

Vote 38

Human Settlements

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	30 690 856	30 696 356	-	5 500
of which:				
Current payments	758 924	757 793	(1 131)	-
Transfers and subsidies	29 826 466	29 821 469	(4 997)	-
Payments for capital assets	5 466	17 061	-	11 595
Payments for financial assets	100 000	100 033	-	33
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 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of municipalities assessed for accreditation per year	Human Settlements Policy, Strategy and Planning	Outcome 8: Sustainable human settlements and improved quality of household life	7	0	-
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support		53	61	-
Number of informal settlements assessed per year	Human Settlements Delivery Support		473	229	-
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Human Settlements Delivery Support		7 000	3 500	-
Number of subsidy housing units provided per year	Housing Development Finance		108 017	16 832 ¹	-
Number of additional households living in affordable rental housing units per year	Housing Development Finance		5 447	143 ¹	-
Number of additional households living in informal settlements upgraded to level 2 in terms of the upgrading informal settlements programme per year	Housing Development Finance		189 039	24 324 ¹	-
Number of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		17 231	490 ¹	-
Total value of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		R422m	R10m	-
Number of catalytic projects initiated per year	Housing Development Finance		12	0	-

¹ Only data for the first quarter of 2016/17 is currently available.

Mid-year progress

In the first half of 2016/17, 3 500 people's housing process subsidies were approved and allocated to qualifying beneficiaries, amounting to 50 per cent of the annual target, reflecting good progress to date. By the end of the first quarter, only 16 832 fully subsidised housing units were delivered and 24 324 households

in informal settlements were upgraded, representing 15.6 per cent and 12.9 per cent achievement against the annual targets respectively.

No new municipalities were assessed for accreditation against a target of 7 in the first half of the financial year. This is largely as a result of the uncertainty around the revised accreditation framework. By the end of June 2016, only 143 affordable rental units were delivered, against a target of 5 447. This is largely due to the slow process of unblocking the previously stalled social housing project pipeline. In addition, R10 million was disbursed to 490 qualifying finance linked individual subsidy beneficiaries in the affordable housing market segment, representing a 2.8 per cent achievement in the first quarter of the financial year against an annual target of 17 231 subsidies.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	442 274	17 500	–	284	–	–	17 784	460 058
Human Settlements Policy, Strategy and Planning	83 063	–	–	5 000	–	–	5 000	88 063
Human Settlements Delivery Support	224 582	–	–	4 716	(12 000)	–	(7 284)	217 298
Housing Development Finance	29 940 937	–	–	(10 000)	–	–	(10 000)	29 930 937
Total	30 690 856	17 500	–	–	(12 000)	–	5 500	30 696 356
Economic classification								
Current payments	758 924	10 000	–	869	(12 000)	–	(1 131)	757 793
Compensation of employees	383 491	–	–	–	(12 000)	–	(12 000)	371 491
Goods and services	375 433	10 000	–	869	–	–	10 869	386 302
Transfers and subsidies	29 826 466	–	–	(4 997)	–	–	(4 997)	29 821 469
Provinces and municipalities	29 123 459	–	–	–	–	–	–	29 123 459
Departmental agencies and accounts	692 395	–	–	(10 000)	–	–	(10 000)	682 395
Foreign governments and international organisations	1 211	–	–	–	–	–	–	1 211
Public corporations and private enterprises	–	–	–	5 000	–	–	5 000	5 000
Households	9 401	–	–	3	–	–	3	9 404
Payments for capital assets	5 466	7 500	–	4 095	–	–	11 595	17 061
Machinery and equipment	5 197	7 500	–	4 074	–	–	11 574	16 771
Software and other intangible assets	269	–	–	21	–	–	21	290
Payments for financial assets	100 000	–	–	33	–	–	33	100 033
Total	30 690 856	17 500	–	–	(12 000)	–	5 500	30 696 356

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	60 222	–	–	–	–	–	–	60 222
Departmental Management	102 143	–	–	–	–	–	–	102 143
Corporate Services	188 160	17 500	–	284	–	–	17 784	205 944
Property Management	39 900	–	–	–	–	–	–	39 900
Financial Management	51 849	–	–	–	–	–	–	51 849
Total	442 274	17 500	–	284	–	–	17 784	460 058
Economic classification								
Current payments	438 900	10 000	–	(3 555)	–	–	6 445	445 345
Compensation of employees	216 458	–	–	–	–	–	–	216 458
Goods and services	222 442	10 000	–	(3 555)	–	–	6 445	228 887

Programme 1: Administration (continued)

Economic classification		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Transfers and subsidies	46	-	-	3	-	-	3	49
Households	46	-	-	3	-	-	3	49
Payments for capital assets	3 328	7 500	-	3 804	-	-	11 304	14 632
Machinery and equipment	3 059	7 500	-	3 783	-	-	11 283	14 342
Software and other intangible assets	269	-	-	21	-	-	21	290
Payments for financial assets	-	-	-	32	-	-	32	32
Total	442 274	17 500	-	284	-	-	17 784	460 058

Programme 2: Human Settlements Policy, Strategy and Planning

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management for Policy, Strategy and Planning	7 424	-	-	-	-	-	-	7 424
Human Settlements Policy Frameworks	30 852	-	-	100	-	-	100	30 952
Human Settlements Strategy and Planning	44 787	-	-	4 900	-	-	4 900	49 687
Total	83 063	-	-	5 000	-	-	5 000	88 063
Economic classification								
Current payments	80 985	-	-	(120)	-	-	(120)	80 865
Compensation of employees	55 724	-	-	-	-	-	-	55 724
Goods and services	25 261	-	-	(120)	-	-	(120)	25 141
Transfers and subsidies	1 211	-	-	5 000	-	-	5 000	6 211
Foreign governments and international organisations	1 211	-	-	-	-	-	-	1 211
Public corporations and private enterprises	-	-	-	5 000	-	-	5 000	5 000
Payments for capital assets	867	-	-	119	-	-	119	986
Machinery and equipment	867	-	-	119	-	-	119	986
Payments for financial assets	-	-	-	1	-	-	1	1
Total	83 063	-	-	5 000	-	-	5 000	88 063

Programme 3: Human Settlements Delivery Support

Subprogramme		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management for Human Settlements Delivery Support	9 240	-	-	-	-	-	-	9 240
Programme Management Unit	165 021	-	-	-	(12 000)	-	(12 000)	153 021
Chief of Operations	50 321	-	-	4 716	-	-	4 716	55 037
Total	224 582	-	-	4 716	(12 000)	-	(7 284)	217 298
Economic classification								
Current payments	214 178	-	-	4 564	(12 000)	-	(7 436)	206 742
Compensation of employees	93 259	-	-	-	(12 000)	-	(12 000)	81 259
Goods and services	120 919	-	-	4 564	-	-	4 564	125 483
Transfers and subsidies	9 355	-	-	-	-	-	-	9 355
Households	9 355	-	-	-	-	-	-	9 355
Payments for capital assets	1 049	-	-	152	-	-	152	1 201
Machinery and equipment	1 049	-	-	152	-	-	152	1 201
Total	224 582	-	-	4 716	(12 000)	-	(7 284)	217 298

Programme 4: Housing Development Finance

Subprogramme	2016/17							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management for Housing Development Finance	3 741	-	-	-	-	-	-	3 741
Chief Investment Officer	21 342	-	-	-	-	-	-	21 342
Human Settlements Development Grant	18 283 991	-	-	-	-	-	-	18 283 991
Contributions	792 395	-	-	(10 000)	-	-	(10 000)	782 395
Urban Settlements Development Grant	10 839 468	-	-	-	-	-	-	10 839 468
Total	29 940 937	-	-	(10 000)	-	-	(10 000)	29 930 937
Economic classification								
Current payments	24 861	-	-	(20)	-	-	(20)	24 841
Compensation of employees	18 050	-	-	-	-	-	-	18 050
Goods and services	6 811	-	-	(20)	-	-	(20)	6 791
Transfers and subsidies	29 815 854	-	-	(10 000)	-	-	(10 000)	29 805 854
Provinces and municipalities	29 123 459	-	-	-	-	-	-	29 123 459
Departmental agencies and accounts	692 395	-	-	(10 000)	-	-	(10 000)	682 395
Payments for capital assets	222	-	-	20	-	-	20	242
Machinery and equipment	222	-	-	20	-	-	20	242
Payments for financial assets	100 000	-	-	-	-	-	-	100 000
Total	29 940 937	-	-	(10 000)	-	-	(10 000)	29 930 937

Details of adjustments to the Estimates of National Expenditure 2016**Roll-overs – R17.500 million**

Programme 1: Administration

R10 million has been rolled over for the payment of Microsoft software licences.

R7.500 million has been rolled over for the purchasing of computer network switches from the State Information Technology Agency.

Virements and shifts within vote

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		(3 839)	Programme 1		3 839
Goods and services	Reallocation of funds from various non-core goods and services items	(32)	Payments for financial assets	Approved losses due to vehicle damages, and loss of equipment	32
	Reclassification of funds from equipment less than R5 000	(3 783)	Machinery and equipment	IT equipment, audio visual equipment office equipment, and furniture	3 783
	Reallocation of funds from various non-core goods and services items	(21)	Software and other intangible assets	Software licences	21
	Reallocation from various non-core goods and services items	(3)	Households	Leave gratuities	3
Shifts within the programme as a percentage of the programme budget		0.9%			
Virements to other programmes as a percentage of the programme budget		0.0%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(120)	Programme 2		120
Goods and services	Reallocation of funds from various non-core goods and services items	(1)	Payments for financial assets	Approved losses due to vehicle damages and loss of equipment	1
	Reclassification of funds from equipment less than R5 000	(119)	Machinery and equipment	Kitchen appliances and IT equipment	119
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(436)	Programme 1		284
Goods and services	Reallocation of funds from various non-core goods and services items	(284)	Goods and services	Funding for the drafting of legislation for human settlements development finance institutions	284
	Reclassification of funds from equipment less than R5 000	(152)	Programme 3		152
			Machinery and equipment	IT equipment and office furniture	152
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Programme 4		(10 020)	Programme 4		20
Goods and services	Reallocation of funds from various non-core goods and services items	(20)	Machinery and equipment	IT equipment	20
			Programme 2		5 000
Departmental agencies and accounts	Reprioritisation of uncommitted funds from the allocation for the national upgrading support programme of the Housing Development Agency ¹	(5 000)	Public corporations and private enterprises	Review of guidelines for the planning and design of human settlements ¹	5 000
	Reprioritisation of uncommitted funds from the allocation for the national upgrading support programme of the Housing Development Agency ¹	(5 000)	Programme 3		5 000
			Goods and services	Technical services for the consolidation of human settlements development finance institutions ¹	5 000
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		(14 415)			14 415

1. National Treasury approval has been obtained.

Declared unspent funds – R12 million

Programme 3: Human Settlements Delivery Support

R12 million in unspent funds has been declared on compensation of employees due to vacancies that cannot be filled.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	% of adjusted appropriation	Apr 15 - Mar 16	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	% of adjusted appropriation	
R thousand										
Administration	420 616	184 729	43.9	411 074	97.7	460 058	1.5	197 641	43.0	
Human Settlements	73 538	34 678	47.2	75 738	103.0	88 063	0.3	35 457	40.3	
Policy, Strategy and Planning										
Human Settlements Delivery Support	185 600	51 566	27.8	120 796	65.1	217 298	0.7	58 908	27.1	
Housing Development Finance	29 863 627	12 855 933	43.0	29 426 936	98.5	29 930 937	97.5	12 737 748	42.6	
Total	30 543 381	13 126 906	43.0	30 034 544	98.3	30 696 356	100.0	13 029 754	42.4	

2016 Adjusted Estimates of National Expenditure

Economic classification	2015/16					2016/17				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
Current payments	674 756	267 354	39.6	603 669	89.5	757 563	2.5	295 589	39.0	
Compensation of employees	320 760	151 620	47.3	310 151	96.7	371 491	1.2	160 312	43.2	
Goods and services	353 992	115 730	32.7	293 514	82.9	386 072	1.3	135 265	35.0	
Interest and rent on land	4	4	100.0	4	100.0	-	-	12	-	
Transfers and subsidies	29 692 705	12 753 953	43.0	29 255 449	98.5	29 821 469	97.1	12 631 002	42.4	
Provinces and municipalities	28 957 020	12 596 574	43.5	28 957 020	100.0	29 123 459	94.9	12 512 111	43.0	
Departmental agencies and accounts	724 507	150 588	20.8	287 906	39.7	682 395	2.2	115 392	16.9	
Foreign governments and international organisations	1 150	1 368	119.0	1 368	119.0	1 211	-	-	-	
Households	10 028	5 423	54.1	9 155	91.3	9 404	-	3 499	37.2	
Payments for capital assets	14 826	5 507	37.1	14 108	95.2	17 291	0.1	3 153	18.2	
Buildings and other fixed structures	245	236	96.3	236	96.3	-	-	-	-	
Machinery and equipment	14 526	5 271	36.3	13 810	95.1	17 001	0.1	3 133	18.4	
Software and other intangible assets	55	-	-	62.1	112.7	290	-	20	6.9	
Payments for financial assets	161 094	100 092	62.1	161 318	100.1	100 033	0.3	100 010	100.0	
Total	30 543 381	13 126 906	43.0	30 034 544	98.3	30 696 356	100.0	13 029 754	42.4	

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 98.3 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 amounted to R13 billion, or 42.4 per cent of the adjusted appropriation of R30.7 billion for the year. In comparison, mid-year expenditure in 2015/16 was R13.1 billion, or 43 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 decreased by R97.2 million, or 0.7 per cent. The decrease in expenditure can mainly be attributed to the lower amount budgeted for in the first tranche of the urban settlements development grant transfer made to metropolitan municipalities, compared to the same period in 2015/16.

Departmental receipts

Economic classification	2015/16					2016/17				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts	1 695	924	54.5	1 237	73.0	519	764	100.0	339	44.4
Sales of goods and services produced by department	210	98	46.7	199	94.8	214	205	26.8	100	48.8
Sales of scrap, waste, arms and other used current goods	5	1	20.0	3	60.0	5	2	0.3	1	50.0
Transfers received	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	300	155	51.7	166	55.3	300	12	1.6	6	50.0
Sales of capital assets	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 180	670	56.8	869	73.6	-	545	71.3	232	42.6
Total	1 695	924	54.5	1 237	73.0	519	764	100.0	339	44.4

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R339 000, or 44.4 per cent of the adjusted revenue estimate of R764 000 for the year. In comparison, mid-year revenue in 2015/16 was R924 000, or 54.5 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 decreased significantly by R585 000 or 63.3 per cent and can be attributed to a refund of fees paid by the South African Cities Network in 2015/16. Revenue generated by the department is largely driven by payments of debt owed to the department, interest on debt accrued from suppliers and staff, and costs recovered from staff, such as damage to vehicles and loss of assets.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Other transfers to households								
Current	-	-	-	3	-	-	3	3
Transfers to households	-	-	-	3	-	-	3	3
Human Settlements Policy, Strategy and Planning								
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	-	-	-	5 000	-	-	5 000	5 000
Council for Scientific and Industrial Research	-	-	-	5 000	-	-	5 000	5 000
Housing Development Finance								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	167 512	-	-	(10 000)	-	-	(10 000)	157 512
Housing Development Agency	167 512	-	-	(10 000)	-	-	(10 000)	157 512

