

Vote 29

Housing

Amount to be appropriated	Main appropriation R4 848 941 000	Adjusted appropriation R4 826 781 000	Decrease R22 160 000	Increase
Responsible minister	Minister of Housing			
Administering department	Department of Housing			
Accounting officer	Director-General of Housing			

Aim

The aim of the Department of Housing is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of policy for housing and human settlement.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 29.1: Housing

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	66 833	3 252	–	9 195	–	12 447	79 280
2 Policy Planning and Research	22 139	–	–	–	–	–	22 139
3 Programme Management	152 477	–	–	(10 500)	–	(10 500)	141 977
4 Housing Sector Performance	92 240	3 388	–	3 305	–	6 693	98 933
5 Housing Equity	5 612	–	–	(2 000)	–	(2 000)	3 612
6 Housing Development Funding	4 509 640	–	–	–	(28 800)	(28 800)	4 480 840
Total	4 848 941	6 640	–	–	(28 800)	(22 160)	4 826 781

Economic classification

Current payments	196 847	5 252	–	(2 368)	(28 800)	(25 916)	170 931
Compensation of employees	62 982	–	–	12	–	12	62 994
Goods and services	105 065	5 252	–	(2 380)	–	2 872	107 937
Interest and rent on land	28 800	–	–	–	(28 800)	(28 800)	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies	4 649 140	1 388	–	1 400	–	2 788	4 651 928
Provinces and municipalities	4 589 298	–	–	–	–	–	4 589 298
Departmental agencies and accounts	55 549	1 388	–	4 700	–	6 088	61 637
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	65	–	–	–	–	–	65
Public corporations and private enterprises	4 228	–	–	(3 300)	–	(3 300)	928
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Payments for capital assets	2 954	–	–	968	–	968	3 922
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	2 954	–	–	968	–	968	3 922
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total	4 848 941	6 640	–	–	(28 800)	(22 160)	4 826 781

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs: R6,640 million

Programme 1: Administration.

R3,252 million has been rolled over for the final payment to the task team appointed in January 2004 to support provincial departments of housing with conditional grant expenditure on blocked housing projects. The project was not completed in the previous financial year as planned.

Programme 4: Housing Sector Performance

R1,388 million has been rolled over for Servcon Housing Solutions (a schedule 3A public entity) for properties that were not dealt with in 2003/04 and thus remain in the Servcon portfolio. The target for dealing with these in 2004/05 is thus higher than projected.

The assessment of the housing subsidy scheme was approved during the second half of the financial year. Only 20 per cent of the work could be completed and paid for by March 2004. R1 million has been rolled over for the final payment on completion of the project in September 2004.

A tender for the assessment of provincial compliance with the housing subsidy scheme prescripts was planned to run for 12 months with the final payment to be made in December 2004. No funds were budgeted for this project for 2004/05, and R1 million has been rolled over from savings in 2003/04.

Virement

Table 29.2: Housing

From programme	Amount	To programme	Amount
R thousand			
3 Programme Management	R10 500	1 Administration	R9 195
4 Housing Sector Performance	R1 395	4 Housing Sector Performance	R4 700
5 Housing Equity	R2 000		

Details of savings realised on the above programmes

Programme 3: Programme Management

Savings of R3,300 million on the transfer payment: First Time Home Buyers Interest Subsidy Scheme are due to interest rate decreases, properties in possession and non-performing loans (for which the department is no longer required to pay the subsidy).

Savings of R7,200 million are due to the reprioritisation of activities within the programme resulting in underspending on compensation of employees.

Programme 4: Housing Sector Performance

Savings of R1,395 million on personnel expenditure are due to vacant posts that have not been filled.

Programme 5: Housing Equity

Savings of R2 million are due to the reprioritisation of activities within the programme. Certain planned activities will thus not be undertaken during 2004/05.

Utilisation of savings to augment the above programmes

Programme 1: Administration.

R1,860 million will be used to fund four additional posts in the office of the Minister of Housing to strengthen the minister's dealings with stakeholders and Parliament.

R7,335 million will be used to fund the refurbishment of the 240 Walker Street building to maximise the use of space and to meet health and safety standards.

Programme 4: Housing Sector Performance

R4,700 million will be used for the transfer payment to the Social Housing Foundation (SHF). This additional amount is requested in order to compensate the SHF for the payment to the Support Programme for Social Housing (SPSH). As the SPSH was only established during 2003, it was not possible to budget for funds in the previous financial year.

Funds shifted within a programme

Programme 3: Programme Management.

A further saving of R159 000 due to underspending on compensation of employees as a result of vacant posts was shifted to payments for capital assets for the upgrading of capital equipment.

Other adjustments – (R28,800 million)

Savings

Programme 6: Housing Development Funding.

National Treasury has taken over the outstanding loans debt of the former National Housing Board. Funds that the Department of Housing budgeted to service this debt (R28,800 million per year until 2006/07) have been surrendered to the National Revenue Fund.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 29.3: Housing

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	79 280	31 678	40,0	47 602	60,0
2 Policy Planning and Research	22 139	4 740	21,4	17 399	78,6
3 Programme Management	141 977	56 856	40,0	85 121	60,0
4 Housing Sector Performance	98 933	31 337	31,7	67 596	68,3
5 Housing Equity	3 612	653	18,1	2 959	81,9
6 Housing Development Funding	4 480 840	2 266 479	50,6	2 214 361	49,4
Special Programme: Thefts and Losses	–	–	–	–	–
Total	4 826 781	2 391 743	49,6	2 435 038	50,4

Economic classification

Current payments	170 931	52 095	30,5	118 836	69,5
Compensation of employees	62 994	23 150	36,7	39 844	63,3
Goods and services	107 937	28 945	26,8	78 992	73,2
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	4 651 928	2 337 181	50,2	2 314 747	49,8
Provinces and municipalities	4 589 298	2 315 312	50,5	2 273 986	49,5
Departmental agencies and accounts	61 637	21 823	35,4	39 814	64,6
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	65	–	–	65	100,0
Public corporations and private enterprises	928	46	5,0	882	95,0
Non-profit institutions	–	–	–	–	–
Households	–	–	–	–	–
Payments for capital assets	3 922	2 467	62,9	1 455	37,1
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	3 922	2 467	62,9	1 455	37,1
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–
Total	4 826 781	2 391 743	49,6	2 435 038	50,4

Table 29.4: Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
1 Administration	76	-	-	-	-	-	76
Provinces and municipalities							
Municipalities							
Current	76	-	-	-	-	-	76
Regional service council levies	76	-	-	-	-	-	76
2 Policy Planning and Research	86	-	-	-	-	-	86
Provinces and municipalities							
Municipalities							
Current	21	-	-	-	-	-	21
Regional service council levies	21	-	-	-	-	-	21
Foreign governments and international organisations							
Current	65	-	-	-	-	-	65
Habitat Foundation	65	-	-	-	-	-	65
3 Programme Management	119 792	-	-	(3 300)	-	(3 300)	116 492
Provinces and municipalities							
Provincial Revenue Funds							
Capital	115 540	-	-	-	-	-	115 540
Human settlement redevelopment programme	115 540	-	-	-	-	-	115 540
Municipalities							
Current	24	-	-	-	-	-	24
Regional service council levies	24	-	-	-	-	-	24

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	4 228	-	-	(3 300)	-	(3 300)	928
Phasing out of subsidy programmes	4 228	-	-	(3 300)	-	(3 300)	928
4 Housing Sector Performance	55 578	1 388	-	4 700	-	6 088	61 666
Provinces and municipalities							
Municipalities							
Current	29	-	-	-	-	-	29
Regional service council levies	29	-	-	-	-	-	29
Departmental agencies and accounts							
Entities							
Current	55 549	1 388	-	4 700	-	6 088	61 637
National Housing Finance Corporation	1	-	-	-	-	-	1
SERVCON	37 166	1 388	-	-	-	1 388	38 554
South African Housing Trust	-	-	-	-	-	-	-
Social Housing Foundation	15 347	-	-	4 700	-	4 700	20 047
National Home Builders Registration Council	-	-	-	-	-	-	-
National Urban Reconstruction and Housing Agency	3 034	-	-	-	-	-	3 034
People's Housing Partnership Trust	1	-	-	-	-	-	1
5 Housing Equity	5	-	-	-	-	-	5
Provinces and municipalities							
Municipalities							
Current	5	-	-	-	-	-	5
Regional service council levies	5	-	-	-	-	-	5

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
6 Housing Development Funding	4 473 603	-	-	-	-	-	4 473 603
Provinces and municipalities							
Provincial Revenue Funds	4 473 597	-	-	-	-	-	4 473 597
Capital	4 473 597	-	-	-	-	-	4 473 597
Grants to housing funds							
Municipalities	6	-	-	-	-	-	6
Current	6	-	-	-	-	-	6
Regional service council levies							
Total	4 649 140	1 388	-	1 400	-	2 788	4 651 928

Table 29.5: Summary of conditional grants to provinces ¹

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
3 Programme Management							
Special Programmes Support	115 540	-	-	-	-	-	115 540
Human settlement redevelopment programme							
6 Housing Development Funding							
Grant to Housing Funds	4 473 597	-	-	-	-	-	4 473 597
Grant to housing funds							
Total	4 589 137	-	-	-	-	-	4 589 137

¹ Main appropriation detail provided in the Division of Revenue Act, 2004

