

Vote 26

Human Settlements

Adjusted budget summary

2009/10				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	13 588 573	13 604 805	–	16 232
<i>of which:</i>				
Current payments	620 021	605 857	(14 164)	–
Transfers and subsidies	12 957 151	12 984 854	–	27 703
Payments for capital assets	11 401	14 094	–	2 693
Executive authority	Minister of Human Settlements			
Accounting officer	Director-General of Human Settlements			
Website address	www.housing.gov.za			

Aim

The aim of the Department of Human Settlements is to determine, finance, promote, coordinate, communicate and monitor the implementation of housing policy and human settlements.

Reorganisation of department

In terms of the revised government structure, the sanitation function will be shifted from the Department of Water Affairs and Forestry to the Department of Human Settlements. Negotiations between the two departments are ongoing and this function will not be transferred in the current financial year. A new deputy ministry was also created.

Mid-year performance status

Indicator	Programme	Annual performance		
As published in the 2009 ENE	Programme linked to the indicator	Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
Number of houses completed and in process of completion each year	Housing Development Finance	250 000	115 389	216 000
Number of units completed in rental programme each year	Housing Planning and Delivery Support	900	643	–
Number of individual credit linked subsidies approved each year	Housing Development Finance	700	28	–
Number of beneficiaries approved in the People's Housing Process each year	Housing Planning and Delivery Support	12 500	4 026	–
Number of municipalities provided with capacity development to support accreditation each year	Strategic Relations and Governance	18	5	–
Number of publications on housing sector each year	Strategic Relations and Governance	4	2	–
Turnaround time for projects to fully subsidised units (months)	Housing Development Finance	37- 48	37- 48	–

The estimated number of houses completed and in the process of completion in 2009/10 has been decreased from 250 000 to 216 000 due to the increase in building costs.

Adjusted Estimates of National Expenditure 2009

Programme		2009/10						
R thousand	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation	
1. Administration	198 540	–	5 200	(35 970)	–	–	(30 770)	167 770
2. Housing Policy, Research and Monitoring	58 000	–	–	14 175	–	–	14 175	72 175
3. Housing Planning and Delivery Support	138 486	–	–	31 020	–	–	31 020	169 506
4. Housing Development Finance	13 011 341	–	7 700	11 654	–	–	19 354	13 030 695
5. Strategic Relations and Governance	182 206	–	3 332	(20 879)	–	–	(17 547)	164 659
Total	13 588 573	–	16 232	–	–	–	16 232	13 604 805
Economic classification								
Current payments	620 021	–	8 532	(22 696)	–	–	(14 164)	605 857
Compensation of employees	225 807	–	5 532	(26 502)	–	–	(20 970)	204 837
Goods and services	394 214	–	3 000	3 793	–	–	6 793	401 007
Financial transactions in assets and liabilities	–	–	–	13	–	–	13	13
Transfers and subsidies	12 957 151	–	7 700	20 003	–	–	27 703	12 984 854
Provinces and municipalities	12 592 276	–	–	–	–	–	–	12 592 276
Departmental agencies and accounts	363 875	–	7 700	14 500	–	–	22 200	386 075
Foreign governments and international organisations	1 000	–	–	–	–	–	–	1 000
Households	–	–	–	5 503	–	–	5 503	5 503
Payments for capital assets	11 401	–	–	2 693	–	–	2 693	14 094
Buildings and other fixed structures	152	–	–	–	–	–	–	152
Machinery and equipment	9 591	–	–	2 405	–	–	2 405	11 996
Software and other intangible assets	1 658	–	–	288	–	–	288	1 946
Total	13 588 573	–	16 232	–	–	–	16 232	13 604 805

Details of adjustments to Estimates of National Expenditure 2009

Unforeseeable and unavoidable expenditure – R16.232 million

Programme 1: Administration

An additional R5.2 million is allocated for the newly created office of the Deputy Minister.

Programme 4: Housing Development Finance

An additional R7.7 million is allocated for the termination of contracts and severance payments due to the closure of Thubelisha Homes.

Programme 5: Administration

An additional R3.332 million is allocated for higher salary increases than the main budget provided for.

Virements

Programmes					
1. Administration 2. Housing Policy, Research and Monitoring 3. Housing Planning and Delivery Support 4. Housing Development Finance 5. Strategic Relations and Governance					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(37 741)	Programme 1		380
Compensation of employees	Reduction due to vacant posts	(10 680)	Goods and services	For equipment for new staff	365
			Machinery and equipment	For audio visual equipment	15
			Programme 2		9 900
			Goods and services	For the occupancy audit	9 900
	Reduction in venues and facilities	(13)	Programme 4		400
			Compensation of employees	For higher than anticipated salary increase	400
			Programme 1		1 391
			Financial transactions in assets and liabilities	For thefts and losses	3
	Reduction in advertising	(1 378)	Households (current)	For gifts	10
			Machinery and equipment	For vehicles for the deputy minister, and computer equipment	1 378
	Reduction in travel and subsistence, lease payments, consultants and contract workers	(22 170)	Programme 3		22 170
			Goods and services	For additional management support for priority projects, such as N2 Gateway and Zanemvula	22 170
Goods and services	Reduction in computer services and lease expenditure	(3 500)	Programme 4		3 500
			Departmental agencies and accounts (current)	For NURCHA as compensation for the late payment of contractors by the Gauteng Department of Housing	3 500
			Programme 2		6 690
	Reduction due to vacant posts	(6 690)	Goods and services	For consultants for research	890
			Goods and services	For the occupancy audit	5 800
	Reduction in travel and subsistence	(5 125)	Programme 3		5 125
			Goods and services	For additional management support for priority projects, such as N2 Gateway and Zanemvula	5 125
			Programme 2		8 870
	Reduction due to vacant posts	(8 870)	Goods and services	For the occupancy audit	8 870
			Programme 3		5 870
	Reduction in travel and subsistence	(5 436)	Households (current)	For the department's bursaries scheme	5 130
			Software and other intangible assets	For software	306
Funds shifted to payments for capital assets because items cost more than R5 000		(434)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	434

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(3 380)	Programme 4		50
Compensation of employees	Funds shifted to payments for capital assets because items cost more than R5 000	(20)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	20
	Reduction in salaries and wages	(30)	Goods and services	For stationery	30
			Programme 3		3 246
Goods and services	Reduction in travel and subsistence	(3 246)	Goods and services	For additional management support for priority projects, such as N2 Gateway and Zanemvula	3 246
			Programme 4		84
	Funds shifted to payments for capital assets because items cost more than R5 000	(84)	Machinery and equipment	Funds shifted from current payments because items cost more than R5 000	84
Programme 5		(21 768)	Programme 5		456
Goods and services	Funds shifted to payments for capital assets because items cost more than R5 000	(456)	Machinery and equipment	Funds shifted to payments for capital assets because items cost more than R5 000	456
			Programme 4		11 000
	Reduction in advertising	(11 373)	Departmental agencies and accounts (current)	For Thubelisha closure costs	11 000
			Programme 5		363
			Households (current)	For gifts for various stakeholders	363
			Programme 5		10
			Financial transactions in assets and liabilities	For approved losses	10
			Programme 3		9 349
	Reduction in agency support/ outsourced services	(9 349)	Goods and services	For additional management support for priority projects, such as N2 Gateway and Zanemvula	9 349
			Programme 5		42
Compensation of employees	Reduction due to vacant posts	(572)	Goods and services	For bursaries for new incumbents	42
			Programme 2		530
			Goods and services	For the occupancy audit	530
			Programme 5		18
Software and other intangible assets	Reduction due to vacant posts	(18)	Machinery and equipment	For computer equipment	18
Total		(89 444)			89 444

Gifts, donations and sponsorship – R356 079

The department approved payments of R356 079 for gifts for various stakeholders at the minister's end of term function.

Expenditure for 2008/09 and preliminary expenditure for 2009/10

Programme	2008/09					2009/10		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
1. Administration	130 195	56 694	43.5	128 621	98.8	167 770	44 845	26.7
2. Housing Policy, Research and Monitoring	28 686	9 387	32.7	26 203	91.3	72 175	22 178	30.7
3. Housing Planning and Delivery Support	68 326	21 959	32.1	67 285	98.5	169 506	42 728	25.2
4. Housing Development Finance	10 445 434	5 141 951	49.2	10 444 774	100.0	13 030 695	7 474 177	57.4
5. Strategic Relations and Governance	255 846	115 784	45.3	253 389	99.0	164 659	60 878	37.0
Total	10 928 487	5 345 775	48.9	10 920 272	99.9	13 604 805	7 644 806	56.2
Economic classification								
Current payments	506 379	214 564	42.4	499 144	98.6	605 857	185 379	30.6
Compensation of employees	126 067	57 556	45.7	125 933	99.9	204 837	68 784	33.6
Goods and services	380 045	157 008	41.3	372 944	98.1	401 007	116 590	29.1
Interest and rent on land	265	–	–	265	100.0	–	–	–
Transactions in financial assets and liabilities	2	–	–	2	100.0	13	5	38.5
Transfers and subsidies	10 409 529	5 126 244	49.2	10 409 100	100.0	12 984 854	7 457 785	57.4
Provinces and municipalities	10 177 938	4 991 480	49.0	10 177 939	100.0	12 592 276	7 407 437	58.8
Departmental agencies and accounts	227 739	133 471	58.6	227 738	100.0	386 075	47 628	12.3
Public corporations and private enterprises	–	–	–	–	–	–	16	–
Foreign governments and international organisations	1 000	345	34.5	845	84.5	1 000	(337)	(33.7)
Households	2 852	948	33.2	2 578	90.4	5 503	3 041	55.3
Payments for capital assets	12 579	4 967	39.5	12 028	95.6	14 094	1 642	11.7
Machinery and equipment	10 954	4 776	43.6	10 418	95.1	11 996	1 394	11.6
Software and other intangible assets	1 625	191	11.8	1 610	99.1	1 946	248	12.7
Total	10 928 487	5 345 775	48.9	10 920 272	99.9	13 604 805	7 644 806	56.2

Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 99.9 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R7.645 billion, or 56.2 per cent of the adjusted appropriation of R13.605 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 amounted to R5.346 billion, or 48.9 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R2.299 billion or 43.0 per cent, compared to spending in the first six months of 2008/09.

The main expenditure increases compared to 2008/09 are due to an increase in building costs.

Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate
Departmental receipts	1 053	375	35.6	2 305	218.9	2 781	481	154	32.0
Sales of goods and services produced by department	120	36	30.0	74	61.7	145	145	41	28.3
Interest, dividends and rent on land	458	229	50.0	246	53.7	336	336	23	6.8
Financial transactions in assets and liabilities	475	110	23.2	1 985	417.9	2 300	–	90	–
Total	1 053	375	35.6	2 305	218.9	2 781	481	154	32.0

Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R154 000 or 32.0 per cent of the 2009 adjusted estimate of R481 000 for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R375 000, or 35.6 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 decreased by R221 000 or 58.9 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue decrease compared to 2008/09 is due to higher interest received in 2008/09 on outstanding staff debt.

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies

R thousand	2009/10						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	
1. Administration							
Households							
Other transfers to households							
Current	–	–	–	10	–	–	10
Gifts and donations	–	–	–	5	–	–	5
Gifts and donations	–	–	–	5	–	–	5
3. Housing Planning and Delivery Support							
Households							
Other transfers to households							
Current	–	–	–	5 130	–	–	5 130
Bursaries (Non employees)	–	–	–	5 130	–	–	5 130

Summary of changes to transfers and subsidies

2009/10								
R thousand	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation	
4. Housing Development Finance								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	314 224	–	7 700	14 500	–	–	22 200	336 424
National Urban Reconstruction and Housing Agency	–	–	–	3 500	–	–	3 500	3 500
Social Housing Foundation	22 967	–	–	240 000	–	–	240 000	262 967
Thubelisha Homes	6 266	–	7 700	11 000	–	–	18 700	24 966
Social Housing Regulatory Authority	284 991	–	–	(240 000)	–	–	(240 000)	44 991
5. Strategic Relations and Governance								
Households								
Other transfers to households								
Current	–	–	–	363	–	–	363	363
Gifts and donations	–	–	–	363	–	–	363	363

