

# Vote 28

## Housing

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R5 191 712 000	R5 265 672 000		R73 960 000
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 settlements.*

## Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

## Adjusted Estimates of National Expenditure 2005

Table 28.1: Housing

Programme		2005/06					
R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
1.Administration	83 737	3 000	–	3 500	–	6 500	90 237
2.Policy Planning and Research	24 634	–	–	–	–	–	24 634
3.Programme Management	95 061	–	–	–	–	–	95 061
4.Housing Sector Performance	130 607	1 000	–	–	39 960	40 960	171 567
5.Housing Equity	5 949	–	–	(3 500)	–	(3 500)	2 449
6.Housing Development Funding	4 851 724	–	30 000	–	–	30 000	4 881 724
<b>Total</b>	<b>5 191 712</b>	<b>4 000</b>	<b>30 000</b>	<b>–</b>	<b>39 960</b>	<b>73 960</b>	<b>5 265 672</b>

  

Economic classification							
<b>Current payments</b>	<b>240 851</b>	<b>3 000</b>	<b>–</b>	<b>(976)</b>	<b>–</b>	<b>2 024</b>	<b>242 875</b>
Compensation of employees	94 655	–	–	(894)	–	(894)	93 761
Goods and services	146 196	3 000	–	(82)	–	2 918	149 114
<b>Transfers and subsidies to:</b>	<b>4 947 840</b>	<b>–</b>	<b>30 000</b>	<b>36</b>	<b>39 960</b>	<b>69 996</b>	<b>5 017 836</b>
Provinces and municipalities	4 868 362	–	–	–	–	–	4 868 362
Departmental agencies and accounts	78 998	–	30 000	–	39 960	69 960	148 958
Foreign governments and international organisations	69	–	–	–	–	–	69
Public corporations and private enterprises	411	–	–	–	–	–	411
Households	–	–	–	36	–	36	36
<b>Payments for capital assets</b>	<b>3 021</b>	<b>1 000</b>	<b>–</b>	<b>940</b>	<b>–</b>	<b>1 940</b>	<b>4 961</b>
Machinery and equipment	3 021	1 000	–	940	–	1 940	4 961
<b>Total</b>	<b>5 191 712</b>	<b>4 000</b>	<b>30 000</b>	<b>–</b>	<b>39 960</b>	<b>73 960</b>	<b>5 265 672</b>

## Details of adjustments to Estimates of National Expenditure 2005

### Roll-overs – R4 million

Programme 1: Administration

R2 million has been rolled over for office refurbishment and a further R1 million for a bulk file storage unit.

Programme 4: Housing Sector Performance

R1 million paid to SITA in 2005/06 for services provided in 2004/05 has been rolled over to avoid a budget shortfall in this financial year.

### Unforeseeable and unavoidable expenditure – R30 million

Programme 6: Housing Development Funding

R30 million has been allocated under the transfer to Thubelisha Homes for implementing the fast-tracking housing solution for people living in areas of stress.

### Virements

Table 28.2: Housing (Net effect of all virements)

From	R thousand	To	R thousand
<b>Programme</b>			
5 Housing Equity	3 500	1 Administration	3 500
<b>Economic classification item</b>			
Compensation of employees	894	Transfers and subsidies	36
Goods and services	82	Payments for capital assets	940

### Details of savings

Programme 5: Housing Equity

Savings of R3,5 million have been realised due to delays in the approval of planned tenders and vacant posts.

### Utilisation of savings

Programme 1: Administration

R3,5 million has been used for activities linked to new priorities in implementing the comprehensive plan for the development of sustainable human settlements.

### Virements within a programme

Programme 4: Housing Sector Performance

Savings of R22 million have been realised on the transfer to Servcon Housing Solutions, which is finalising its portfolio of properties in preparation for concluding its operations in April 2006. The savings have been used to introduce a new grant payment to the National Urban Reconstruction and Housing Agency (NURCHA) to match funding from the Open Society Foundation to expand NURCHA's lending to emerging contractors and developers.

The new Industry Analysis and Development Finance subdirectorate was not adequately budgeted for. R330 000 was shifted from the Housing Institutions subprogramme for new personnel.

## Other adjustments – R39,96 million

### Self-financing expenditure

Programme 4: Housing Sector Performance.

R39,96 million is an adjustment for VAT, resulting from new tax legislation, as follows: R36 million for Thubelisha Homes, R2,46 million for the Social Housing Foundation and R1,5 million for NURCHA.

## Expenditure 2004/05 and preliminary expenditure 2005/06

**Table 28.3: Housing**

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
1.Administration	79 280	31 678	83 910	105,8	90 237	40 515	27,9
2.Policy Planning and Research	22 139	4 740	21 199	95,8	24 634	12 000	153,2
3.Programme Management	141 977	56 856	125 428	88,3	95 061	22 150	(61,0)
4.Housing Sector Performance	98 933	31 337	91 566	92,6	171 567	32 568	3,9
5.Housing Equity	3 612	653	1 709	47,3	2 449	1 002	53,4
6.Housing Development Funding	4 480 840	2 266 479	4 478 291	99,9	4 881 724	2 587 370	14,2
<b>Total</b>	<b>4 826 781</b>	<b>2 391 743</b>	<b>4 802 103</b>	<b>99,5</b>	<b>5 265 672</b>	<b>2 695 605</b>	<b>12,7</b>
<b>Current payments</b>	<b>170 931</b>	<b>52 095</b>	<b>142 175</b>	<b>83,2</b>	<b>242 875</b>	<b>67 716</b>	<b>30,0</b>
Compensation of employees	62 994	23 150	50 449	80,1	93 761	29 289	26,5
Goods and services	107 937	28 945	91 726	85,0	149 114	38 427	32,8
<b>Transfers and subsidies to:</b>	<b>4 651 928</b>	<b>2 337 181</b>	<b>4 650 621</b>	<b>100,0</b>	<b>5 017 836</b>	<b>2 624 977</b>	<b>12,3</b>
Provinces and municipalities	4 589 298	2 315 312	4 589 286	100,0	4 868 362	2 602 061	12,4
Departmental agencies and accounts	61 637	21 823	60 915	98,8	148 958	22 770	4,3
Foreign governments and international organisations	65	-	65	100,0	69	-	-
Public corporations and private enterprises	-	-	-	-	411	-	-
Households	928	46	355	38,3	36	146	217,4
<b>Payments for capital assets</b>	<b>3 922</b>	<b>2 467</b>	<b>9 307</b>	<b>237,3</b>	<b>4 961</b>	<b>2 912</b>	<b>18,0</b>
Machinery and equipment	3 922	2 467	9 307	237,3	4 961	2 852	15,6
Software and other intangible assets	-	-	-	-	-	60	-
<b>Total</b>	<b>4 826 781</b>	<b>2 391 743</b>	<b>4 802 103</b>	<b>99,5</b>	<b>5 265 672</b>	<b>2 695 605</b>	<b>12,7</b>

## Selected expenditure trends for first half of 2005/06 financial year

Expenditure in the first six months of 2005/06 has increased by 12,7 per cent compared to the same period in the previous year. This can be attributed largely to new activities to support the implementation of the comprehensive plan for the development of sustainable human settlements, including the hosting of an international housing research seminar in July 2005.

The significant increase in expenditure in *Programme 5: Housing Equity* is in comparison to underspending in 2004/05. During 2005/06 vacant posts in this programme were filled and offices were set up.

## Summary of transfers and subsidies and conditional grants

Table 28.4 Summary of transfers and subsidies per programme

Table 28.5 Summary of conditionals grants to provinces

**Table 28.4: Summary of transfers and subsidies per programme**

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	206	-	-	36	-	36	242
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	206	-	-	-	-	-	206
Regional service councils levy	206	-	-	-	-	-	206
Households							
Social benefits							
Current	-	-	-	36	-	36	36
Leave gratuity	-	-	-	36	-	36	36
2. Policy Planning and Research	116	-	-	-	-	-	116
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	47	-	-	-	-	-	47
Regional service councils levy	47	-	-	-	-	-	47
Foreign governments and international organisations							
Current	69	-	-	-	-	-	69
Habitat Foundation	69	-	-	-	-	-	69
3. Programme Management	24 903	-	-	-	-	-	24 903
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	24 396	-	-	-	-	-	24 396
Human Settlement Grant and Redevelopment Grant	24 396	-	-	-	-	-	24 396
Municipalities							
Municipal bank accounts							
Current	96	-	-	-	-	-	96
Regional service councils levy	96	-	-	-	-	-	96
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	411	-	-	-	-	-	411
Financial Institutions (First time homebuyers subsidy)	411	-	-	-	-	-	411
4. Housing Sector Performance	79 100	-	-	-	39 960	39 960	119 060
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	102	-	-	-	-	-	102
Regional service councils levy	102	-	-	-	-	-	102

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Departmental agencies and accounts							
Public entities							
Current	78 998	–	–	–	39 960	39 960	118 958
National Housing Finance Corporation	1	–	–	–	–	–	1
SERVCON Housing Solutions	55 879	–	–	(22 000)	–	(22 000)	33 879
Social Housing Foundation	18 118	–	–	–	2 460	2 460	20 578
National Urban Reconstruction and Housing Agency	–	–	–	22 000	1 500	23 500	23 500
People's Housing Partnership Trust	5 000	–	–	–	–	–	5 000
Thubelisha Homes	–	–	–	–	36 000	36 000	36 000
5.Housing Equity	9	–	–	–	–	–	9
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	9	–	–	–	–	–	9
Regional service councils levy	9	–	–	–	–	–	9
6.Housing Development Funding	4 843 506	–	30 000	–	–	30 000	4 873 506
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	4 843 480	–	–	–	–	–	4 843 480
Integrated Housing and Human Settlement Development Grant	4 843 480	–	–	–	–	–	4 843 480
Municipalities							
Municipal bank accounts							
Current	26	–	–	–	–	–	26
Regional service councils levy	26	–	–	–	–	–	26
Departmental agencies and accounts							
Public entities							
Current	–	–	30 000	–	–	30 000	30 000
Thubelisha Homes	–	–	30 000	–	–	30 000	30 000
Total	4 947 840	–	30 000	36	39 960	69 996	5 017 836

Table 28.5: Summary of conditional grants to provinces <sup>1</sup>

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>3. Programme Management</b>							
Special Programmes Support							
Human Settlement Grant and Redevelopment Grant	24 396	–	–	–	–	–	24 396
<b>6. Housing Development Funding</b>							
Human Settlement Development Grant							
Intregrated Housing and Human Settlement Development Grant	4 843 480	–	–	–	–	–	4 843 480
<b>Total</b>	<b>4 867 876</b>	–	–	–	–	–	<b>4 867 876</b>

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2005

