

VOTE 8

DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2016/17	R 5 871 166 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department of Human Settlements

1. OVERVIEW

Vision

To provide integrated sustainable human settlements and improved quality of household life.

Mission

To provide relevant, differentiated and good quality housing opportunities to qualifying beneficiaries in partnership with various stakeholders.

Values

The Department's values are based on the Batho Pele (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery; and
- Excellence.

Strategic goals

The Department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five year programme. The Department aims to achieve the following eight strategic objectives:

- Build inclusive human settlements consistent with integrated, efficient and equitable spatial patterns;
- Build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements;
- Address housing needs, through effective research, monitoring, evaluation, planning and the development of appropriate human settlements policies;
- Building a productive and capable human capital with the relevant and appropriate skills base to duly respond to the needs of human settlements;
- Restoring public service ethos by promoting sound and good governance, preventing fraud, corruption and ensuring effective risk management by establishing policies and systems;
- Use human settlements as a catalyst for the creation of work and entrepreneurial opportunities inclusive of but not limited to the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP) approach;
- Engendering a coordinated function of joint planning across inter-governmental platforms and spheres of government for long term transformed human settlements; and
- Enabling the department to perform its roles and responsibilities through planning, implementation and use of effective systems and ICT as a strategic enabler of business.

Core functions and responsibilities

The mandate of the department is derived from the Constitution. Its primary roles are:

- To promote and facilitate the provision of adequate housing in the province;
- To develop provincial housing policies that will strengthen the ability to provide housing opportunities to qualifying

beneficiaries in order to build sustainable communities;

- To develop and implement programmes and projects that give effect to the province's short, medium and long term housing plans; and
- To manage the housing delivery process and transform informal settlements, especially in priority townships and 50 poorest wards, into sustainable and vibrant communities; and provide services in respect of subsidies and rental housing.

Main services

Through the Human Settlements Development Grant (HSDG), the department delivers quality housing opportunities to the people of Gauteng and develops integrated infrastructure to create cohesive communities. It is responsible for managing provincial housing assets through the property management programme and for redistributing or transferring properties to beneficiaries. In addition the department aims to building cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Through the HSDG, the department delivers mega human settlements and post-apartheid cities, which also include student accommodation. Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale whilst supporting the programme of radical transformation. The Department is also mandated with the upgrading of existing townships and inner cities through urban renewal programme, 20 Prioritised Township Programme (PTP) and 50 poorest wards, inner city revitalisation, ensuring that the Gauteng Rental Housing Strategy is realised, Mining towns revitalisation, Integrate hostel residents into broader social fabric and ensuring that every Gauteng resident has access to housing through the Finance-linked Individual Subsidy Programme (FLISP) rollout for families who do not qualify for social housing opportunities (those who earn between R3500 and R18000 p.m.).

Ten pillar programme of transformation, modernisation and re-industrialisation

Modernisation of the public service and transformation of the state and governance

In support of the above pillar an amount of R439 million and R930 million over the MTEF is allocated under Programme 1: Administration to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It will enable the department's business units to perform efficiently by providing corporate support (human resources, financial management, ICT and office accommodation facilities). Through continuous refinement of the organisational strategy and structure in compliance with appropriate legislation and best practice, the programme ensures effective leadership, management and administrative support to the core business divisions.

Decisive spatial transformation and modernisation of human settlements and urban development

An amount of R33 million in 2016/17 and R73 million over the MTEF has been allocated to the Housing Needs, Research and Planning programme which develops policies and plans that give support to the achievement of the ideals expressed as part of achieving decisive spatial transformation and modernising human settlements and urban development, examples of such policies include the Inclusionary Housing Bill; the Densification Policy; the Gauteng Rental Housing Strategy; and the Land Invasion Framework.

Through the HSDG as well as funding from the province, a total allocation of R5 billion has been allocated in 2016/17 and R13 billion over the MTEF to support the realisation of decisive spatial transformation and modernisation of human settlements and urban development pillar through the Housing Development Programme. The Housing Development Programme aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis of this programme is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The Department plans to implement mega-projects to provide various housing types which will be developed along nodes that will provide economic and employment opportunities. Some of these mega projects include: Lion Park, Fleurhof, Diepsloot East, Malibongwe Ridge, Syferfontein and Goudrand Extension 4. The programme is aligned with government's Outcome 8: "Sustainable human settlement and improved quality of household life".

Through the Housing Assets and Property Management programme, the Department facilitates affordable rental accommodation and delivers housing units in targeted presidential projects in order to promote home ownership. This programme in support of the above pillars provides for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Benefit Scheme, and housing property maintenance. In line with the above mentioned pillars, the department provides cleaning services on its stock of flats and is also transferring ownership of them to people who qualify. An allocation of R111 million has been set aside in 2016/17 and R151 million over the MTEF to support the realisation of the above pillars.

In combating fraud and corruption in the allocation of houses to beneficiaries, the department has an approved Strategic Framework on Anti-Fraud, Corruption and Ethics as well as an approved fraud prevention plan. Oversight, transparency and accountability, fraud detection, reporting and monitoring are critical components of dealing with fraud and corruption in this regard.

In line with the decisive spatial transformation and the modernisation of human settlements and urban development, the department has established a Project Management Office to address issues of service delivery protests, to reduce the waiting times for beneficiaries who are on the waiting list and to ensure coordination of departmental plans with other GPG departments. The main objectives of the PMO include, among other things the following:

- To develop processes to support the efficient and effective delivery of services in partnership and collaboration with various stakeholders in the public and private sector;
- To facilitate and coordinate the implementation of allocated projects from initiation through to execution and closure; and
- Oversee and ensure attainment of quality project deliverables in line with project plans.

The validation of qualifying beneficiaries of housing opportunities will be performed by installing a centralised biometric system for beneficiary administration while the waiting list will be reformed by updating the demand database.

National Development Plan (NDP) vision 2030 and the departmental strategy for 2014-19

The national government's NDP is the overarching plan with which all departments and state agencies are aligned. In terms of the NDP Vision 2030, and Chapter eight (8) in particular, the department needs to ensure that the people of Gauteng have a decent standard of living through the elimination of poverty and the reduction of inequality through the following key areas of focus:

- Shape the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devise alternative innovative financial instruments to increase housing opportunities by increasing the supply of Finance Linked Individual Subsidy Programme (FLISP) housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation; and servicing stands by the capital subsidy scheme;
- Play a central coordinating and facilitative role between Global City Region (GCR) cities and capitalise on the growing integrated urban network to implement the Human Settlement Master Plan (Housing Chapters), supported by transport and infrastructure plans and well located human settlements in areas of employment and economic activity;
- Prioritise the development of urban infrastructure, environment and affordability of living in urban centres in order to implement the provincial Bulk Infrastructure Plan; and align funding streams to support the plan
- Promote social and spatial integration to achieve social cohesion through identifying and providing new human settlements;
- Develop efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or "pockets of poverty", through a joint effort with stakeholders; and
- Encourage optimal use of land through densification in strategic locations.

External activities and events relevant to budget decisions

The 2015 Statistics South Africa (Stats SA) reports has estimated Gauteng's population growth at 0, 5 per cent or 200 000 individuals per annum. It is expected to remain around this level over time and in particular over the 2016 MTEF. Stats SA also indicates that the percentage of unemployed South Africans stood at 26 per cent, and that the average monthly salary for South Africans stands at R8 380 (Census 2011). The province's unemployment rate is affected by migration, and increased funding is therefore needed to cater for the increase in the number of poor people who cannot afford to buy houses. The slowdown in economic conditions and the reduction in government spending over the MTEF pose challenges in terms of the number of houses that the department can deliver.

Acts, rules and regulations (most recent date first)

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- National Environmental Management Act (Act No.107 of 1998, as amended by Act No. 8 of 2004);
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Construction Industry Development Board Act (Act no. 38 of 2000);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

Legislative and other mandates

The core mandate of the department is to deliver quality housing opportunities to the people of Gauteng and to develop integrated infrastructure to create cohesive communities. It is also responsible for managing provincial housing assets

and for redistributing or transferring properties to beneficiaries. In addition the department aims to building cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements.

Policy mandate

The department is guided by the following policies and strategies:

- National Development Plan
- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- Gauteng Human Settlements Mega Projects Strategy
- National Housing Policy; and
- National Housing Code.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

Decisive spatial transformation and modernisation of human settlements and urban development

The location of housing is of vital importance. Whilst significantly altering existing spatial patterns, the department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them in order to counteract the shortage and cost of land in the province.

The Department continues with the consolidation of the legacy projects; the micro projects that are found across the development corridors. Currently, the department is highly engaged in the planning processes that would eventually translate into the implementation of the mega human settlements projects in not so distant a future. This will endeavour to have such developments taking place in areas closer to employment, economic opportunities and transport facilities so that residents save money and time commuting between their workplaces and homes, and also gaining access to basic services and other amenities. The Department’s performance against each one the housing programmes implemented to date (as at the end of the third quarter) is summarised below.

Finance-Linked Programme: The annual target under this sub-programme was 400 houses and to date 676 houses have been built exceeding the annual target by 276 units. The performance was scaled to meet the stipulated Medium Term Strategic Framework (MTSF) targets which have been implemented by private developers through the National Housing Finance Corporation (NHFC) and the Gauteng Department of Human Settlements.

Land Parcels / hectares acquired for human settlements development: The Department planned to acquire 16 well-located land parcels for the development of affordable housing, social and rental housing initiatives and addressing the need of the gap housing market. These pockets of land range between 3-9 hectares in extent and are located within well-established residential areas across the province. However, in addressing the “gap” market needs, the department has a responsibility towards the “modernisation of human settlements and urban development.” To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs, whilst at the same time taking into account the paucity of and pricey land in the province. To date, the department only acquired 1 land parcel totalling 128 hectares.

RDP Phase 1: Planning and Services: Under this sub-programme the Department had an annual target of 3 265 serviced stands and to date only 797 have been serviced. The underachievement was due to project implementation delays relating to the late appointment of a service providers for the Westonaria Borwa (Crimson King) (Mega Project; incomplete planning work at Wagterskop (Mega) Project; and Top-up funding requirement for improved products (stands and houses) for Mega Projects (Savannah City).

IRDP: Phase 1: Planning and Services: Informal Settlements. Under this sub-programme, the Department planned to service 6 267 stands per annum. However, to date only 1 316 stands have been serviced. The short fall has been caused by a combination of factors which included among others, delays in appointment of contractors (Chief Albert Luthuli servicing of stands), insufficient bulk infrastructure in the Sedibeng region (Badirile Phase 1 and 2,); community unrests and funding shortages. Funding shortages are caused by the department having to roll out bulk infrastructure in some instances where municipalities do not have funding / budgets for the planned developments from funding which is intended to provide for housing opportunities.

IRDP: Phase 2: Top Structure Construction: Under this sub-programme, the Department had an annual target of 315 houses and to date has completed 878 houses. The annual target has been exceeded because the Business plan targets were revised and funding redirected from non-performing projects to align with the MTSF targets.

Integrated Residential Development Programme (IRDP): Phase 2: Top structure construction: Informal Settlements. Under this sub-programme, the Department had an annual target of 8 001 and to date, 5 796 units have been completed. The

cumulative 3rd quarter target has not been met due to ambitious planning where some targets were put in the business plan before pre-planning processes were concluded.

Informal Settlements upgrading; against an annual target of 4 513 houses only 337 houses have been completed to date. The reasons for the shortfall are as follows: Project implementation delays due to the late appointment of contractors; projects that had targets but were not ready for implementation due to planning work that had not been concluded or land availability agreements that were not in place; some projects were implemented by the metros and funding availability for the implementation of projects has been a challenge for those projects to be implemented by the municipalities. .

With regards to the servicing of stands, the Department had an annual target of 2 000 stands and to date only 940 have been serviced. The shortfall is in part, due to the suspension of projects in areas such as Vosloorus extension 28 after community unrests.

Rural Housing: Under this programme, the Department planned to build 215 units by the end of the year, but due to contractual-related challenges such as poor performance by contractors and water shortages, none have been delivered to date. Projects particularly affected by contractual challenges are Sokhulumi and Mamello. Appropriate remedial action is being considered.

Community Rental Units (CRU) converted/upgraded: under this programme 974 units were planned for the year and to date a total of 271 units have been upgraded. It is important to note that these units were only delivered during the first two quarters of the financial year. Nothing was delivered during the third quarter due to delays in relocating residents to make way for the upgrades.

CRUs constructed: 124 units were planned for the financial year and to date only 35 have been constructed. All the 35 were built during the third quarter. Nothing was achieved during the first 2 quarters because the Department was still obtaining temporary residential units for Wattville Hostel residences in order to allow the commencement of the planned activities. Under the priority programme, a total of 2 610 housing units was planned for the year and to date 1 870 units have been delivered. These units were completed in Fleurhof (428); Khutsong 1, 2, and 3 (463); Thulamntwana (334) and Winterveldt Ext 3 Phase 2. For the (Mega - Tshwane North Development) 101 units were delivered against a total target of 465 units in the third quarter. However, during the second quarter performance fell short of the planned target by 561 houses. The greatest short fall was in Winterveldt Ext 3 where there were delays due to procurement processes and unsuccessful negotiations with farm owners.

Provincial Specific programme (Backyard Rentals), 915 houses were planned for the year and to date only 212 houses were completed. The short fall was due to outstanding sewer connections in Atteridgeville for backyard rentals by the City of Tshwane and poor contractor performance in the Mamelodi backyard rentals.

Job Creation, the set target was to create 4 000 job opportunities during the year under review. To date 1 632 job opportunities have been created. It remains in the Department's priority to mainstream the designated groups into the country's economy through various interventions such as training and providing business and job opportunities to the designated and / or vulnerable groups: Youth, Women, and People with Disabilities (PWDs). For the year, the dDepartment planned to recruit 25 PWDs for training in construction and business management and to date 26 PWDs were recruited. This includes 3 PWDs recruited from the Military Veterans. The annual target for training the youth in construction and business management is 30, but to date none have been trained due to challenges with appointing a service provider by the NHBC who are responsible with the appointment of service providers. As part of expanding business management skills and creating work and business opportunities within the GEYODI area, the Department further planned appointing 30 participants into its Incubator Construction Programme. The 30 participants would be divided as follows: 10 women-owned companies; 10 youth-owned companies; and 10 PWDs-owned companies. To date 18 appointment letters have been issued to contractors but no actual assignment/allocation of projects has been done yet.

National Youth Service: an annual target of 200 youth to be trained and placed with contractors was set. To date 107 youth have been placed with contractors in Savana City at the Sedibeng region.

A clean and competent bureaucracy driven by a high performance culture is necessary in a developmental state. There is evidence that through Ntirhisano, government can change the way government works. The

ability of public officials to deliver on their plans and commitments is crucial in any thriving democracy because it enhances public confidence. Before the launch of the Ntirhisano community outreach programme, Gauteng was engulfed by violent community protests on a daily basis.

The Department of Human Settlements has the highest number of Ntirhisano commitments. These include amongst others:

- Kanana housing project: Whilst behind schedule, progress is being made. Beneficiary verification has been completed

while the beneficiary administration for 2 905 is ongoing. A total of 550 beneficiaries have been approved and 439 houses have been completed. There are intentions to complete the project on the 31 March 2016.

- Etwatwa: There is slow progress in the delivery of Com Biza housing project. Due to the non-performance of the contractor the contract had to be terminated. A new contractor was appointed in October 2015 to complete the project.
- Actonville: The refurbishments of the Actonville hostel are behind schedule as a demolition certificate is still not secured.
- Evaton: The completion of the Mafatsane Multipurpose Centre and the show house complex are behind schedule due to the fact that the procurement processes for service providers are still in progress.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

Modernisation of human settlements and urban development

In aligning with the Medium Term Strategic Framework (MTSF) targets, the Department will undertake a rigorous exercise to ensure that targets set are a true reflection of the MTSF expectations. Variances that occurred during the previous financial years will be carried forward and spread across the remaining financial years to make up for the loss or under planning encountered during two previous financial years. The Department has taken this into consideration when aligning their 2016/17 targets with that of both the National and Provincial MTSFs.

Through its Incremental Housing Programme, under the IRDP: Phase 1: Planning and services, the Department plans to service 2 750 stands. Phase 1: Planning and Services under Informal Settlements, the Department plans to service 8 904 stands. For the Phase 2: Top Structure the Department plans to deliver 2 745 units. IRDP: Phase 2: Top Structure: Informal Settlements, the department's target is to complete 12 309 housing units. Under Social and Rental Intervention, the Department plans to build 903 Social Housing Capital Grant units for rental housing. The Department will focus more on the construction of 220 CRUs, 350 units for rural housing and also to build 2 303 units for institutional subsidies as part of aligning with the MTSF priorities.

The Department plans to create 6 000 Work opportunities through EPWP, GEYODI, Tshepo 500 000 in 2016/17 and 8 000 job opportunities between 2017/18 and 2018/19. The Department will also strengthen the implementation of its empowerment policies by prioritising GEYODI mainstreaming across all the programmes and sub programmes. Through its empowerment and job creation initiatives / contribution, the Department will train 200 youth and place them with contractors through the National Youth Service Framework (NYSF). It will also train 30 Youth entrepreneurs, 25 women entrepreneurs and 25 People living with Disabilities (PWDs) in construction and business management. The Department will further recruit 30 companies owned by designated groups (10 women, 10 Youth and 10 PWDs to participate in incubator Programme.

The department supports the important national goal of universal access to basic services, although this is primarily the responsibility of the Department of Cooperative Governance and Traditional Affairs (COGTA). In its supportive role, the department is planning to service 600 stands and 5 229 units under its informal settlement upgrading. The servicing of stands provide for connection of basic services such as access to basic water, sanitation and electricity.

Decisive spatial transformation

Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale. The department plans to acquire 5 well-located land parcels for the development of affordable housing, social and rental housing initiatives and addressing the need of the gap housing market. These pockets of land will range between 3-9 hectares in extent and are located within well-established residential areas across the province. However, in addressing the "gap" market needs, the Department has a responsibility towards the "modernisation of human settlements and urban development." To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs, whilst at the same time taking into account the paucity of and pricey land in the province.

Under Financial Intervention, the FLISP programme caters for people who earn up to R18 000 a month (R3 500-R18 000 income bracket) and this is a significant increase on the previous figure of R15 000. As part of improving the property market, the department will set aside 5 land parcels to be developed through the FLISP and deliver 950 houses during the 2016/17 financial year.

In line with the provincial priorities of an inclusive GCR, the department will during the 2016/17 financial year embark on High yield projects which includes: Chief Luthuli Ext. Mega and Germiston South (Eastern Development Corridor) (Ekurhuleni) 1 839 sites and 6 239 units. 3 D Slovo Park (Crosby) (NJR(S), 3 D Lawley Ext.3 & 4 (Temiyaabo (H), 3 D Riverside View 28 (COJ H (Valumax)) 3 D Diepsloot Phase 5 COJ (H) (Central Development Corridor) (Joburg) 2 172 sites and 6 334 units. Heatherly East (Nellmapius Ext 22) (Mega - Tshwane East), Hammanskraal West Ext 2 (Mega - Tshwane North Development) and Lady Selbourne Phase 2 (Mega - Tshwane West Capital) (Northern Development Corridor) (Tshwane) 1 620 site and 6 741 units. Wagterskop (Mega), Kagiso/Azaadville (Chief Mogale Phase II), Westonaria Borwa (Mega), Kagiso ext 13 (Mega), Khutsong South Ext 5 & 6 (Western Development Corridor) (West Rand) 3 050 sites and 4 141 units. Sebokeng Ext 28 (Boiketlong

Mega), Ratanda Ext. 1,3,5,6,7&8 (Ratanda Precint Mega), Savannah City (Vaal Triangle Mega), Obed Mthombeni Nkosi Phase I (Mose) (Ratanda Precint Mega), Westside Park (Golden Highway Mega), Savannah City (Vaal Triange Mega), Southern Development Corridor (Sedibeng) 2 910 sites and 4 864 units.

Challenges faced by the department are:

- Continuous increase in the housing demand and thus an increase in the housing backlog;
- Distressed infrastructure as a result of rapid urbanisation and inward migration;
- An increase in the number of informal settlements across the province. Providing basic services to these areas places a huge financial burden on the province and on the municipalities;
- Growth in the “gap” market demand in line with the revised threshold;
- Difficulties in acquiring suitable and well-located housing land, and high prices asked by its owners; and
- Slow turn-around times on the FLISP application processing

The following are some of the mitigating steps that need to be taken to address these difficulties:

- Joint planning with municipalities and other departments. This collaborative approach is reflected in, for example, the planned mega projects.
- Long-term planning, in co-operation with municipalities and with other departments;
- Consumer education to ensure that there is wide-spread knowledge of opportunities such as FLISP;
- A Working Group has been formed to advice on the challenges facing the FLISP with a view to expediting delivery on the programme.

4. REPRIORITISATION

The department continues to review its operations in order to identify potential cost savings and eliminate inefficiencies. This will lead to reprioritisation, essential in the present tight fiscal environment. The department continues to explore less expensive building technologies and, taking the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. Thus, the budgets of some programmes, such Programme 2 and 3 were reprioritized from the Item transfers and subsidies after the reprioritisation of the department’s business plan and were reprioritized and re-directed to Programmes 3 and 4 which are responsible for the core operations of the department and where the funds can be used more effectively.

In light of this, when comparing the 2015/16 budget against the 2016/17 budget, Programme 1: Corporate Support Services reprioritised money within as part of cost containment implementation where items such as admin fees, advertising, catering, communication, venues and facilities, travel and subsistence, consumable stationary and operating payments were reduced drastically to fund items which support the core of the business such as property payments which will fund the commission of municipal services. Further to that programme 1 decreased by R21 million and programme 2 by 4 million to fund Programme 3 and Programme 4: Core Business service delivery outputs. Programme 3: Core Business is key to the building of integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis on this programme is on the provision of individual subsidies and housing opportunities to beneficiaries in accordance with the national housing policy. This programme promotes effective and efficient delivery of Provincial and local housing programmes. It also concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable local economies.

Funds were also reprioritised to programme 4: Housing Assets and Property Maintenance mainly to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It also disposes of the department’s commercial properties

5. PROCUREMENT

The department will continue to procure goods and services in line with the budget allocation indicated by the Provincial Treasury and in terms of all prescribed policies and Acts; and will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subjected to market-related price analysis and the terms and conditions are analysed to identify areas where the department can negotiate for better value for money without compromising quality. The department encourages the use of small black owned businesses to promote sustainable job creation, using a range of these businesses in order to promote fairness and transparency.

In relation to procurement, in the 2016/17 financial year the department plans to:

- Renovate its building to optimize office space and improve the working environment;
- Continue to train and develop its staff;
- Appoint service providers on a pre-approved list basis for regular services to ensure timeous appointment of contractors;
- Acquire goods and services in line with the targets as indicated in the procurement plan;
- Finish with the appointment of service providers for construction projects within the first quarter of the financial year; and
- Honour contractual obligations.

6. RECEIPTS AND FINANCING

6.1. Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	472 105	508 099	682 160	959 170	1 012 437	1 012 437	824 723	649 593	688 975
Conditional grants	4 003 776	4 108 399	4 432 595	4 979 844	4 073 467	4 981 844	5 046 443	5 967 208	6 353 813
Total receipts	4 475 881	4 616 498	5 114 755	5 939 014	5 085 904	5 994 281	5 871 166	6 616 801	7 042 788

The equitable share and the conditional grants are the main source of funding for the Gauteng Department of Human Settlements. The Human Settlements Development Grant allocation and part of the provincial funding caters for the implementation of national and provincial housing programmes. In the 2016/17 financial year the total budget of R6 billion is made up R5 billion in conditional grants and R1 million equitable share.

Over the seven years MTEF period, total receipts have increased steadily from R4 billion in 2012/13 to R7 billion in the 2018/19 financial year. The funds are allocated to enable the department to provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The grant remains steady at R6 billion between 2015/16 and 2016/17 due to the fact that the HSDG was reduced by R400 million in 2016/17 financial year by the National Department of Human Settlements to make way for the Housing Development Agency (HAD). During the 2015/16 adjustment budget, the HSDG was also reduced by R908 million by the National Department of Human Settlements to fund priority projects to be implemented in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The allocation increases to R7 billion in the 2018/19 financial year, aligned to the estimated inflation projections. The continuous increase of the Conditional Grant will assist in decreasing the housing backlog which the province experiences cause by the ever increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.

Through the Emergency Relief Funding (Provincial Disaster Grant), the department is allocated R21.6 million to repair houses that were damaged by hail storm in Ekurhuleni Metropolitan Municipality in November 2015 in the 2016/17 financial year. Included in the R5 billion Human Settlement Development Grant in 2016/17 is an amount of R124 million which is earmarked for revamping mining towns which includes Merafong City, Randfontein, Westonaria and Mogale City while R47 million is made available for flood repair.

The provincial allocations and conditional grants allocated to the department during 2015/16 MTEF period provides for continuation of the Inner City Renewal, Rehabilitation of the 20 Prioritise Township Projects (PTP) and 50 poorest wards and carrying the operational activities of the department. The conditional grant funding together with funding from the province is made available to implement projects that will contribute to the TMR. Through the Human Settlements Development Grant (HSDG) as well as the funding from the province, the department will roll out projects such as Savanna City, Lion Park, Diepsloot, Fleurhof, Cosmo City and Malibongwe Ridge in the Central Corridor; in the Northern Corridor for projects such as Hammanskraal, Winterveldt and Nelmapius will be implemented, in the Eastern Corridor projects such as Chief Albert Luthuli, John Dube and Germiston South will be funded through the HSDG and provincial funding. The Western Corridor will deliver projects such as Syferfontein, Chief Mogale and Khutsong, whilst projects such as Boiketlong, Evaton and Ratanda

will be delivered in the Southern Corridor in the 2016/17 financial year.

6.2. Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	1 825	3 255	989	393	393	603	414	435	460
Interest, dividends and rent on land			2 007	344	344	277	362	380	402
Transactions in financial assets and liabilities	10 876	1 633	1 964	3 692	3 692	36 195	3 888	4 082	4 319
Total departmental receipts	12 701	4 888	4 960	4 429	4 429	37 075	4 664	4 897	5 181

The department generates its revenue from parking fees, sale of tender documents and collection of rental from departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The significant revenue collection of R13 million for 2012/13 resulted from servitude rights as well as sale of scrap assets (assets less than R5 000). This was once off revenue, however, the department anticipate that the increased parking fees, tender document prices and commission on third party payments could improve revenue collection over the MTEF. Estimated revenue remains stable at R5 million over the 2016 MTEF.

6.3 Donor Funding

N/A

7. PAYMENT SUMMARY

7.1. Key assumptions

The assumptions that underpin the department's 2016 MTEF budget are summarized below. The Department has a 7.2 percent wage increase for 2016/17, 6.8 percent for 2017/18 and 5.8 percent for the outer year of the MTEF. A 6.2 percent increase in Goods and Services is anticipated, in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2016 MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary cost including improvement of conditions of service adjustments from 1 April each year;
- Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation in the cost of goods and services, based on headline CPI projections;
- Provision for eradicating informal settlements through the province; and
- Provision for upgrading infrastructure services.

7.2. Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351
2. Housing Needs, Research And Planning	10 821	10 818	14 595	29 603	25 798	25 795	33 078	35 822	36 771
3. Housing Development	4 103 039	4 240 571	4 647 462	5 363 737	4 446 184	5 359 343	5 287 262	6 058 371	6 448 004
4. Housing Assets Management Property Management	86 769	96 857	85 408	100 679	215 379	215 378	111 469	72 891	77 662
Total payments and estimates	4 421 597	4 546 443	5 030 253	5 939 014	5 085 904	5 994 281	5 871 166	6 616 801	7 042 788

7.3 Summary of Economic Classification

TABLE 8.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	362 337	392 077	421 164	566 206	599 406	599 407	560 596	587 344	623 188
Compensation of employees	298 769	316 760	345 188	372 402	372 402	372 399	404 372	425 087	448 432
Goods and services	63 568	75 317	75 976	193 804	227 004	227 008	156 224	162 257	174 755
Transfers and subsidies to:	4 047 556	4 141 781	4 574 792	5 333 882	4 458 424	5 366 800	5 260 703	5 982 181	6 369 654
Households	4 047 556	4 141 781	4 574 792	5 333 882	4 458 424	5 366 800	5 260 703	5 982 181	6 369 654
Payments for capital assets	10 460	12 585	9 111	38 926	28 074	28 074	49 867	47 276	49 947
Buildings and other fixed structures	5 359								
Machinery and equipment	5 101	9 099	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
Payments for financial assets	1 244		25 186						
Total economic classification	4 421 597	4 546 443	5 030 253	5 939 014	5 085 904	5 994 281	5 871 166	6 616 801	7 042 788

The table above shows that departmental expenditure increased from R4 billion in the 2012/13 financial year to R5 billion in the 2014/15 financial year. The increase was mainly as a result of the recalculation of the equitable share receipts based on Stats SA data that showed Gauteng's population as higher than previously indicated. During the 2015/16 adjustment budget, the HSDG was reduced by R908 million by the National Department of Human Settlements to fund priority projects to be implemented in KwaZulu Natal (KZN), Eastern Cape, North West and the Northern Cape. For the period under review the budget slightly declined from R5.9 billion in 2015/16 to R5.8 billion in the 2016/17 financial. The decrease is due to reprioritisation within the housing sector which led to a reduction of R400 million on the Human Settlement Development Conditional Grant. However, over the 2016 MTEF the budget grows by 6.5 percent year on year. The largest share of the budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

Programme 1: Administration expenditure significantly declined from R221 million 2012/13 to R198 million in the 2013/14 financial year. The decrease related mainly to cost containment measures on Administration programmes. In 2015/16, the budget increased to R445 million; this related to the realignment of the personnel budget from Programme 3: Housing Development to this programme. For 2016/17 financial year the budget show a slight decrease of R6 million to R439 million when compared to the previous financial year budget of R445 million due to the reallocation of some HSDG funding from this programme to Programme 3: Housing Development. In 2017/18 financial year the budget amounts to R450 million and increases in the 2018/19 financial year to R480 million mainly to ensure that the programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice.

Programme 2: Housing Needs, Planning and Research expenditure increased from R11 million to R15 million from 2012/13 to 2014/15. In 2015/16, the programme budget grew significantly to R30 million. The increase budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre which was this programme. In 2016/17, the allocated budget of R33 million within the programme provides for the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation. Over the MTEF the budget grows to R37 million or by 6 per cent year-on-year to provide for inflationary increases.

Programme 3: Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew from R4 billion in the 2012/13 financial year to R5 billion in the 2014/15 financial year. In the 2015/16 financial year, the budget increased to R5.4 billion mainly due to additional funding of R390 million for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1 and 2 and Savannah City. The budget was however reduced by R908 million to R4.4 billion during the adjustment budget to fund priority projects to be implement in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The budget for the programme grows to R6 billion in 2016/17 financial year. Though the programme received additional funding, the Human Settlements Development Grant (HSDG) was reduced by R400 million in the same period and was redirected to the Housing Development Agency. An amount of R124 million is earmarked for

the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The programmes budget grows to R7 billion in the outer year of the MTEF.

Programme 4: Housing Assets Property Management expenditure was R87 million in 2012/13 and R85 million in 2014/15. It increased to R101 million in the 2015/16 main appropriation. The budget increases to R111 million in 2016/17 due to the reprioritisation of the Enhanced Extended Discount Benefit Scheme (EEDBS) funds from programme 3 (financial intervention to this programme) before it decreased to R78 million in 2018/19 due to the reprioritisation of the business plan. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands; and to provide the tools and personnel needed for these activities.

Expenditure on compensation of employees increased from R299 million in 2012/13 to R345 million in 2014/15. In the 2015/16 financial year, the budget for personnel amounted to R372 million. The personnel budget grows from R404 million in the 2016/17 financial year to R448 million in the 2018/19 financial year. The increased allocation is mainly attributed to the yearly general increment as agreed upon by the Bargaining Council as well as the filling of critical vacant posts in the department. The total expenditure for goods and services increased considerably from R64 million in the 2012/13 financial year, to R76 million in the 2014/15 financial year. In 2015/16 the allocation for goods and services increased to R194 million mainly to address the budget pressure that the department is experiencing because of increased costs of operations. The budget decreases to R175 million for the outer year of the MTEF period due to cost containment measures being put in place by the department.

Transfers and subsidies increased from R4 billion in 2012/13 to R5 billion in 2014/15. The growth in transfers and subsidies is driven by the growth in Human Settlements Conditional Grant to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. For the period 2015/16 the total allocation for transfers and subsidies amounted to R5.3 billion and it decreases to R5.2 billion in 2016/17 to make provision for the Housing Development Agency. The allocation increases to R6 billion for the 2018/19. The increase caters for the accelerated delivery in housing projects and the eradication of informal settlements in the province.

Expenditure on machinery and equipment fluctuates, decreasing from R10 million in 2012/13 to R9 million in 2014/15 and increasing to R39 million in 2015/16. The 2016/17 budget is R50 million, and remains constant at R50 million in the outer year of the MTEF. The budget is mainly for procuring equipment as part of the tools of trade for personnel to carry out their duties efficiently and effectively.

7.4. Infrastructure payments

7.4.1 Departmental infrastructure payments:

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

7.4.2. Departmental Public-Private-Partnership (PPP) projects

Municipal Accreditation Framework

- For provinces which have metropolitan municipalities within their administrative and geographical jurisdiction, the municipal accreditation process remains a key policy issue as the target for level 3 accreditation draws closer. The forthcoming financial year is expected to bring with it major developments in this regard.
- FLISP was a key policy issue during the reporting period. It was revised in order to cater for individuals earning up to R18 000 a month. This is a significant increase from the previous maximum of R15 000, and was the result of a comprehensive consultation and engagement process between the various stakeholders involved in the housing market. In addition to the revision of the subsidy bracket, the National Housing Finance Corporation (NHFC) was given the responsibility of managing FLISP applications directly with the financiers. This means that government departments' administrative responsibility in relation to FLISP has effectively been taken away.
- The department aims to work in partnership with the identified sectors and to empower them to become productive and to be actively involved in housing construction. The department has since included vulnerable groups among others, people with severe mental disabilities, people disabled by violence, particularly domestic violence, orphans and abused children, the aged, victims of war and people living with HIV/AIDS. The range of the department's beneficiaries has therefore been extended to include all vulnerable sections of society.

7.5. Transfers

7.5.1. Transfers to public entities

The Human Settlement Development Grant will be reduced by R240 million over a three year period. The first cut will be effected from 2015/16 financial year and the final in 2017/18 financial year. These funds will be allocated to the Housing Development Agency which is taking on an expanded mandate that includes some of the planning and project development work that was previously carried out by provinces. The reprioritisation therefore adheres to the principle that funds should follow functions.

7.5.2. Transfers to other entities

TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Gauteng Partnership Fund		322 917	100 170	200 000	200 000	200 000	212 400	224 719	237 753
Total departmental transfers		322 917	100 170	200 000	200 000	200 000	212 400	224 719	237 753

The Gauteng Partnership Fund (GPF) mandate seeks to provide housing finance and solutions for households that earn income between R3 500 and R18 000 per month (adjusted 2015). To facilitate or mobilise funding for affordable housing and to support the Gauteng Human Settlements to facilitate private sector participation and mobilise appropriate funding for social housing and integrated projects. Key projects for provision of affordable rental stock include: Kliptown, Commissioner Street, Anderson Street, Brickfields, Fleurhof, Sondela Village, Germiston Phase 2 and KwaShenge.

The GPF receives contributions from the Gauteng Department of Human Settlements from time to time but the entity has funded itself mainly from the interest earned from the original capitalisation of the GDHS donation. The GPF also receives interest from the loans that were given out to the borrowers. In 2013/14 the entity received a contribution from the GDHS of R322 million, in 2014/15 the contribution amounted to R100 million whilst in the current financial year 2015/16, the GPF received a contribution of R200 million from the GDHS. The GPF estimates to receive a contribution of R212 million in 2016/17 which will assist the entity to strengthen its strategic objective to increase and leverage the involvement of private sector funding for affordable housing in Gauteng with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R225 million in 2017/18 and R238 million in the outer year of the MTEF.

7.5.3 Transfers to local government

TABLE 8.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category A			38 349	327 496	629 525	629 525	741 384	188 010	182 712
Ekurhuleni Metro				85 924	128 526	128 526	126 738	62 670	60 904
City of Johannesburg			38 349	241 572	414 343	414 343	411 613	62 670	60 904
City of Tshwane					86 656	86 656	203 033	62 670	60 904
Category B			138 871		178 690	178 690	190 452		
Emfuleni									
Lesedi									
Mogale			13 700				86 752		
Randfontein					40 500	40 500	32 700		
Westonaria							44 700		
Merafong City			125 171		138 190	138 190	26 300		
Category C			13 133						
Sedibeng District Municipality			13 133						
West Rand District Municipality									
Total transfers to municipalities			190 353	327 496	808 215	808 215	931 836	188 010	182 712

During the 2015/16 period the department is transferring a total of R630 million to the Category A municipalities and a total of R179 million to category B municipalities. All the transfers made to category A municipalities were for the delivery of housing stock / units where the municipality is appointed as an implementing agent. R41 million is transferred to Randfontein municipality for the construction of a water reservoir which will unlock a number of developments in the west rand area and parts of the southern region. The budget for the construction of the water reservoir was funded from the mining town's earmarked allocation. R138 million is transferred to Merafong municipality of which R83 million is earmarked for the construction of a bridge over a railway line to connect the old and new developments, R22 million is earmarked for servicing of 500 sites and R34 million is allocated for the construction of 265 housing units.

The budget for transfers to category A and category B municipalities will increase to R932 million during 2016/17 financial year. The department will enter into the subsidy funding agreements with all the municipalities who will be receiving the funds. The funding is primarily for the construction of top structures and to a lesser degree, the servicing of stands. The mining towns' funds will be used to a large degree for infrastructure upgrade in the aforementioned mining towns. These areas do not receive funding from the Urban Settlements Development Grant (USDG). This funding is provided for these targeted areas in order to unblock development bottlenecks. For the two outer years of the MTEF the budget for transfers will decrease to R188 million and R183 million respectively.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The main goal of this programme is to strengthen and align the department's ability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (Human Resources, financial management, supply chain, ICT, risk management and facilities management and support). The programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are in line with government's Outcome 12 which seeks to achieve "An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship.

Programme objectives

- To ensure that the department's supply chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective; and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the department;
- To ensure that Human Resources Management is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide effective, efficient and stable ICT infrastructure and support to the department;
- To ensure prudent financial management, efficient and effective procurement systems and to ensure that financial planning and budgeting are aligned to the department's Strategic Plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
- To ensure effective, efficient and transparent risk management, financial systems and controls in order to safeguard departmental assets; and
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC									
2. Corporate Services	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351
Total payments and estimates	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	212 452	185 555	248 310	405 769	368 969	364 191	389 175	402 109	430 054
Compensation of employees	153 626	121 852	177 992	231 488	231 488	226 706	242 921	252 329	266 985
Goods and services	58 826	63 703	70 318	174 281	137 481	137 485	146 254	149 780	163 069
Transfers and subsidies to:	2 171	72	181	300	1 500	1 500	316	332	351
Households	2 171	72	181	300	1 500	1 500	316	332	351
Payments for capital assets	5 101	12 570	9 111	38 926	28 074	28 074	49 867	47 276	49 947
Machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
Payments for financial assets	1 244		25 186						
Total economic classification	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351

The table above shows that the programme's expenditure increased from R221 million in 2012/13 to R283 million in 2014/15 financial year. In 2015/16, financial year the budget was R445 million, decreased by R6 million in 2016/17 to R439 million. It increases to R450 million in 2017/18 and R480 million in the outer year of the MTEF.

The budget shows significant growth of 58 per cent from 2014/15 to 2015/16. This is mainly because the personnel budget shifted from other programmes to this programme. The allocated funding will enable the department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will also ensure the implementation of and compliance with minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives delivery and is achieved through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The Sub-programme 1: Office of the MEC has no expenditure or budget for the period under review because the function has moved to Cooperative Governance and Traditional Affairs (COGTA). However, the sub-programme continues to provide administrative and political support by developing and implementing key systems and strategies, and submitting reports and plans for the department and COGTA at stipulated times within the financial year.

The programme's expenditure on compensation of employees decreases from R154 million in 2012/13 to R122 million in 2013/14 before it increased to R178 million in 2014/15 financial year. The allocation amounts to R231 million in 2015/16 financial year. The increase results from the personnel budget being moved from other programmes to programme one administration. The budget remains relatively stable at R252 million and R267 million in the two outer years of the MTEF with provisions made for general salary adjustments

Goods and services expenditure increased significantly from R59 million to R70 million between the 2012/13 to 2014/15 financial year. In the 2015/16 financial year, the budget amounted to R174 million. The budget decreased to R146 million in the 2016/17 financial year before it increases to R163 million in the outer year of the MTEF. The budget increases will cater for software licences and the continuation of the office refurbishment and the establishment of the project management office.

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Programme description

The purpose of this programme is to facilitate and undertake housing delivery planning, identify housing needs, provide a regulatory framework for housing delivery, develop policy guidelines, provide provincial inputs on housing legislation and any amendments to these, develop provincial multi-year housing delivery plans, ensure alignment of housing plans with Integrated Development Plans (IDPs) and conduct research into the demand for housing. The programme also promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale; and sustainable local economies. The programme has a number of transversal functions including quality assurance, research and development and inputs into policy development, planning and housing support.

Programme objectives

- Develop and implement departmental policies and initiate research to achieve the strategic objectives;
- Facilitate the realignment of and compliance with the regulatory environment for sustainable human settlements;
- Develop Annual Performance Plans and the 5 year Strategic Plans;
- Implement, revise and review the department's Programme of Action (PoA); and
- Provide support to various Directorates in the Department on the Development of Performance Indicators for both the APP and PoA.

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	3 631	4 120	1 095	11 064	4 419	4 419	11 272	14 052	13 770
2. Policy	3 650	3 171	12 784	6 931	13 731	13 728	10 611	11 303	11 958
3. Planning	3 540	3 478	695	7 803	7 648	7 648	11 195	10 468	11 043
4. Research		49	21	3 805					
Total payments and estimates	10 821	10 818	14 595	29 603	25 798	25 795	33 078	35 822	36 771

TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	10 821	10 818	14 595	25 798	25 798	25 798	33 078	35 822	36 771
Compensation of employees	10 759	10 479	14 162	22 245	22 245	22 245	32 657	35 380	36 335
Goods and services	62	339	433	3 553	3 553	3 553	421	442	436
Transfers and subsidies to:				3 805					
Households				3 805					
Payments for financial assets									
Total economic classification	10 821	10 818	14 595	29 603	25 798	25 795	33 078	35 822	36 771

The programme's expenditure increased from R11 million to R15 million between the 2012/13 and 2014/15 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the (Inclusionary Housing Bill). The 2015/16 budget increases significantly by R15 million to R30 million, an increase of 100 per cent. The increase was because the personnel budget shifted from Programme 3: Housing Development. The budget is R33 million in 2016/17, R36 million in 2017/18 and R37 million in 2018/19. The increase in the budget is mainly to develop and implement departmental policies, initiate research to achieve strategic objectives and ensure alignment and compliance with the regulatory environment for sustainable human settlements.

The expenditure for the Sub-programme: Policy increased from R4 million from 2012/13 to R13 million in 2014/15. The budget decreases to R7 million in 2015/16 before it increases to R11 million in 2016/17 and remains constant over the MTEF period.

The budget on Sub-programme: Planning decreases from R4 million in 2012/13 to R695 000 in 2014/15. It increases to R11 million over the MTEF period. The growth in the budget is to support the development and alignment of the departmental planning frameworks including the Annual Performance Plans, the Integrated Multi-year Housing Development Plan, the Medium Term Budget Policy Statements and Programmes of Action, in line with national and provincial requirements.

The Sub-programme: Research did not record any expenditure in the 2012/13 financial year and in 2013/14 spending amounted to R49 000 to conduct research and develop innovative methods to address housing needs. However, the allocation was increased to R4 million in the 2015/16 financial year. There is no allocation over the MTEF as the function has now moved to the Housing Development Agency. The growth in the budget in 2015/16 will fund four research projects to be conducted annually which include: FLISP target market affordability and financial institutions lending patterns; Human Settlements Satisfaction Survey; Informal Settlements Upgrading Programme; and Understanding Demand and Backlog in the Gauteng Province.

SERVICE DELIVERY MEASURES

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Sub Programme: Policy			
Number of Acts passed or policy guidelines approved	1	1	1
Sub Programme: Planning			
Number of mega human settlements project plans approved for consideration by municipalities	16	16	16
Number of housing chapters reviewed for incorporation into the IDP	5	5	5
Sub Programme: Research			
Number of research projects approved	4	4	4
Number of research journals published	1	1	1

PROGRAMME 3: Housing Development

Programme description

The core focus of the Housing Development Programme is to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis on this programme is on the provision of individual subsidies and housing opportunities to beneficiaries in accordance with the national housing policy. This programme promotes effective and efficient delivery of Provincial and local housing programmes. It also concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable

local economies. The programme outputs are reflected in Government's Outcome 8, which seeks to achieve "Sustainable human settlement and improved quality of household life".

Programme objectives

- Provide and develop integrated infrastructure for the creation of cohesive communities;
- Promote home ownership;
- Substantially reduce levels of unemployment;
- Create a healthy and clean living environment;
- Provide engineering services at an affordable and sustainable level;
- Reduce levels of crime and violence;
- Upgrade existing housing and create additional affordable housing;
- Alleviate poverty;
- Create sustainable livelihoods;
- Create a caring and responsive government;
- Create a better life for all; and
- Implement integrated, high impact, time bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	144 423	195 719	156 394	126 236	196 236	201 018	128 849	137 405	145 273
2. Financial Interventions	344 887	577 555	484 450	475 331	376 589	376 589	339 157	554 850	574 675
3. Incremental Interventions	2 815 026	2 536 186	3 460 983	4 024 726	3 522 879	4 171 256	4 226 619	4 753 722	5 251 554
4. Social And Rental Intervention	518 942	883 058	529 650	705 971	317 066	577 066	510 427	594 001	454 313
5. Rural Intervention	279 761	48 053	15 985	31 473	33 414	33 414	82 210	18 392	22 189
Total payments and estimates	4 103 039	4 240 571	4 647 462	5 363 737	4 446 184	5 359 343	5 287 262	6 058 371	6 448 004

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	139 064	195 704	158 259	126 236	196 236	201 018	126 644	137 405	145 273
Compensation of employees	134 384	184 429	153 034	111 236	111 236	116 018	120 565	128 512	135 998
Goods and services	4 680	11 275	5 225	15 000	85 000	85 000	6 079	8 894	9 275
Transfers and subsidies to:	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Payments for capital assets	5 359	15							
Buildings and other fixed structures	5 359								
Machinery and equipment		15							
Payments for financial assets									
Total economic classification	4 103 039	4 240 571	4 647 462	5 363 737	4 446 184	5 359 343	5 287 262	6 058 371	6 448 004

The programme expenditure grew from R4 billion to R5 billion between 2012/13 and 2014/15. In 2015/16, the programme budget was R5.4 billion adjusted to R4.4 billion during the adjustment to fund priority projects to be implemented in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments' performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The budget is R5.3 billion in 2016/17. In 2017/18 the programme's budget will be R6 billion and R6.4 billion in 2018/19. The purpose of the programme is to deliver on the Department's mega projects and programmes: mixed housing development, eradication of informal settlements, alternative tenure, the urban renewal programme and the 20 Priority Township Programme (PTP) and 50 poorest wards.

The expenditure for the Sub-programme: Financial Intervention was R345 million in 2012/13 and R484 million in 2014/15. The purpose of the increase was to facilitate immediate access to housing goods and services, create an enabling environment and provide implementation support. In 2015/16 the budget stood at R475 million, mainly to cater for credit

linked individual housing subsidies, housing finance linked individual subsidies, the Enhanced Extended Discount Benefit Scheme (EEDBS), Rectified RDP stock 1994-2002, social and economic facilities, NHBRC enrolment and procurement of land parcels. In 2016/17, the programme budget decreases by R136 million from the previous financial year to R339 million due to the reprioritisation of the business plan and EEDBS being moved to programme 4. The programme budget picks to R555 million in 2017/18 and to R575 million in 2018/19. The projected budget growth will cater for the 3 611 houses targeted to be built under the Finance Linked Individual Subsidy Programme.

The expenditure for the Sub-programme: Incremental Intervention increased from R2.8 billion in 2012/13 to R3.5 billion in 2014/15. The budget remained stable at R4 billion between 2015/16 and 2016/17, and will provide for servicing 6 000 stands for Project-linked Subsidies. Under Integrated Residential Development Programme (IRDP), the Department plans to service 11 828 stands and build 31 373 houses for IRDP. The programme budget estimates show the budgets for 2017/18 and 2018/19 as R4.8 billion and R5.3 billion respectively. The estimated budget growth provides for the planned mega projects: Fleurhof Phases 1 and 2, Malibongwe Ridge, Lufereng, Goudrand Extension 4, Chief Albert Luthuli Extension 6, Tsakane Extension 22, Sebokeng Extension 28, Obed Mthombeni Nkosi Ratanda Precinct, Wesoria Borwa, Savannah City, Hamanskraal West Extension 2, Olievenhoutbosch Ext 27 and KuDube Unit 1 & 2. The Department expects 91 786 new housing units to be completed and to service 98 610 stands over the MTEF. An additional R200 million in provincial-specific funding is earmarked for planning and bulk infrastructure for the Syferfontein and Savana City mega projects

The expenditure for the Sub-programme: Social and Rental intervention grew significantly from R519 million to R883 million between 2012/13 and 2013/14. This increase was driven by the growing demand for housing resulting, among other factors, from in migration to the province. The 2014/15 expenditure of R530 million shows a decline of R353 million or 33 per cent from the previous financial year because of some of the personnel budget being moved from this programme to programme one in line with where functions are performed. The budget increases to R706 million in 2015/16 before it decreased to R510 million in 2016/17 and picks up again to R594 million in 2017/18 and decreases to R454 million in 2018/19 because of the reprioritisation of the business plan. The budget will provide for the 8 440 units to be built for Institutional Subsidies and the construction of 2 527 units for CRUs over the MTEF period. The sub-programme also plans to build 3 060 houses for rural housing.

Transfers and subsidies increased from R3.9 billion in 2012/13 to R4.5 billion in 2014/15. In 2015/16, the budget increased to R5.2 billion in 2015/16 mainly to provide for payments to contractors and service providers involved with housing development projects including Savana City and Syferfontein. The budget grows from R5.2 billion to R5.9 billion and R6.3 billion over the years of the MTEF. The decline in 2016/17 is caused by the reduction in the HSDG by R400 million as funds were reprioritised by national government to fund other priorities.

SERVICE DELIVERY MEASURES

PROGRAMME 3: HOUSING DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Sub-programme: Financial Interventions			
Number of houses built for finance linked individual subsidy (FLISP)	893	1 340	1 378
Sub-programme: Incremental Interventions			
Number of stands serviced for IRDP: Phase 1 Planning and services	2 677	8 800	5 550
Number of stands serviced for IRDP: Phase 1 Planning and services	2 677	8 800	5 550
Number of houses for IRDP: Phase 2 top structure	4 920	1 660	2 730
Number of houses for IRDP: Phase 2 top structure (Informal settlements)	13 881	12 673	15 622
Number of stands serviced for informal settlements upgrading	1 170	1 300	1 500
Number of houses / units for informal settlements upgrading	4 327	5 900	4 470
Sub-programme: Social and Rental Housing Interventions			
Number of units build for institutional subsidies	1 930	2 200	2 300
Number of social capital grant unit build for rental housings	1 314	699	350
Number of CRU's constructed	729	1 082	454
Sub-programme: Rural Interventions			
Number of stands services for rural housing	300	200	200
Number of houses build for rural housing	500	100	200
Priority Projects			
Number of stands for priority projects	2 085	2 650	4 676
Houses for priority projects	2 542	5 614	4 048
Provincial Specific Programmes			
Number of houses built for provincial specific programmes linked subsidies	337	50	300

PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT**Programme description**

The purpose of the programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It also disposes of the department's commercial properties

Programme objectives

- To capacitate social housing institutions so as to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To facilitate and enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions;
- To phase out special needs housing and facilitate interactions with provincial departments;
- To provide housing assistance to departmental staff;
- To facilitate medium-density housing (rental, instalment sale and cooperative housing);
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock);
- To promote home ownership;
- To dispose of commercial property and vacant land owned by the department in the most economical way; and
- To deliver housing units in targeted presidential projects.

TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MAINTENANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration				8 403	8 403	8 403	11 699	12 007	11 090
2. Sales And Transfer Of Housing Properties	44 876	53 979	42 642	39 576	127 470	127 469	51 000	5 500	6 050
3. Devolution Of Housing Properties		42 878		2 156	10 255	10 255	2 270	2 384	2 522
4. Housing Properties Maintenance	41 893		42 766	50 544	69 251	69 251	46 500	53 000	58 000
Total payments and estimates	86 769	96 857	85 408	100 679	215 379	215 378	111 469	72 891	77 662

TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments				8 403	8 403	8 403	11 669	12 007	11 090
Compensation of employees				7 433	7 433	7 433	8 229	8 866	9 114
Goods and services				970	970	970	3 470	3 142	1 976
Transfers and subsidies to:	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Payments for financial assets									
Total economic classification	86 769	96 857	85 408	100 679	215 379	215 378	111 469	72 891	77 662

This programme mainly deals with the Extended Discount Benefit Scheme and transfer of housing properties to beneficiaries. The programme's expenditure increased from R87 million in 2012/13 financial year to R97 million in 2013/14. The allocation for the programme in 2015/16 is R101 million. Between 2016/17 and 2018/19 the budget decreases from R111 million to R78 million. The targets for the Sub Programme: Housing Property Maintenance largely depends on how many complaints are received in a given year, as it carries out unplanned maintenance.

SERVICE DELIVERY MEASURES**PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of residential properties transferred to beneficiaries (EEDBS)	500	4400	300
Number of post 1994 houses regularized	78 795	78 795	78 795
Number of home owners issued with title deeds: pre 1994	7 461	400	300
Number of title deeds issued on new housing developments	23 626	23 626	23 626

9. OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 8.15: PERSONNEL AND COSTS: HUMAN SETTLEMENTS

Personnel numbers	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019
1. Administration	498	498	519	483	483	483	483
2. Housing Needs, Research And Planning	44	295	38	38	38	38	38
3. Housing Development	466	466	304	304	304	304	304
4. Housing Assets Management Property Management	152	152	58	58	58	58	58
Direct charges							
Total provincial personnel numbers	1 160	1 411	919	883	883	883	883
Total provincial personnel cost (R thousand)	298 769	316 760	345 188	372 399	404 372	425 087	448 432
Unit cost (R thousand)	258	224	376	422	458	481	508

TABLE 8.16: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS

R thousands	Medium-term expenditure estimate												Average annual growth over MTEF					
	Actual			Revised estimate			2016/17			2017/18			2018/19			Personnel growth rate	Costs growth rate	% Costs of Total
	2012/13	2013/14	2014/15	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs			
Salary level																		
1 – 6	429	429	96 308	372	139 728	315	99 858	315	152 765	336	158 844	336	163 860	336	163 860	17.9%	33.9%	
7 – 10	467	645	144 798	350	131 464	350	120 092	350	113 570	350	121 026	350	125 211	350	125 211	1.4%	29.4%	
11 – 12	96	134	30 082	154	57 844	154	95 311	154	73 471	154	77 746	154	87 976	154	87 976	-2.6%	21.0%	
13 – 16	56	78	17 510	43	16 151	43	37 298	43	42 146	43	44 043	43	46 597	43	46 597	7.7%	10.3%	
Other	112	125	28 062	21	19 841	21	19 841	21	22 420	21	23 429	21	24 788	21	24 788	-100.0%	7.7%	
Total	1 160	1 411	316 760	919	345 188	883	372 399	883	404 372	883	425 087	883	448 432	883	448 432	6.4%	100.0%	
Programme																		
1. Administration	498	498	121 852	519	177 992	483	226 706	483	242 922	483	252 329	483	266 985	483	266 985	5.6%	59.9%	
2. Housing Needs, Research And Planning	44	295	10 479	38	14 162	38	22 242	38	32 657	38	35 380	38	36 335	38	36 335	17.8%	7.5%	
3. Housing Development	466	466	184 429	304	153 034	304	116 018	304	120 565	304	128 512	304	135 998	304	135 998	5.4%	30.5%	
4. Housing Assets Management Property Management	152	152		58		58	7 433	58	8 229	58	8 866	58	9 114	58	9 114	7.0%	2.0%	
Direct charges																		
Total	1 160	1 411	316 760	919	345 188	883	372 399	883	404 372	883	425 087	883	448 432	883	448 432	6.4%	100.0%	

For the period under review the table above indicates personnel numbers and personnel cost estimates relating to the Department of Human Settlements. The departmental structure was reviewed to ensure filling of posts in accordance with the availability of funds. The number of contract workers declines substantially from the previous financial years, with contract workers being absorbed as permanent staff members. The table above indicates that the personnel numbers will remain stable at 883 over the MTEF as the department does not plan to create additional positions but plans to fill all the critical vacant positions in line with the approved structure. The growth in personnel cost is in line with inflation rates and also takes into consideration the improved conditions of service as per agreements reached during the bargaining process.

9.2. Training

TABLE 8.17: PAYMENTS ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	2 062	7 120	904	3 817	3 817	3 817	4 044	4 251	4 485
Subsistence and travel									
Payments on tuition	2 062	7 120	904	3 817	3 817	3 817	4 044	4 251	4 485
Other									
Total payments on training	2 062	7 120	904	3 817	3 817	3 817	4 044	4 251	4 485

TABLE 8.18: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	226	200	300	400	400	400	500	600	635
<i>of which</i>									
Male	74	90	140	160	160	160	240	240	254
Female	152	110	160	240	240	240	260	360	381
Number of training opportunities	8	20	20	20	20	20	25	25	26
<i>of which</i>									
Tertiary		10	10	8	8	8	10	12	13
Workshops	8	7	7	4	4	4	5	6	6
Seminars		3	3	3	3	3	3	2	2
Other				5	5	5	7	5	5
Number of bursaries offered	111	73	100	100	100	100	100	100	106
Number of interns appointed	25	29	30	30	30	30	30	30	32
Number of learnerships appointed		29	30	15	15	15	15	15	16
Number of days spent on training		80	80	100	100	100	120	126	133

The table above gives the number of staff participating in the training programmes provided by the department in order to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training as well as details of the number of bursaries and training developments. The training offered relates to computer training, secretarial courses, project management and financial management. The high training cost relates to bursaries to various institutions for different courses.

A total number of 80 employees were trained and developed through skills programmes coordinated by the department in the following programmes: Ms Excel and PowerPoint; project management; the department conducted in-house training where 634 employees were trained on the performance management and development.

9.3. Reconciliation of structural changes

N/A

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 8.19: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	1 825	3 255	989	393	393	603	414	435	460
Sale of goods and services produced by department (excluding capital assets)	1 825	3 255	989	393	393	603	414	435	460
Sales by market establishments	1 825	3 255	989	393	393	603	414	435	460
Interest, dividends and rent on land			2 007	344	344	277	362	380	402
Interest			2 007	344	344	277	362	380	402
Transactions in financial assets and liabilities	10 876	1 633	1 964	3 692	3 692	36 195	3 888	4 082	4 319
Total departmental receipts	12 701	4 888	4 960	4 429	4 429	37 075	4 664	4 897	5 181

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	212 452	185 555	248 310	405 769	368 969	364 191	389 175	402 109	430 054
Compensation of employees	153 626	121 852	177 992	231 488	231 488	226 706	242 921	252 329	266 985
Salaries and wages	133 380	98 560	177 992	185 191	185 191	180 407	194 474	200 850	212 943
Social contributions	20 246	23 292		46 297	46 297	46 299	48 447	51 479	54 042
Goods and services	58 826	63 703	70 318	174 281	137 481	137 485	146 254	149 780	163 069
Administrative fees	60		71	53	53	53	111	166	176
Advertising	2 430	3 813	2 230	8 725	5 125	5 125	2 500	2 099	2 461
Minor assets	1 004	1 079	169	105	105	105	1 449	1 522	1 610
Audit cost: External	193		5 209	6 825	13 825	13 825	13 414	15 265	16 150
Bursaries: Employees	157	269	421	2 893	2 893	2 892	4 045	1 097	1 161
Catering: Departmental activities	1 298	1 284	317	2 678	1 478	1 478	800	600	635
Communication (G&S)	15 173	18 218	15 600	20 000	20 000	13 334	15 530	13 201	11 220
Computer services	2 932	88	3 891	15 750	3 750	3 750	7 002	7 352	7 779
Consultants and professional services: Business and advisory services	8 535	8 270	15 686	38 879	11 879	14 060	8 540	6 411	6 783
Consultants and professional services: Legal costs	8	25	13	210	210	210	106		
Contractors	2 020	33	196	39 553			3 064	787	833
Agency and support / outsourced services	9	99		126	126	126	246	259	274
Entertainment	42	21							
Fleet services (including government motor transport)		(2)	14 745	11 000	11 000	15 486	10 000	10 154	16 841
Inventory: Clothing material and accessories		50	276						
Inventory: Food and food supplies		215	13	200	200	200	100	716	757
Inventory: Fuel, oil and gas	10			16	16	16	16	17	18
Inventory: Materials and supplies	1								
Inventory: Other supplies	1 193								
Consumable supplies		2 595	1 397	4 352	4 352	4 351	9 210	10 518	11 128
Consumable: Stationery, printing and office supplies	4 598	3 930	2 332	3 000	3 000	3 000	2 973	1 889	1 561
Operating leases	3 461	-60		4 000	4 000	4 000	3 500	10 612	11 228
Property payments	2 625	3 503	1 601	2 650	42 203	42 203	46 309	52 000	58 240
Transport provided: Departmental activity		15 560					2 500	2 625	2 777
Travel and subsistence	10 279	1 460	3 180	4 674	4 674	4 676	4 665	3 946	3 344
Training and development	1 487	534	904	3 724	3 724	3 724	5 044	4 251	4 485
Operating payments	743	87	320	500	500	500	1 232	994	818
Venues and facilities	568	2 632	1 747	4 368	4 368	4 371	3 900	3 300	2 791
Transfers and subsidies	2 171	72	181	300	1 500	1 500	316	332	351
Households	2 171	72	181	300	1 500	1 500	316	332	351
Social benefits	2 171	72	181	300	1 500	1 500	316	332	351

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Other transfers to households									
Payments for capital assets	5 101	12 570	9 111	38 926	28 074	28 074	49 867	47 276	49 947
Machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Transport equipment							10 000	16 605	17 568
Other machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	30 000	25 657	26 879
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
Payments for financial assets	1 244		25 186						
Total economic classification	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351

TABLE 8.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	10 821	10 818	14 595	25 798	25 798	25 795	33 078	35 822	36 771
Compensation of employees	10 759	10 479	14 162	22 245	22 245	22 242	32 657	35 380	36 335
Salaries and wages	8 902	10 479	14 162	17 781	18 381	18 379	25 319	27 685	28 347
Social contributions	1 857			4 464	3 864	3 863	7 338	7 695	7 988
Goods and services	62	339	433	3 553	3 553	3 553	421	442	436
Administrative fees				7	7	7	7	8	8
Advertising				7	7	7	7	8	8
Minor assets				164	164	164	4	4	17
Catering: Departmental activities		5		441	441	441	43	45	48
Consultants and professional services: Business and advisory services			274		161	161			
Contractors		4							
Inventory: Clothing material and accessories			105						
Consumable supplies				8	163	163	8	9	9
Consumable: Stationery, printing and office supplies			104	678	678	678	82	73	65
Operating leases		60							
Travel and subsistence	15	10	54	800	800	800		13	14
Training and development				93	93	93			
Operating payments	23	22		255	100	100	269	282	266
Venues and facilities	24	134		1 100	939	939			
Transfers and subsidies				3 805					
Households				3 805					
Other transfers to households				3 805					
Payments for capital assets									
Payments for financial assets									
Total economic classification	10 821	10 818	14 595	29 603	25 798	25 795	33 078	35 822	36 771

TABLE 8.22: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	139 064	195 704	158 259	126 236	196 236	201 018	126 644	137 405	145 273
Compensation of employees	134 384	184 429	153 034	111 236	111 236	116 018	120 565	128 512	135 998
Salaries and wages	110 184	128 229	153 034	98 134	98 134	101 103	107 750	114 596	122 010
Social contributions	24 200	56 200		13 102	13 102	14 915	12 815	13 916	13 989
Goods and services	4 680	11 275	5 225	15 000	85 000	85 000	6 079	8 894	9 275
Administrative fees									
Advertising	52								
Minor assets	15	11			100	100	500	600	634
Audit cost: External		7 589							
Bursaries: Employees									
Catering: Departmental activities	45	187	44				158		
Communication (G&S)							1		
Consultants and professional services: Business and advisory services					12 816	12 816	500	500	529
Contractors								150	159
Agency and support / outsourced services	491			10 000	12 000	12 000	4 468	6 589	6 971
Entertainment									
Fleet services (including government motor transport)		2							
Inventory: Other supplies	16								
Consumable supplies		238			1 000	1 000	37	39	41
Consumable: Stationery, printing and office supplies	262		18		2 400	2 400	255	850	765
Operating leases	404		1 948				159	167	177
Property payments	1				50 000	50 000			
Transport provided: Departmental activity									
Travel and subsistence	3 156	3 203	2 685	2 500	4 184	4 184			
Training and development	3								
Operating payments	88	27	530	2 500	2 500	2 500	1		
Venues and facilities	147	18							
Rental and hiring									
Transfers and subsidies	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Social benefits									
Other transfers to households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Payments for capital assets	5 359	15							
Buildings and other fixed structures	5 359								
Buildings	5 359								
Other fixed structures									
Machinery and equipment		15							
Transport equipment									
Other machinery and equipment		15							
Software and other intangible assets									
Payments for financial assets									
Total economic classification	4 103 039	4 240 571	4 647 462	5 363 737	4 446 184	5 359 343	5 287 262	6 058 371	6 448 004

TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments				8 403	8 403	8 403	11 699	12 007	11 090
Compensation of employees				7 433	7 433	7 433	8 229	8 866	9 114
Salaries and wages				5 203	5 203	5 203	5 786	6 360	6 500
Social contributions				2 230	2 230	2 230	2 443	2 506	2 614
Goods and services				970	970	970	3 470	3 142	1 976
Advertising							2 500	2 150	1 149
Minor assets				150	150	150	150	158	167
Catering: Departmental activities				150	150	150	150	158	
Consumable supplies				300	300	300	300	315	333
Travel and subsistence				170	170	170	170	152	136
Venues and facilities				200	200	200	200	210	191
Transfers and subsidies	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Social benefits									
Other transfers to households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Payments for capital assets									
Payments for financial assets									
Total economic classification	86 769	96 857	85 408	100 679	215 379	215 378	111 469	72 891	77 662