4

2013 Adjusted Estimates of National Expenditure

	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
			Apr 12 - Sep 12 % of	Apr 12 - Mar 13 % of				Apr 13 - Sep 13 % of	
R thousand	Adjusted appropriation	Apr 12- Sep 12	adjusted appropriation	Apr 12 - Mar 13	adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13- Sep 13	adjusted appropriation
Programme Delivery Support	195 966	66 915	34.1	174 410	89.0	205 702	0.7	44 493	21.6
Housing Development Finance	24 443 659	9 832 674	40.2	23 925 105	97.9	27 543 300	97.5	8 830 871	32.1
Total	25 137 805	10 055 617	40.0	24 463 271	97.3	28 255 456	100.0	9 053 451	32.0
Economic classification									
Current payments	734 188	221 132	30.1	533 586	72.7	772 347	2.7	238 904	30.9
Compensation of employees	320 006	123 049	38.5	249 834	78.1	362 842	1.3	128 522	35.4
Goods and services	413 230	97 907	23.7	283 752	68.7	409 505	1.4	110 382	27.0
Interest and rent on land	952	176	18.5	–	0.0	–	0.0	–	0.0
Transfers and subsidies	24 044 530	9 804 994	40.8	23 718 884	98.6	27 372 287	96.9	8 811 625	32.2
Provinces and municipalities	23 118 165	9 361 347	40.5	22 787 238	98.6	26 211 953	92.8	8 660 125	33.0
Departmental agencies and accounts	912 808	436 155	47.8	912 808	100.0	1 150 751	4.1	148 748	12.9
Higher education institutions	3 090	–	0.0	–	0.0	3 749	0.0	–	0.0
Foreign governments and international organisations	1 000	79	7.9	1 279	127.9	1 550	0.0	–	0.0
Public corporations and private enterprises	–	–	0.0	3 090	0.0	–	0.0	–	0.0
Non-profit institutions	400	–	0.0	420	105.0	–	0.0	–	0.0
Households	9 067	7 413	81.8	14 049	154.9	4 284	0.0	2 752	64.2
Payments for capital assets	359 087	29 488	8.2	210 675	58.7	110 822	0.4	2 850	2.6
Buildings and other fixed structures	340 625	27 052	7.9	205 566	60.3	100 539	0.4	2 749	2.7
Machinery and equipment	16 906	2 386	14.1	5 079	30.0	9 801	0.0	–	0.0
Land and subsoil assets	–	–	0.0	–	0.0	–	0.0	101	0.0
Software and other intangible assets	1 556	50	3.2	30	1.9	482	0.0	–	0.0
Payments for financial assets	–	3	–	126	–	–	0.0	72	0.0
Total	25 137 805	10 055 617	40.0	24 463 271	97.3	28 255 456	100.0	9 053 451	32.0

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 97.3 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R9.053 billion, or 32 per cent of the adjusted appropriation of R28.255 billion for the year. In comparison, mid-year expenditure in 2012/13 was R10.056 billion, or

40 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 decreased by R1.002 billion, or 10 per cent. This was mainly due to the non-transfer of the human settlement development grant to Limpopo due to supply chain irregularities. Further underspending relates to the rural household infrastructure grant, where no funds have been transferred to municipalities, and to the slow implementation of the national upgrading support programme.

Departmental receipts

R thousand	2012/13					2013/14				
	Adjusted estimate	Audited outcome				Actual receipts				Apr 13 - Sep 13 % of adjusted estimate
		Apr 12 - Sep 12	Apr 12 - Sep 13 % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/total (%)	Apr 13 - Sep 13	
Departmental receipts	1 270	625	49.2	1 039	81.8	595	6 584	100.0	6 278	95.4
Sales of goods and services produced by department	165	82	49.7	167	101.2	176	184	2.8	93	50.5
Sales of scrap, waste, arms and other used current goods	2	1	50.0	3	150.0	2	4	0.1	2	50.0
Interest, dividends and rent on land	55	18	32.7	90	163.6	58	36	0.5	18	50.0
Transactions in financial assets and liabilities	1 048	524	50.0	779	74.3	359	6 360	96.6	6 165	96.9
Total	1 270	625	49.2	1 039	81.8	595	6 584	100.0	6 278	95.4

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R6.278 million, or 95.4 per cent of the adjusted revenue estimate of R6.584 million for the year. In comparison, mid-year revenue in 2012/13 was R625 000, or 49.2 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 increased by R5.653 million, or 904.5 per cent. This was mainly due to a once-off refund from Diners Club for unused tickets.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

Summary of changes to transfers and subsidies per programme								
2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	–	–	–	24	–	–	24	24
Employee social benefits	–	–	–	24	–	–	24	24
Human Settlements Policy, Strategy and Planning								
Foreign governments and international organisations								
Current	1 050	–	–	500	–	–	500	1 550
Cities Alliance	–	–	–	1 000	–	–	1 000	1 000
Habitat Foundation	1 050	–	–	(500)	–	–	(500)	550

Summary of changes to transfers and subsidies per programme (continued)

2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Programme Delivery Support								
Higher education institutions								
Current	3 244	–	–	505	–	–	505	3 749
Nelson Mandela Metropolitan University	3 244	–	–	505	–	–	505	3 749
Housing Development Finance								
Provinces and municipalities								
Provinces								
Provincial Revenue Funds								
Capital	16 983 872	–	–	–	–	44 454	44 454	17 028 326
Human settlements development grant	16 983 872	–	–	–	–	44 454	44 454	17 028 326
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	–	17 000	–	–	–	–	17 000	17 000
Community schemes ombud service	–	17 000	–	–	–	–	17 000	17 000
Households								
Social benefits								
Current	–	–	–	40	–	–	40	40
Employee social benefits	–	–	–	40	–	–	40	40

Summary of changes to conditional grants: Provinces

2013/14								
Subprogramme	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Human Settlements Policy, Strategy and Planning								
Programme Delivery Support								
Housing Development Finance	16 983 872					44 454	44 454	17 028 326
Human settlements development grant	16 983 872	–	–	–	–	44 454	44 454	17 028 326