

GAUTENG DEPARTMENT OF HOUSING

FIVE YEAR STRATEGIC PLAN

2004 - 2009

FINANCIAL YEARS



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FIVE YEAR PRIORITY AREAS OF HOUSING DELIVERY IN GAUTENG

PRIORITY AREA & SUB PROGRAMME	Year 1 2004/05	Year 2 2005/06	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
ERADICATION/UPGRADE OF INFORMAL SETTLEMENTS (Formalization of informal settlements)					
- To address the 600,000 unit backlog on basic services & infrastructure by 2009	51 000	85 000	120 000	150 000	170 000
Upgrading of informal settlements					
▪ Community builder programme	10 000	20 000	40 000	60 000	70 000
▪ PHP process	3,250 20 HSC	3 500 20 HSC	4 000 20 HSC	4,500 20 HSC	5, 000 20 HSC
THE RENTAL AND SOCIAL HOUSING PROGRAMME					
- Medium density & Inner city regeneration	Bankable business plans & inner city regeneration strategy	3,000	5 000	10 000	12 000
TRANSFER OF OWNERSHIP					
TORPS					
- Promote home ownership through Facilitation of the transfer of claimed and undisputed title deeds	15 000 title deeds	20 000 title deeds	20 000 title deeds		
RETRO					
- Promote home ownership through Regularization and transfer of ownership process	700 Provincial owned houses title deeds	7,300 Provincial owned houses title deeds, by December 2005	-	-	-
	Finalize roll out strategy and legal framework, including the municipality owned stock	10 000 municipal title deeds issued	20 000 municipal title deeds issued	10 ,000 balance of municipal title deeds issued.	
URBAN REGENERATION					
- Intervention in Top 20 Townships	Development of a detailed strategy and roll out plan – with specific targets per identified township	30 000 units	40 000 units	50 000 units	60 000 units
- Hostels	Development and rollout of Cluster Approach Adherence to Health and Safety Standards Bankable business plans	5,000units	7,000 units	10 000 units	15 000units

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PRIORITY AREA & SUB PROGRAMME	Year 1 2004/05	Year 2 2005/06	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
PLANNING & COMMUNICATIONS					
– Community Mobilization in the context of the Peoples Contract	8 Imbizos	24 Imbizos	24 imbizos	24 Imbizos	24 Imbizos
	80 000 beneficiaries	100 000 beneficiaries	120 000 beneficiaries	150 000 beneficiaries	150 000 beneficiaries
DATA CLEAN-UP					
– OCCUPANCY AUDIT AND WAITING LIST	To visit 210000 units (houses built since 1994) To clean up database and expand scope to include community profiling	To visit 500 000 houses in the old Top 20 townships and also visit 100 000 houses in the former 'own affairs' areas and the areas occupied by 'poor' whites			
ACCREDITATION OF MUNICIPALITIES					
– Confronting the challenges of lack of capacity in municipalities	6 fully functional Sub-PMO offices	Fully functional PMO)	Fully functional PMO	Fully functional PMO	Fully functional PMO
- Accredited municipalities	-	1	2	1	1
ACHIEVEMENT OF EMPOWERMENT TARGETS					
BEE – 70% Women – 30% Disability – 5% Local – 40%	– Finalise the CIDB register of all Gauteng based accredited contractors – Finalize contractor incubator strategy in partnership with the Public Works dept	BEE – 70% Women – 30% Disability – 5% Local – 40%	BEE – 70% Women – 30% Disability – 5% Local – 40%	BEE – 70% Women – 30% Disability – 5% Local – 40%	BEE – 70% Women – 30% Disability – 5% Local – 40%
Job creation through labour intensive methods – excluding Social Housing and Hostels	– Finalise the job created model for Social Housing	9 274	10 790	10 790	10 790

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PRIORITY AREA & SUB PROGRAMME	Year 1 2004/05	Year 2 2005/06	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09

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FOREWORD: STATEMENT OF POLICY BY THE MEMBER OF EXECUTIVE COMMITTEE (MEC)

When millions of South Africans went to the polls for the first time in April 1994, the newly democratically elected government inherited a system of gross inequality and ever-increasing neglect of essential services to the majority of the people, who happened to be black and poor. It is well known and documented that the majority of the African population was informally housed prior to 1994 elections.

Over the last ten years, the African National Congress (ANC) led government has vigorously ensured that we make available essential services to advance the lives of ordinary people and concentrate on the dysfunctional nature of South African human settlement patterns. We have since then seen considerable effort from all stakeholders to ensure that there's provision of adequate shelter and enhancement of human settlement management through integrated service delivery and the promotion of land reform and land use planning.

The provision of access to basic services to the majority of South Africans who previously did not have access has been a significant achievement. We now have over 90% of households in Gauteng who have access to clean water, over 80% have access to basic sanitation, approximately 73% have access to electricity and over 80% have weekly refuse removal service.

More than 500 000 housing opportunities were created, directly impacting on more than 2.5 million people in Gauteng. Between 1994 and 2003, a total of 295 218 stands were serviced, 193 360 new houses built and 219 679 houses transferred in Gauteng.

Given the successes and challenges that we have experienced over the past ten years, the Gauteng Department of Housing has critically analysed its position regarding its mandate and is now seeking innovative ways in order to deal with new challenges while at the same time consolidating the past achievements.

During the recent election campaigns, we interacted with a number of people from all walks of life. The issues that people raised in turn shaped and influenced our new strategic direction in the delivery of services. It is therefore an expressed intention of the African National Congress (ANC) not to disappoint the people but to accelerate the delivery process as a way of honouring the people's contract we entered into with the masses of this country. Owing to these interactions, the African National Congress (ANC) is now more than ever determined to transform the face of human settlements.

This strategic plan document is nothing but a response that entails clear vision on how the Department of Housing in Gauteng intends to address the needs of the people as they relate to human settlements.

In his State of the Nation Address, President Thabo Mbeki, made it clear that the government was committed to a People's Contract that is aimed at the eradication of poverty and unemployment. In addition to this, the President stated that a comprehensive human settlement plan as well as social infrastructure programme would be developed and these will serve as a framework for effective delivery of quality services.

In terms of the Housing Policy and Strategy of 1994 era, the main focus was on stabilizing the housing environment and transforming the extremely fragmented, complex and racially-based financial and institutional framework inherited from the previous government. It also focused on the establishment of new systems aimed at addressing the housing backlog. Therefore, whilst government believes that the fundamentals of the policy remain relevant and sound, a new plan was required to redirect and enhance existing mechanisms to move towards a more responsive and effective delivery.

Consequently, on the 1st of September 2004, the National Cabinet approved the Human Settlement Plan, which aims to break the new ground in the delivery of housing. The Plan provides a framework for the integration and the building of homes in healthy and secure living environments, where everyone will have access to the services and goods produced by society. It provides for the provision of a total package of infrastructure such as clinics, schools, police stations, community facilities within the vicinity of a newly- developed human settlements.

Furthermore, the plan collapses the subsidy system and creates a three tier category of income groups for better targeting. In the categorization, the hard core poor (income levels 0 - R1,500) receive the full housing subsidy of R28,279. The poor (income levels R1, 500 - R3, 500) receive R25,800 (R28,279 – R 2,479). A new subsidy band is created for affordable housing targeting the middle income level (those earning R3, 500 to R 7,000 pm), for whom government pays a deposit 50% of 10% product cost. Through this comprehensive plan, the reach of housing policy is broadened to cover the entire residential property market.

Based on the above national plan and requirements set by the Executive Council decision to account for new provincial priorities defined by the Premier, the Gauteng Department of Housing has developed a detailed strategic plan document for MTEF spanning the 2004 – 2009 financial years. The strategy builds on our desire to operationalise a people's contract to fight poverty, create work and continue building a better life for all. Above all, our delivery programme is guided by the Elections Manifesto of the ANC – which has been adopted by Gauteng Government Executive Council as a policy framework for service delivery.

One of the main focus areas of the Gauteng Department of Housing strategy is to formalize all informal settlements capable of being formalized by 2009, densify existing locations, redevelop all hostels in Gauteng by the year 2009, seek and provide alternative accommodation, regenerate urban areas through integrated development strategies. During this term, the government, intends

to build a sustainable housing and human settlement process that will achieve housing with secure tenure, within a safe and healthy environment, and the development of viable communities for all people. We have to deal with the challenge of how to best optimise the use of space available to the urban poor and unemployed in targeted areas, enabling our beneficiaries to find alternative local economic development paths that are collectively determined by them.

In developing and implementing our plans we recognise that the emphasis on housing delivery in Gauteng and indeed the entire country, has shifted from the issue of numbers (quantity) to the enhancement of quality of both our products and the lives of the people we serve. This is important, since we recognised that the eradication of poverty is not only complex, but also needs various interventions that will improve the lives of the poor beyond the physical structures that we build.

In implementing this strategy we are mindful of the fact that housing constitutes the core function of a caring and responsive government that knows and understands people's basic needs and how to respond to them. In developing the five year programme for the province, the Executive Council has taken note that there are numerous challenges that government must deal with. Our programme on housing delivery is designed to meet the goals of economic growth, job creation, and poverty alleviation. In the main, township communities are concentrations of extreme and absolute poverty.

The above situation is compounded by the incursion of Gauteng by people from other parts of the country. This has posed serious challenges in the deployment of resources allocated to the department and impacted adversely on set housing delivery targets. **It is therefore** imperative that the efforts by all three tiers of administration should be integrated and well-coordinated in order to have maximum impact.

Our delivery programme on housing will always be measured by the efforts we make in pushing back the frontiers of poverty and expanding access to a better life for all. It is within this context that we want to ensure that we build and cement a people's contract for a better future, in which all sectors including communities and financial institutions play their respective roles in accelerating the delivery of quality housing to our people as outlined in the National Housing Plan.

This plan is developed to allow us to work in a concerted effort to transform impoverished settlements, renovate hostels, and provision of housing on well located and developed land. We will vigorously pursue our goal of building sustainable communities in which a better life for all becomes a norm. In doing so, it is important to strengthen the capacity of municipalities to enable them to deliver the required services effectively and efficiently.

The Department will forge ahead and facilitate ongoing partnerships with various stakeholders so that they begin to play their respective roles in the delivery of housing. Indeed the most vulnerable within society, in particular women, older

persons, people with disabilities and people infected with and affected by HIV/AIDS, will continue to be the main beneficiaries of our housing subsidy grant. These vulnerable sections of our populace should, more than ever before, see that the government is indeed taking bold steps to allow them to become masters of their own destinies.

In line with our provincial approach of empowering groups or individuals coming from the previously disadvantaged communities, one of the most critical areas of our strategy will be to consolidate our plans of empowering the marginalized entrepreneurs - especially women - and help to facilitate the establishment of SMMEs in the housing and related industries. On the Broad Based Black Economic Empowerment front, the targets as set by the Department are the following:

- | | |
|--|-----|
| ○ Black ownership, management and operation | 70% |
| ○ Local Partners (including material sourcing) | 40% |
| ○ SMME | 50% |
| ○ Women participation | 30% |
| ○ Participation of people with disabilities | 5% |

The Department has deliberately increased the 10% national target for women in housing to 30% because we believe that it is possible to achieve this 30% and even more, because where there is a will, there is a way. This will be done by, amongst others, intensifying the enforcement of the conditions of the Preferred Procurement Policy Framework Act in all our business contracts.

In an effort to deal with challenges associated with the capability of municipalities and other implementation agents to roll out various housing and infrastructure projects, the department has set up Programme Management Offices (PMO) - sub-offices of our internal PMO - at various local authorities to ensure the effective management of housing projects as well as capacity building and skills transfer.

In taking further the principle of the People's Contract, the Department will continue with its outreach programmes of ensuring that government interact with communities who have benefited from our programmes. Through this interactive programme, we will be promoting the notion of Letsema in housing in order for communities to initiate their own housing solutions.

In realising the goal of building sustainable and vibrant communities, the Gauteng Department of Housing will strengthen its efforts of addressing the needs of individuals, households and communities who experience poverty, social exclusion and vulnerability.

The Department's objective in developing and implementing this strategy is to promote the construction of quality homes and the creation of thriving communities while at the same time attempting to turnaround the apartheid spatial development patterns that we have inherited.

I am confident and optimistic that the plans presented in this document will contribute immensely towards the realisation of the broader vision of the National and Provincial governments.

As the Member of the Executive Council responsible for Housing, I hereby commit myself to ensure that the programmes and targets set out in the Department of Housing Strategic Plan for 2004 to 2009 are implemented to my best ability and within the framework of available resources.

Signed: _____

Nomvula Mokonyane

MEC for Housing (Gauteng)

Date: _____

PART A: STRATEGIC OVERVIEW

1 OVERVIEW OF THE 5 YEAR STRATEGIC PLAN BY THE ACTING HEAD OF DEPARTMENT

On the 14th of April 2005, The South African electorates voted into office a new government led by the African National Congress. At a Provincial level, the Premier and the EXCO were explicitly mandated to implement the policies and plans as spelt out in the election manifesto of the ruling party. The Department of Housing in Gauteng has therefore developed the Strategic Plan for 2004-2009 in alignment with the strategic policy priorities and plans of the newly elected provincial government over five years. Implementation of our five-year Strategic Plan is informed by the National Comprehensive Housing Plan developed in response to the need to harness lessons learnt in housing planning and implementation for the past ten years.

The fundamentals of the National Comprehensive Plan are premised on the following:

- Progressive Informal Settlement Upgrading;
- Implementation of Rental Social Housing through medium-density developments;
- Urban Renewal and Inner-city Regeneration;
- Implementation of Rural Housing through PHP;
- Enhancing location of new housing projects through implementation of the National Land Acquisition Guidelines;
- Promoting Public-Private Partnerships and Special Purpose Vehicles through Social Housing Funding;
- Developing Social and economic amenities within integrated settlements;
- Discount Benefit Scheme in enhancing access to title deeds;
- Densification and integration of housing developments through:
 - Financial incentives;

-
- Phasing in mixed-income and –use developments for cross-subsidisation and managing perceptions of property devaluation and NIMBYism¹
 - New Subsidy Intervention:
 - Savings support programme and assistance for income bracket R3,501 to R7,000;
 - Collapsing subsidy income bands on 01 April 2005 on standard subsidy of R25,800 for income band R1,500 to R3,500; and extension of indigent category to income bracket of R1,500 and below through housing subsidy of R28,279.
 - Enhancing Housing Delivery Capacity through:
 - Operational budget at 2,5% of project costs;
 - Streamlined procedures for administration and payment of contractors;
 - Employer assisted housing targeting initially large employers, mining houses, public service and trade unions.
 - Enhancing the housing product through:
 - Innovation and standardization of housing plans;
 - Enforcing quality through NHBRC audit;
 - Compliance with building regulations.
 - Projects quality assurance unit.
 - Implementation of Transversal Programmes through:
 - Promoting BBEE in preferential procurement;
 - Emerging contractor support;
 - Women empowerment through targeted quota for projects;
 - Special subsidy application for the disabled;
 - Youth participation through construction brigades to support all programmes including Letsema campaign.
 - Addressing fraud, corruption and maladministration through the anti corruption unit.
 - Information, communication and awareness building.
 - Implementations of Systems Monitoring and Evaluation.
 - Enhancing Institutional Arrangements within government through:
 - Building municipal capacity and accreditation ;
 - MHDPs.

We have identified challenges experienced in implementation of our housing policy, to ensure that housing becomes more than bricks and mortar for the people of Gauteng, especially the poorest of the poor. We have therefore realigned our focus in the new term of government, as we break new grounds in housing delivery, through emphasis on the following key pillars:

- **Quantity and quality** as mutually inclusive in housing delivery;
- **Participatory development**
- Reinforcing **sustainable and vibrant communities** through urban form and design
- **Rental and Social Housing** in providing alternative tenure options for the residents of Gauteng
- Promoting **Good Governance**.

In implementing the strategic objectives which are based on the five key pillars, the Department will utilize the following Focus Programmes/Subprogrammes:

- Good Urban Governance.

¹ NIMBYism: Not In My BackYard

-
- Upgrade of Informal Settlements.
 - Urban Regeneration.
 - Rental and Social Housing.

Implementation of **Good Urban Governance** will enhance capacity for municipal officials, councillors and emerging contractors through the Programme Management Offices, internally within the Department and at municipal level. Additionally, the Department's contribution on the Municipal Housing Development Plans will ensure that housing delivery is integrated within local municipal planning processes.

Upgrade of Informal Settlements capable of being formalized by 2009 through an incremental approach, and eradication thereof by 2014. The relevant Sub-Programmes instrumental in implementation are:

- Water and Sanitation Infrastructure (Essential Services);
- Community Builder;
- People's Housing Process;
- Community and Social Amenities.

The Gauteng Province has experienced a marked increase in the formation of new informal settlements. The main driving factor that contributes to an increasing number of households in informal settlements is urbanization, and this trend is likely to continue into the future. This goes hand in hand with rising unemployment and continued marginalisation of the urban poor (rendering women and children as the most vulnerable in society).

The provincial housing Waiting List continues to grow at a pace that far outstrips the growth in the available subsidies allocated to the Department. The growth in the list is stimulated by the rapid urbanisation of the South African population, where Gauteng, as an urban province, is bearing the brunt of the growth. Overall increases in the Waiting List and the housing backlog translates in a funding need - over and above that already indicated in the MTEF - of approximately R 2,8 billion over a five year period. By allocating an additional R 2,8 billion to housing funding, the Department will succeed in eliminating the current backlog related to the water and sanitation provision by 2008. While continued population growth will result in a controlled future backlog.

A process of registering all households within informal settlements, which was scheduled for completion in February 2005, has been undertaken. This process of registration of households is also aimed at verifying the list and size of existing informal settlements.

On average the lifespan of a housing project from identification of a portion of land to the commencement of installation of services is 18 months. The construction of houses does not commence immediately once the essential services has been completed. The timeframes for the completion of both PHP and CBP are dependent on a number of factors including: support from the community and ward committees; the size of the project and the availability of technical skills and the capacity of the support organisation and housing support centre. As a consequence, housing projects on the budget of the Department for any given financial year include a mixture of projects that are at various stages of implementation ranging from the feasibility stage to the housing construction phase.

Urban Regeneration Programme focusing on top 20 townships, including backyard dwellings and Hostels redevelopment as well as Interdepartmental and

intragovernmental co-operation will be established to facilitate delivery and upgrade of impoverished communities. This will ultimately result in the stimulation of local economies through job creation to build sustainable integrated settlements.

New Social and Rental Housing will facilitate the reconstruction of apartheid urban form through:

- Medium density rental units;
- Refurbishment and/or conversions within strategic locations;
- Management and transfer of public rental stock.

As we implement our Five Year Strategic Plan, we aim to partner with various stakeholders, including the beneficiaries in expediting delivery and ensuring that we achieve our strategic objectives. We have initiated dialogue with the private sector, specifically the financial institutions to partner with us in improving the affordability of housing for the residents of Gauteng.

Of significance is the partnership with the Social Housing Institutions that the Department has embarked upon in ensuring that we restructure apartheid urban form through infill developments so that socio-economic opportunities are within the proximity of all residents. Stemming from this initiative, the Department has prioritised quality of housing delivery through promotion of innovation and design in stimulating creativity in the design of affordable housing settlements.

The Gauteng Partnership Fund has been established as a strategic response to the funding of shortcomings experienced by the Social Housing Sector. Its key focus is to attract private sector finance for affordable housing by enabling social housing institutions in Gauteng to obtain financing on favourable terms for the development of housing units for people in the low and middle-income market. The Fund will, through this scheme, provide a more secure and stable social housing sector, as the mechanism will benefit housing associations and indirectly its tenants, and will contribute towards the social housing goal of providing quality housing at affordable rates. The scheme will provide banks and other financial institutions with a form of security that will make it easier to facilitate financial assistance for housing projects in the low- to-middle income bracket.

With many Social Housing Institutions failing to deliver on their mandate – for a variety of reasons – our focus will move away from maintaining a low profile in our interaction to a fully participative approach to delivery by these institutions. By engaging in the business of SHIs, we will position our activities and efforts to support housing support delivery in terms of the departmental strategy and objectives.

Strong institutions have strong leadership resulting in strong balance sheets. A strong balance sheet is normally accompanied by sufficiently strong cash flow and cash management practices in an organisational environment. To this extent, the Department will be continuously involved in the evaluation of these institutions.

The Directorate for Urban Management is responsible for the management of departmentally owned and held properties including vacant land, housing stock and commercial properties. In the previous financial year, the emphasis was on the implementation of corrective measures in order to move towards the maintenance, if not maximization, of the value of the properties, verifying ownership and a cash recovery environment within the property management portfolio. Improvements in this business area – coupled with right-sizing actions – will continue as a major focus area on delivering housing opportunities to the poor.

It is important to assert that the Department is confident in terms of delivery based on the strategic direction adopted during the new term of office. However, our existing resources both in terms of staff complement and funding available, does not match our responsibilities. We are attempting to overcome our resource constraints through the various partnerships engendered with our stakeholders, including the communities. The programme of action captured in this strategic plan therefore represent both continuity, that builds on past achievements, and change, addressing the need to do things differently to ensure more effective service delivery and implementation – this to underscore the directive from the Premier, that “it is not business as usual”.

In my capacity as the Accounting Officer (Acting Head of Department of Housing) I hereby commit the department to what is presented in the Strategic Programme for the 2004 – 2009 financial years.

Signed: _____

Date: _____

Malindi Nembambula

Acting Head of the Department

2. VISION

A province where all households inhabit quality homes in vibrant and sustainable communities.

3. MISSION

To provide appropriate quality services, tenure, housing in targeted precincts and communities working in partnership with stakeholders.

4. VALUES

The Department has adopted the following values:

- Batho Pele (eight guiding principles)
- Discipline (adherence to behaviour that is generally accepted to be correct and proper)
- Transparency (ease of analysis by an outsider)
- Independence (minimise or avoid conflicts of interest)
- Accountability (responsibility for actions and decisions taken)
- Responsibility (allowance for corrective action and penalty for wrong doing)
- Fairness (take balanced account of all those with interest in the organisation and its future)
- Social Responsibility (aware of and responsive to social issues, placing high priority on ethics)

5. SECTORAL SITUATION ANALYSIS

5.1 Service Delivery Environment and Challenges

5.1.1 Housing Backlog

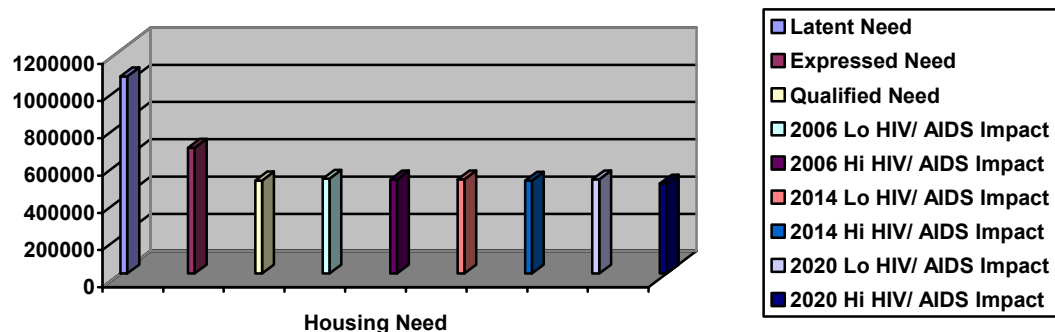
In 1994 the housing backlog for Gauteng was estimated at 746,000 households. The Census 2001 figures released recently indicate that the number of informal households has increased in real terms between 1996 and 2001, and is now estimated at 870,246 households. Of the increase in formal dwellings from 62% in 1996 to 66% in 2001, the Department contributed an approximate 200,000 houses, which equates to 34% of the total increase of 519,000 formal dwellings.

The housing need in Gauteng has increased from 32.6% in 1996 to 35.3% in 2001. The population of Gauteng has increased from 7.3 million in 1996 to 8.8 million in 2001 translating to a growth rate of 20.3%. Of this, 62% earn less than R3500 per month. The percentage of households residing in informal areas has increased from 24.98% in 1996 to 27.68% in 2001. There are an additional 346,000 people from the cross-border population in the peripheral areas, contributing to the stagnating improvement in the percentage of informal housing within the province.

The migration of households into Gauteng Province is estimated at 25,500 households per annum, whereas the population growth of the province is estimated at 27,000 households per annum. This amounts to growth in the housing backlog estimated at 52,500 households. However, the many qualifying beneficiaries from the informal settlement and cross-border areas from the demarcation process have not been captured on the provincial waiting list. The housing backlog was further worsened by the fact that for several years, the accepted income bracket has remained at a household income of up to R3, 500 per month whereas the inflation rate has continued to escalate.

Within the backlog, 118,000 households are reported to be without tenure security. There are currently 440 000 households on the Housing Waiting List, with the current funding accommodating only 49 500 housing units annually. The backlog emanating from the existing funding scenario is anticipated to increase to 765,986 by the year 2020. There are also challenges posed by the call from the President to formalise all informal settlements in the province, which are largely under-serviced.

Total Informal Settlements	Total Waiting List	Total Qualified Need	2006		2014		2020	
			Low HIV/ AIDS Impact	High HIV/ AIDS Impact	Low HIV/ AIDS Impact	High HIV/ AIDS Impact	Low HIV/ AIDS Impact	High HIV/ AIDS Impact
870,246	514,223	717,683	509268	505013	506222	498916	506173	483928



Illegal invasions present a strain on the limited capacity of most local municipalities. The priority is to upgrade informal settlements; this has an impact on the ability of the province to deal with the existing housing backlog. The Provincial Water and Sanitation Programme offer the necessary relief in the upgrading of informal settlements. The new comprehensive housing plan makes provision for the accommodation of the non-qualifying beneficiaries through the upgrading of informal settlement programme.

The main driving factor that contributes to an increasing number of households in informal settlements is urbanisation, and this trend is likely to continue into the future. This goes hand in hand with rising unemployment and continued marginalisation of the urban poor (rendering women and children as the most vulnerable in society). This, in turn, has a real impact on the ability of the urban poor to pay for housing-related service charges and rates, in other words, to sustain the payment obligations that go hand-in-hand with the right to housing (security of tenure, access to basic water and sanitation, adequate shelter).

Unless the real issue of sustainable development is addressed, housing will remain more of a poverty relief programme rather than playing the more effective role of contributing to the growth and development of the economy.

5.1.2 Land Availability (exercise has as yet to be extended to competing land uses)

Table 2: Gauteng Provincial Demographics

KEY ISSUES	CONTEXT	IMPLICATIONS FOR THE STRATEGIC PLAN
GAUTENG DEMOGRAPHICS (2001 Census compared to the 1996 Census as a base)	<ul style="list-style-type: none"> • Growing population of 8,8 million in 2001 vs. a population of 7,3 million in 1996 • 11,1% of the population was between the ages of 15-19 years in 2001 • Highly urbanised Province (3% rural per 1996 Census) • 6% over the age of 60 • 5% disabled • Net increase of 1,5 million people in Gauteng since 1996 • Total number of Households increased from 1,9 million in 1996 to 2,6 million in 2001 • Additional 364,000 people were incorporated into Gauteng with the change in municipal boundaries (this number does not distinguish between informal and formal housing) • At least 28% of the economically active population are unemployed • A population that is increasingly affected and infected by HIV/AIDS • Internal Services backlog estimated to be at 437,000 households (16.5% of total Households within Gauteng have no access to adequate services, 3.6% with no services, 2.2% on bucket system, 9.6% with non-VIP toilets, 1.1% with chemical toilets) • Waiting list has decreased from 535,000 to 440,500 as a result of the data cleaning up exercise. 	<ul style="list-style-type: none"> • Burden of qualifying beneficiaries on existing waiting list backlog • Many of the people that migrate into Gauteng and move to informal settlements do not qualify for a subsidy. • Need to quantify the demand for 'special needs' housing, that includes the disabled, aged, and child-headed households • Increasing need to identify well-located, yet affordable land for housing • Informal settlements will continue to grow given the socio-economic profile and housing backlog • Since there has been an overall increase in the population of Gauteng, the decrease in the number of people on the waiting list is probably an indication that some people have not yet registered. This implies that there is a need for an outreach programme, or they may have benefited from a housing programme in another province.

It was recognised by the Executive Council Sub-committee for Growth and Development that land use patterns of choice must be informed by integrated planning, finite land availability, different and competing land use choices and a need to identify available and suitable land to meet housing backlog needs. The Land Use Task Team was instructed to undertake work to address these issues.

Work has been undertaken to integrate all spatial data sets of the following Departments:

- Local Government,
- Agriculture, Conservation, Environment and Land Affairs,
- Housing,
- Public Transport, Roads and Works.

The spatial mapping work emanating from this integration exercise that was done with respect to available and suitable land for development shows that there are a total of 95,012 ha for development within the urban edge. (Source: E-Land)

This hectareage factors out:

- All developed land
- All institutional enclosures
- All land more than 25 km from a major transport route
- Land within the urban edge required for the existing and planned road and rail network infrastructure, including the road and rail reserves
- Land with a slope greater than 6%
- Land within the urban edge regarded as having high environmental potential
- Land within the urban edge regarded as having high agricultural importance
- Land outside the currently demarcated urban edge

This hectareage includes 2,385 ha of undeveloped industrial land which is regarded as not suitable for township establishment.

The conclusion can therefore be drawn that there is adequate available and suitable land for development within the built-up urban fabric. One must however, bear in mind that this land is available for all types of development and not only housing which brings into the fall competing land uses. What also have to be determined are the economic and financial costs of development as a result of the choice of a location. The Department is confronted with the dilemma of utilising land capable of development within the urban edge, which is often not affordable through the housing subsidy. This is against the option of developing beyond the urban edge where available land is often affordable and within the development envelope. The decision to separate the land cost from the subsidy should bring relief in this regard.

However, the latter option worsens urban sprawl and often leads to location of the communities at the periphery of urban development with heavy reliance on public transportation and enormous cost implications. The peripheral developments are often located at a distance from economic activities and employment opportunities, and are therefore seldom integrated into the development framework of the local authorities.

There is therefore a need to leverage in private funding as a mechanism to top up the often insufficient subsidy amounts for developments located within the borders of the urban edge.

5.1.3 Institutional Capacity and Broadening the Supply Base

5.1.3.1 Municipalities in co-operative government

The national government and provincial governments, by legislation and other means, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and manage their functions.

The capacity of municipalities is critical because national housing policy has shifted to viewing municipalities as the preferred housing developers. This is a very important point since while the terms of reference for this project involve looking at the national sphere of a government, a major obstacle to low-income housing delivery is the municipal sphere of government.

Thus while the intended role of provinces does not include the delivery of housing, in the absence of municipal capacity provincial departments of housing are serving as housing developers. This is provided for in Part 3, section 7, 2 (f) of the Housing Act.

The role of provinces has been revised in Chapter 3A of the National Housing Code to the extent that a municipality should be the first option as developer and that provinces should assist and build capacity to ensure that this role of the municipality is realised. However, the province may take over the developer role when a municipality cannot undertake development due to capacity or other constraints.

As it turns out, most municipalities in Gauteng do not have the capacity to administer housing projects.

Capacity Building Programme

The Capacitation of Municipal and Provincial officials will be via a targeted and relevant two pronged approach, namely via the implementation of the Programme Management Office (PMO), which will be implemented by the Programme Management Directorate, and the formal postgraduate Housing diploma/certificate, which will be managed by the Policy, Research and Legislation Directorate.

The Department aims to develop the required capacity, knowledge and expertise to provide necessary solutions for housing, via the PMO and the formal postgraduate Housing diploma/certificate course.

It is anticipated that the formal postgraduate Housing diploma/certificate, will be of a year's duration and will extensively interrogate the concepts of Good Urban Governance. These concepts will include, amongst others:

- The concepts related to low cost housing finance;
- Property management principles;
- Housing Project management concepts and practice;
- Infrastructure investment;
- Basic good governance principles;
- Appropriate and relevant budget allocations and grants;
- Equitable share and Loan concepts;
- Concepts which define User Charges and Cost recovery

As a response to problems associated with the capability of municipalities and other implementation agents to roll out various housing and infrastructure projects, the department is also setting up Programme Management Offices (PMO) - sub-offices of our internal PMO - at various local authorities to ensure the effective management of housing projects as well as capacity building and skills transfer. The PMO is ensuring that the process unfolds flawlessly, and in some instances is devolving resources of the Department (IT Equipment, personnel, systems etc) to the Municipalities to ensure that the Municipalities are adequately capacitated to ensure the effective, economic and efficient roll-out of the process.

The objective of the PMO is to gather and disseminate information through effective reporting using application systems that house verified data and monitor project performance. Additionally, the PMO aims at enabling the Department to obtain the necessary project and related information from metropolitan and district councils in support of accurate and timely reporting by programme managers. The Departmental PMO will therefore be the primary information and reporting source in terms of the projects sponsored by the Department. The ultimate outcome envisaged is that via

the PMO process the Municipalities will be sufficiently skilled and capacitated to attend to Housing implementation and the requisite budgeting requirements.

5.1.3.2 People's Housing Process and Social Housing Institutions

The National Housing Code makes provision for supporting and facilitating the process of home building by individuals, families and communities. The strategy is aimed at those families who only have access to housing subsidies, and who wish to build or organize the building of their homes, themselves. The strategy assists such households to access housing subsidies and provides technical, financial, logistical and administrative support.

In Gauteng, the Department entered into funding agreements with various municipalities to provide support to the above process. These agreements treated municipalities as Support Organisations. In general, the overall picture is not good. Not one of the municipalities has lived up to expectations in their capacity as Support Organizations (SO). A facilitation grant of R117, 500 (maximum) per HSC, based on an approved business plan was approved to fund the initial capital and operational cost of a HSC.

With regard to all PHP projects, the Facilitation Grant is paid upfront for all of the facilitative pre-contract functions and the Establishment Grant (R570 per household) is paid together with the capital subsidy funding that is linked to approved beneficiaries, and can be used for the operational costs of the HSC.

The Department, as a result of operational costs of the HSC and staff salaries and the problems of vandals, commissioned a performance audit on all the SOs with which it entered into contracts in the last financial year. The purpose of the performance audit was to identify deviations and wastage and ensure that corrective action is taken where necessary. At the same time the Gauteng Housing Shared Services facility, known as Xhasa Accounting and Technical Centre (ATC), was set up as a non-profit Section 21 company.

The purpose of the ATC is to provide capacity in shared functions across housing delivery entities, particularly the Housing Support Centres (HSC) linked to the People's Housing Process (PHP), and the Social Housing Institutions (SHI) linked to the Social Housing (rental and alternative tenure) in Gauteng and to transfer skills to identified individuals within the various supporting structures. This is consistent with the provisions of the National Housing Code. [For more details see Part 3, Chapter 8 of the Code.]

At the same time a status review was commissioned on all SHIs, as most of them were said to be in distress, with the intention of identifying the necessary interventions. A Technical Resource Group (TRG) has been established to provide professional expertise to SHIs that will improve the delivery of good quality homes for people in housing need.

The objective was to mobilize and co-ordinate experienced professionals in the various disciplines that are needed to develop successful SHIs, and to provide a vehicle for expediting and improving the quality and delivery of social housing projects, to reduce risk and provide confidence in SHIs within the financial, government and private sectors.

5.1.3.3 Private Sector Capacity

The low cost housing materials market share is 6%. From this, one can deduce that 6% of the activity in the construction industry is focused on low cost housing. The introduction of the Preferential Procurement Policy Framework Act (PPPFA) and Chapter 3A of the Housing Code by government has resulted in most major companies concentrating on the 94% market than complying with the government policy. This has had a negative impact on the available capacity to deliver, because there are no well-established, large black owned construction companies to fill the gap. Major companies were also reluctant to engage in the housing market due to the subsidy being fixed, hence realising limited profit margins. The role of the private sector contributed to unsustainable settlements.

As articulated by the dominant vested interests at the NHF, housing would be more effectively delivered by the market than by government. That is, responding to the availability of

subsidies, developers would enter the low-income housing market and participate in the delivery process. Financiers would also enter the market and provide appropriately designed loan products. The involvement of these two parties would increase the market segments of other players, namely, building material suppliers, contractors (emerging and established), conveyancers, engineers, and so on.

Private interest in delivery has since waned. Over the course of the subsidy's implementation, its value and therefore capacity to fund the delivery of a certain standard has decreased. Increasing expectations and requirements for construction meant that the cost of meeting national norms and standards exceeded the value of the subsidy, which caused many developers to cut corners, in effect, sacrificing quality. In addition, with a view to safeguarding profits and in order to cut the cost of meeting norms and standards, it was inevitable that developers located new projects on cheap land that is far away from jobs and services. The withdrawal of private developers helps to explain the present role of municipalities as developers that bear the risk of development and subcontract to the private sector the construction of the houses and the installation of the services. In order to maintain delivery, municipalities have had to "pick up the slack".

5.1.3.4 Black and Women Economic Empowerment (Business Incubators)

The Department's Accredited Procurement Unit (DAPU), working in partnership with the South African Black Technical and Allied Careers Organisation (SABTACO) which created a Section 21 company, in partnership with the Construction Industry Development Board, to roll out the Construction Industry Incubator Initiative (CIII) – an initiative to all municipalities and other implementing agents as part of its contribution to the construction industry's transformation strategy.

The main objective of the incubator programme is to ensure the sustainability of delivery capability of government interventions that promote emerging contractors by identifying and selecting potential contractors. These contractors are put into an accelerated programme in such a manner that through procurement, capacity building and management support intervention, the following objectives are met:

- An improvement in reliable market linkages (to be predictable over a short term)
- Closure of resource gaps, especially in finance and management capacity (to improve competitiveness)
- Retention and recycling of funds within businesses, promoting reinvestment (to allow growth and expansion of businesses)
- Improvement of the commercial, technical and managerial capacity of emerging contractors
- Introduction and solidifying of appropriate institutional support structures and programmes
- The Department is to partner in the roll out of this initiative to all municipalities as part of its contribution to the construction industry's transformation strategy.

The challenge of incubation revolves around good governance in procurement, as required by both the Constitution and the PFMA. The existing Departmental procurement policy needs to move beyond competitive strategies. It must address the need for complementary policies in the form of a Black Economic Empowerment (BEE) broad-based strategy to forge an accumulation path based on adding the factor inputs of marginalised consultants and contractors (land, labour, capital, innovation and entrepreneurship) into the economy.

A range of interventions (including skills and business development, better workplace organisation and innovation support) beyond the basic production or delivery process are thus required to enhance competitiveness.

There is an urgent need for the provision of condensed housing management and development courses. These professional skills development programmes can be linked to SETA learnership programmes. In the face of prevailing constraints and trade-offs that come with resource allocation and prioritisation, our programmes should address issues of providing real economic opportunities to emerging consultants and contractors.

The provision of mentorship is a critical element of this initiative and distinguishes it from other such programmes. Mentorship is essential to accelerate the process of empowerment. It affords emerging contractors, who are awarded contracts in terms of the programme, the benefit of the experience of those individuals who have extensive experience in the construction industry.

The Department will, through the Regional Professional Teams (RPT) make provision for the services of an accredited mentor in the contract, by including a re-measurable item for mentorship in the bill of quantities. Contractors will be required to obtain the services of accredited mentors with the assistance of the RPT. This should give the Department the comfort of sustainable capacity that addresses the imbalances in the market.

5.1.4 Unemployment

The table summarised in the graph below shows the employment status (official definition) by sex and population group in Gauteng, according to the results of Census 2001 that were recently released.

Economic employment and unemployment statistics for all persons aged 15 – 65 years is reflected in the graphic and table below.

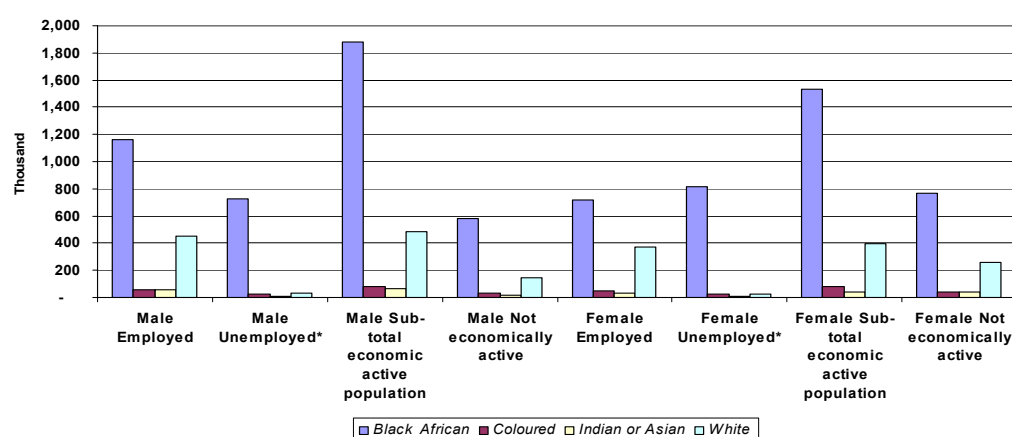


Diagram 1: Economic Participation by the Provincial Population (Census 2001)

	Status	Black African	Coloured	Indian or Asian	White	TOTAL
Male	Employed	1 159 241	53 154	54 722	449 963	1 717 080
	Unemployed*	722 080	28 287	7 799	32 201	790 367
	Sub-total economic active population	1 881 321	81 441	62 521	482 164	2 507 447
	Not economically active	583 357	30 084	18 238	142 491	774 170
Female	Employed	719 496	51 635	34 889	371 677	1 177 697
	Unemployed*	810 943	26 848	5 390	26 064	869 245
	Sub-total economic active population	1 530 439	78 483	40 279	397 741	2 046 942
	Not economically active	762 939	43 392	41 001	256 164	1 103 506

Table 3: Economic Participation (Census 2001)

Statistics South Africa (Stats SA) defines “the unemployed” as those people within the economically active population who: (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within a week of the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. This definition may exclude discouraged jobseekers.

Together with unemployment, the impact of HIV/Aids on housing within the province cannot be underestimated. It is estimated that two out of every five economically active individuals in the province are infected with HIV/Aids. This implies that the ability for such individuals to invest in housing activities is minimised resulting in the housing backlog being compounded. The impact of HIV/Aids has resulted in an increasing number of child-headed families that have limited capacity to meet their loan obligations and rates and services charges to sustain housing delivery.

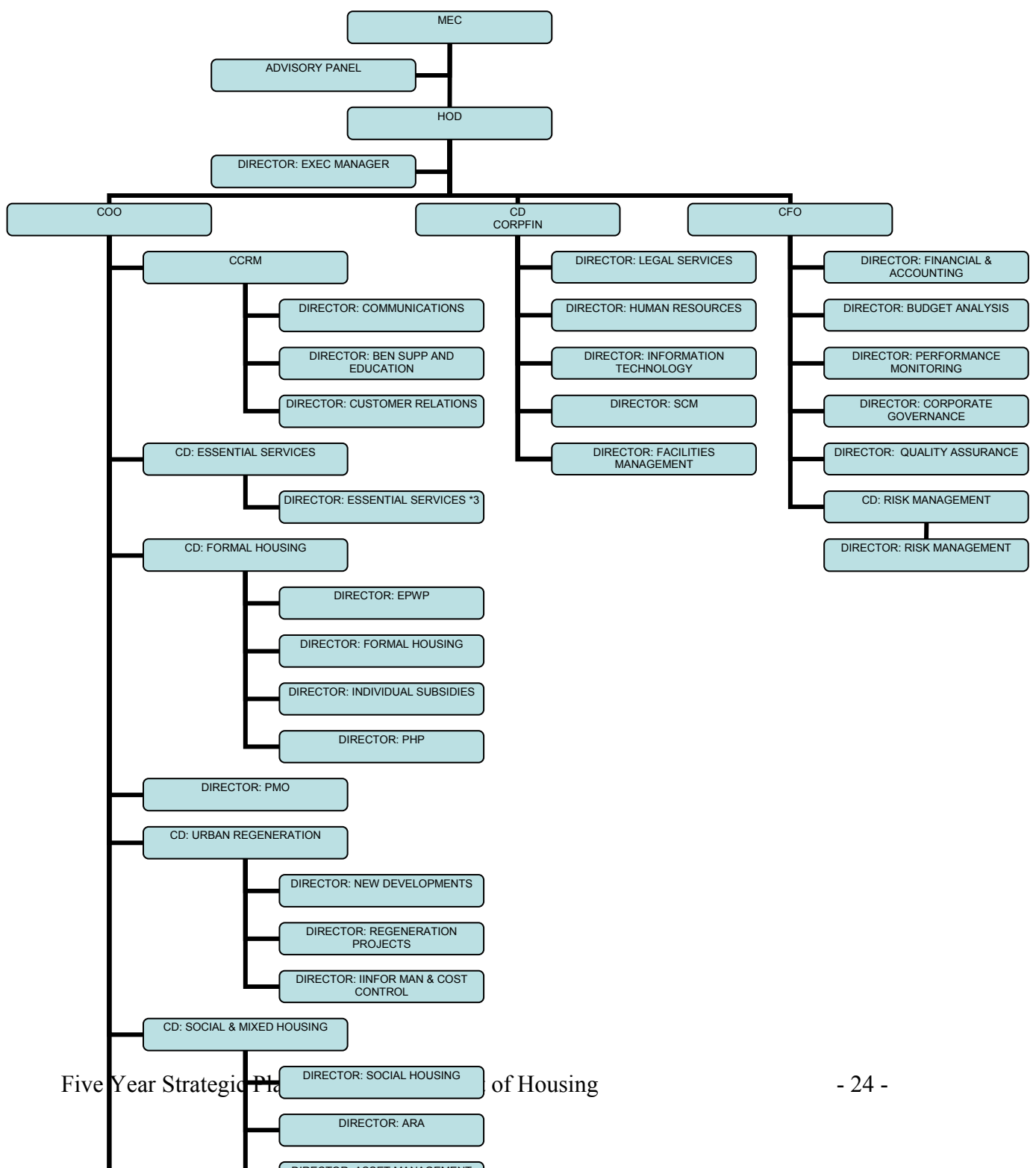
This also has implications for issues surrounding succession and transfer of houses to minors, an issue that the Department has to consciously address in delivery. There is therefore enormous pressure for Gauteng Housing to further enable its Special Needs Housing Programme to accommodate people living with HIV/Aids, including the orphans of the epidemic, in housing activities. Approximately 40% of the population in Gauteng is economically active, 28% of which is unemployed. About 50% of the employed earn a monthly income of less than R1500. This implies that the majority of the economically active population is unable to maintain savings and has limited access to credit finance.

5.2 Organisational Environment and Challenges

5.2.1 Functional Organogram

Diagram 2: Functional Organogram and reporting Structure

Apart from entrenched governance structures, processes, procedures and practices, a well run organisation has an abundance of leadership, an entrenched reporting and decision making structure and a culture of delivery.



Following the implementation of the formal Organogram of the department, a leadership and reporting structure was developed to ensure accountability and adherence to good operational and business practice.

The diagram above represents the department's operational reporting model through which all levels of operational and strategic decisions are managed. Whilst an organisation should be free to deliver, it is important that the key drivers pause regularly to measure performance and plot the path to be followed in the future. With an entrenched strategy formed on the basis of a sound national housing policy, an understanding of customer needs underscored by focused service delivery becomes the basis of strategy implementation.

5.2.2 Internal Capacity

The quality and commitment of management and staff has a great impact on the efficiency and effectiveness of the service delivered by the department. In the previous years, the department undertook an exercise of re-looking at the quality of staff by assessing its structural personnel requirements and skills level. These are to be matched with capacitation programmes.

There is still a challenge of finding suitably qualified management particularly females. The department has developed a learnership programme that will focus on attracting and developing a pool of housing personnel. The departmental policy is to consider internal staff first in filling vacant positions.

An enhanced management and housing capacitation programme is being developed in terms of an existing capacitation agreement with the University of Witwatersrand.

The ability of personnel to deliver is further monitored through a performance management system.

6. LEGISLATIVE AND OTHER MANDATES

LEGISLATIVE FRAMEWORK AND OTHER MANDATES

The Gauteng Department of Housing derives its mandate from amongst others, the following legislation; the Constitution of the Republic of South Africa (Act No. 108 of 1996), the Housing Act (No. 107 of 1997) as amended and the Gauteng Housing Act and various other pieces of legislation mentioned herein under. But most importantly, from the political directives from the Executive Authority.

Access to housing is a constitutional right of all South Africans.²

Housing

Section 26. (1) Everyone has the right to have access to adequate housing

Children

Section 28. (1) Every child has the right –
(c) to basic nutrition, shelter, basic health care services and social services;

Section 26 is included in the Constitution as a part of Chapter 2 and the 'Bill of Rights'.

- **The National Housing Act (No 107. of 1997)** as amended, provides for the responsibilities of the various spheres of Government with regard to Housing delivery.
- **The Gauteng Housing Act of 1998** provides for and governs the existence of the Gauteng Department of Housing.
- **The Rental Housing Act (Act No. 50 of 1999)** defines Government's responsibilities in the rental housing sector; promote rental housing, establishes Rental housing Tribunal and provides for conflict resolution.
- **The Housing Consumer Protection Measures Act (Act No 95 of 1998)** provides for the protection of housing consumers and establishes the National Home Builders Council.
- **Sectional Titles Act (Act No. 95 of 1986)** as amended, deals with and provides for the division of buildings into sections and for the acquisition of separate ownership in sections coupled with joint ownership in common property. It further provides for the transfer of ownership of sections and real rights in sections.
- **Prevention of Illegal Eviction from Unlawful Occupation of Land Act (Act No.19 of 1998)** as amended provides for the prohibition of unlawful eviction, as well as, the procedures for the eviction of unlawful occupiers.
- **The Home Loan and Mortgage Disclosure Act (Act 63 of 2000)** provides for the promotion of equity and fairness in lending and disclosure by financial institutions.
- **The Public Finance Management Act (Act No.1 of 1999)** as amended, enables public sector managers to manage accountability, in terms of eliminating waste and corruption in the use of public funds.

7. BROAD POLICIES, PRIORITIES AND STRATEGIC GOALS

7.1 Broad Policies

The Five Pillars of the Gauteng Housing priorities were described by MEC Ms. Nomvula Mokonyane during her Budget Speech on 28 June 2004.³ The five pillars were informed by the people's contract to create work and fight poverty' – the ANC 2004 election manifesto; and the 'Speech by Premier Mbhazima Shilowa at the opening of the Gauteng Provincial

² Constitution of the Republic of South Africa, Act 108 of 1996

³ Speech by Ms Nomvula Mokonyane, Gauteng MEC for Housing at the Occasion of the Tabling of the Budget Vote for the Department of Housing for the 2004/05 Financial Year, Gauteng Legislature, 28 June 2004

Legislature', 7 June 2004.⁴ The follow through from one document to the next, can be seen in the following quotes.

7.1.1 People's contract

- *Speed up the programme to provide free basic water and electricity so that each family is ensured a basic minimum of these services.*
- *Build more subsidised housing and introduce medium density housing closer to places of work; and provide those who have as yet not received such housing with serviced stands for more decent living.*
- *Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.*
- *Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.*

7.1.2 Speech by Premier Mbhazima Shilowa (Extract)

Over the next five years we will work tirelessly with the people of Gauteng for the following objectives:

- *Stimulate faster economic growth and drastically reduce unemployment*
- *Fight poverty and build secure and sustainable communities*
- *Develop healthy, appropriately skilled and productive people*
- *Deepen democracy and nation building and realise the constitutional rights of all the people and,*
- *Build an effective and caring government.*

The homeless and those who live in squalor, want decent housing built on well located land and access to basic services such as water, sanitation and electricity.

*A key aspect of our programme to build sustainable communities is to **rid Gauteng of informal settlements by 2014**. Over the next five years we will formalise all existing informal settlements that are situated on safe, habitable and appropriately designated land. This will entail providing security of tenure, issuing of title deeds, providing water, sanitation and electricity and, where necessary, building schools, clinics and recreational facilities.*

*This programme will address only the **current backlog of informal settlements as a priority**. New informal settlement formation must be strictly controlled by the local authorities.*

Our housing development programme will continue to focus on building safe and sustainable communities. All residents must have decent shelter with the necessary facilities such as roads, clinics, schools, sports and recreation facilities, access to work opportunities and a vibrant and supportive community life.

Our emphasis on the sustainability of communities requires more focus on the development of local economies. Our aim is to prevent communities from degenerating into slums and avoid perpetual regeneration initiatives. The provision of social infrastructure and services will enhance local economic development through creating short term jobs and opportunities for emerging contractors.

⁴ Premier Shilowa's address 'on the tabling of the budget of the Premier at the Gauteng Provincial Legislature' occurred on 2 July 2004 and postdates MEC Mokonyane's budget speech. As is to be expected the Premier's address and speech repeat the same themes and commitments.

*In line with the decision we took last year, our infrastructure developments such as schools, roads, health facilities and **housing will use labour intensive methods** so that we can create more employment opportunities and skills training.*

7.1.3 Budget speech MEC Ms. Nomvula Mokonyane (Extract)

*Speaker, we have therefore taken a decision that our main focus in this new decade of freedom will therefore be **to upgrade and formalize all informal settlements capable of formalization**. ... The focus will be on **providing housing and basic services on a priority basis to those in historic townships, those who have been on our waiting lists since 1996 and 1997** but have not yet been assisted, and certainly those who currently occupy shacks and **have no access to running water, sanitation or electricity**. Through this approach we are determined that we will be push back the frontiers of poverty by reducing the housing backlog.*

From our perspective, the formalization of informal settlements will entail providing security of tenure, the issuing of title deeds, the provision of water, sanitation, electricity and, where necessary, building schools, clinics and recreational facilities. Our housing developments will continue to focus on building safe and sustainable communities on well located land.

In developing our plans we recognize that the emphasis of housing delivery in Gauteng and indeed South Africa has moved beyond the issue of numbers to the enhancement of quality of both our houses and the lives of the people we serve. This is important, because we must recognize that the eradication of poverty is not only complex, but also needs strategies that will enhance social upliftment of the poor beyond the physical structures that we erect.

Our delivery programme on housing will always be measured by the efforts we make in pushing back the frontiers of poverty and expanding access to a better life for all.

Our commitment through this budget is to build quality homes and help in the building of thriving communities while at the same time trying to turn around the apartheid spatial development patterns that we have inherited.

7.1.4 National Comprehensive Housing Plan

The National Comprehensive Housing Plan informs our Provincial Strategy on Breaking New Ground developed in response to the need to embrace the lessons learnt in the past 10 years of implementing housing policy, as well as enhance our achievements to date. The National Comprehensive Housing Plan entails a multi-dimensional housing development approach based on the new policy on “Breaking New Ground in Housing Development”, ingrained on the following fundamental tenets:

- **Incremental formalization and upgrading of informal settlements** through a phased development process.
- Expanding the Scope of Housing Mandate through the **New Subsidy Intervention** on:
 - **Savings support programme** and assistance on deposit requirement to obtain mortgage loans for the income bracket **R3501 to R7000** beneficiaries;
 - **Collapsing of the subsidy income bands** on 01 April 2005 to ensure that the **R1500 to R3500** categories receive a standard subsidy of R25 800; and the indigent category are extended to households earning **below R1500** to be supported through a housing subsidy of R28 279.
- **Enhancing the role of the private sector** in promoting funding of Social Housing through Public-Private Partnerships and Special Purpose Vehicles to increase access to credit by beneficiaries;

-
- **Enhancing the housing delivery capacity** through:
 - Establishment of **operational budgeted at 2.5% of project costs**;
 - **Streamlining procedures for administration and payment of contractors**;
 - Promoting **employer assisted housing initiatives** targeting initially large employers, mining houses, public service and trade unions.
 - Creating linkages between primary and secondary market in enhancing access to title deeds through **Discount Benefit Scheme**, opening township registers and fast tracking the operations of the Deeds Office.
 - A strategic move **from provision of housing structures to integrated planning for human settlements** across the three tiers of government;
 - Promotion of **densification** and integration of housing developments through:
 - Proposing **financial incentives** for densification and disincentives to deter urban sprawl;
 - Phasing in **mixed-income** and **-use** developments for cross-subsidisation of settlements, and managing perceptions of property devaluation and NIMBYism⁵.
 - Enhancing **location** of new housing projects through:
 - Implementation of **National Land Acquisition Guidelines** by April 2005;
 - Accessing well located state-owned, public and parastatal land;
 - Acquisition of well-located private land to reinforce spatial integration and densification;
 - Fiscal incentives for development of well located land;
 - **Urban Renewal and inner-city regeneration** through:
 - Provision of affordable housing to maximize access to socio-economic opportunities;
 - Acquisition of derelict buildings for upgrading and conversions into residential use;
 - Promoting mixed income developments through promoting incentives for the monthly income bracket of R3500 and above.
 - Developing **social and economic amenities** within integrated settlements through:
 - Consolidating and channeling funding and construction through multipurpose cluster by functional departments and tiers of government;
 - Promoting active participation by municipalities, NGO and CBO's in maintenance and operations.
 - Enhancing the **housing product** through promotion of innovation and design, as well as enforcing emphasis on quality through NHBRC audit and compliance with building regulations.
 - Providing alternative tenure options in response to various needs requirements, through **Rental Housing Programmes** on Medium Density Housing (focusing on Transitional Housing, Communal Housing, revised Hostels Redevelopment Programme, and regulation of Backyard shacks).
 - Implementation of **Social Housing** through promoting Medium-Density developments in:
 - Support in the management capacity of accredited Social Housing Institutions, and;
 - Exploring alternative funding models;
 - Implementation of **Rural Housing** through our People's Housing Process in providing support for tenure security and basic services.

⁵ NIMBY: Not In My BackYard

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- This includes farm-worker housing through on-farm and off-farm agri-villages and off-farm rural settlements.
 - Implementation of **Transversal Programmes** on:
 - Promotion of black economic empowerment through preferential procurement;
 - Emerging contractor support programme;
 - Women empowerment through targeted quota for projects;
 - Special subsidy application for the disabled in promoting access;
 - Youth participation through youth construction brigades to support all programmes including Letsema campaign;
 - Enhancing institutional arrangements within government by:
 - Building municipal capacity through accreditation in expediting housing delivery;
 - Development of Municipal Housing Development Plans (MHDPs), and integrating housing within local Integrated Development Plans (IDPs);
 - **Addressing fraud, corruption and maladministration** through:
 - Establishment of Special Investigative Unit in November 2004;
 - Establishment of toll-free whistle blowing hotline;
 - Consolidation of relevant legislative framework and development of Risk and Fraud management strategies;
 - Partnerships between the National Prosecuting Authority, the Special “Investigative Unit and the stakeholders;
 - **Information, communication and awareness building**
 - Improving market information and transactional support;
 - Integrating estate agents, property brokers and sectional title properties into the housing delivery mandate;
 - Establish housing information centres for housing information, consumer education and protection;
 - Mobilizing communities through communication strategy and Letsema campaign for People’s Housing Process;
 - Strengthening the People’s Contract through deployment of Community Development Workers within our communities.
 - **Implement systems monitoring and evaluation** on:
 - Housing subsidy and Expenditure Data;
 - Performance measurement;
 - Project management for implementation;
 - Planning and implementation monitoring through Geographical Information Systems; and
 - Monitoring and Evaluation System.

7.1.5 Departmental response to the challenges

The central tenets of our policy in the new term of government rest on five key pillars, which determine our new direction as we break new ground in housing, these articulated as the following:

- Dealing with issues of quantity and quality as mutually inclusive components of the same housing delivery process;
- Mainstreaming the participatory development paradigm;
- Transforming settlements, especially the Top 20 historical townships, into sustainable and vibrant communities;
- Implementing the rental housing policy and subsidy;
- Promoting good urban governance.

Certain issues – especially poverty, HIV/AIDS and gender – cut across various pillars and are applicable not only as components of each of the pillars but also as imperative to the meeting of Public Service objectives from a more holistic perspective.

The provision of access to basic services to the majority of South Africans who previously did not have access has been a significant achievement

Currently:

- over 90% of households in Gauteng have access to water
- Over 80% have access to basic sanitation
- About 73% have access to electricity
- Over 80% have weekly refuse removal service

At its inception, the Housing Policy and Strategy (1994) focused on stabilizing the environment to transform the extremely fragmented, complex and racially based financial and institutional framework inherited from the previous government, whilst simultaneously establishing new systems to ensure delivery to address the housing backlog. The significant achievements of this programme have been recognized both nationally and internationally. Significant socio-economic, demographic and policy shifts have also occurred over the past 10 years.

Whilst Government believes that the fundamentals of the policy remain relevant and sound, a new plan is required to redirect and enhance existing mechanisms to move towards more responsive and effective delivery. The new human settlements plan, of the National Department of Housing (termed 'Breaking New Ground') reinforces the vision of the National Department of Housing, to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing. Within this broader vision, the National Department, and by inference the Gauteng Provincial Department of Housing is committed to meeting the following specific objectives:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Utilising provision of housing as a major job creation strategy;
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor;
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump;
- Utilizing housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring.

In view of the above, the Department has therefore committed itself to the following strategic priorities:

- Upgrade and formalize all informal settlements capable of formalisation by 2009;
- Densify existing locations through in situ upgrades and second dwelling homes;
- Renovate all hostels in Gauteng by the year 2009;
- Seek and provide alternative tenure accommodation;
- Regenerate specific areas through housing that is integrated and sustainable; and
- Identify and acquire well located land that is suitable for sustainable housing development.

7.2 Provincial Priorities

The Gauteng Provincial Government has committed to contributing to the national effort to:

- Half unemployment, and

- Half poverty

And has further committed to building a province where:

- People are healthy, skilled and productive
- The government is caring and responsive to the needs of its citizens, and
- Citizenship and democracy are deepened.

Arising from the above, the following Strategic Housing Priorities have been identified:

- Formalization of all informal settlements through in situ upgrades by 2009
- Eradication of informal settlements in Gauteng Province by 2014;
- Densification and infill within under-utilized locations through mixed-use and mixed-income developments for cross-subsidisation, in order to optimally maximize access to socio-economic opportunities;
- Provision of affordable rental accommodation through redevelopment of all hostels in Gauteng by the year 2009 through conversions and/or refurbishments;
- Regeneration of impoverished urban environments through integrated and sustainable housing developments.

7.3 Strategic Objectives of the Department:

- To build an effective, efficient and caring government in the delivery of housing:
- To facilitate, fund, manage the provision of tenure and appropriate quality services and houses;
- To facilitate and project manage the implementation of broad-based Urban Regeneration;
- To densify housing on well located land as well as diversifying housing stock for various markets;
- To complete all targeted time-bound projects:
- To contribute to National Policy processes and address gaps that hinder sustainable development; and
- To mainstream implementation of the Expanded Public Works Programme and labour intensive methods

8. INFORMATION SYSTEMS TO MONITOR PROGRESS

To meet its delivery requirements, the Department broadened its focus on the use of information systems to derive control. Following regular review, the Chief Information Officer obtained full compliance in system deployment with requirements set by the GSSC, the Provincial Auditor General and The State Information Technology Agency (SITA).

In managing the affairs of the Department, the below information system resources are currently deployed.

	Financial Support Systems	Operational Systems	Information & Other Office Systems
Critical	BAS	Waiting List	e-Khaya
	PERSAL		Oracle – Database Management Software
	Housing Subsidy System		Microsoft Project 2003 & Project Server
	Miracle – Debtors System		
	Claims Management System		
Support	Exis		Microsoft Office Suite

			eKhaya

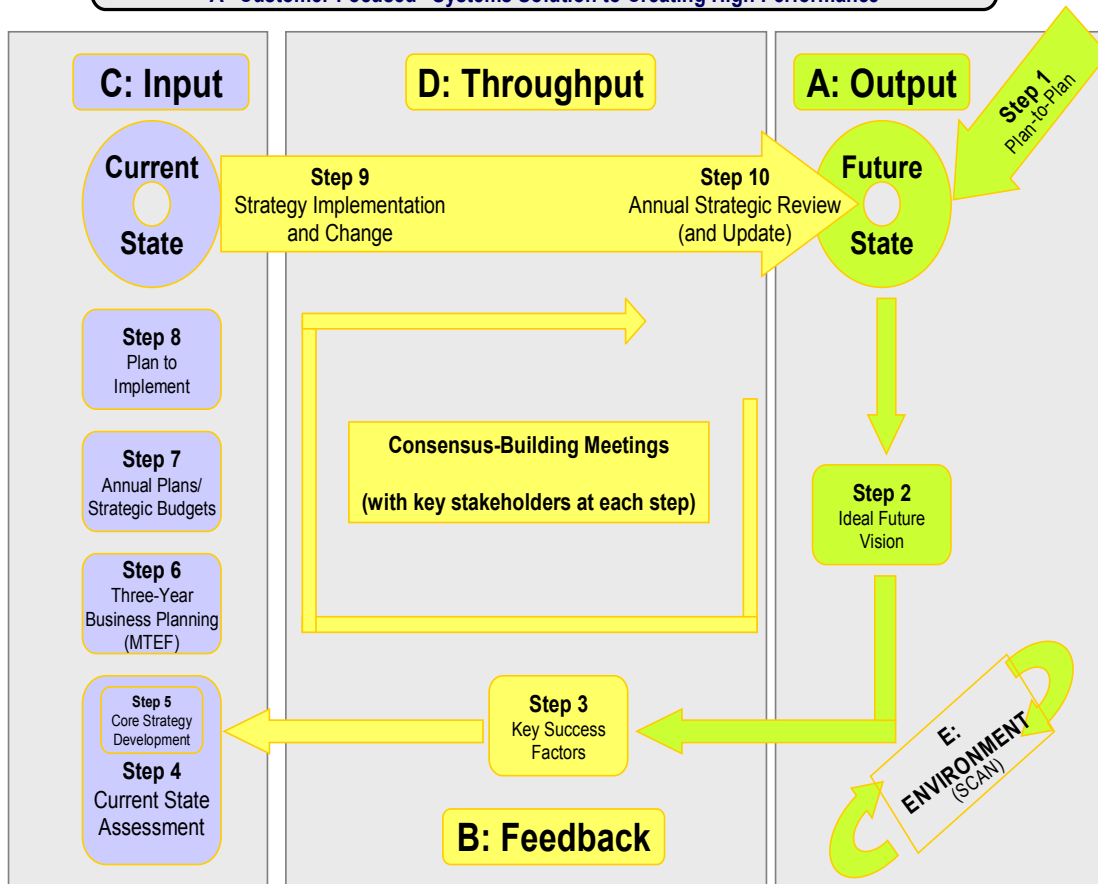
Table 4: Departmental Information Systems

9. STRATEGIC PLANNING PROCESS

To enhance the meaningfulness of the contents and usefulness of the information regarding targeted outcomes of the strategic plan, the Department introduced the “Systems Thinking Model” for developing its Strategic Plan. One of the key aspects of this model is the regular interaction with stakeholders, being internal as well as external stakeholders.

Departmental strategy design process

A "Customer-Focused" Systems Solution to Creating High Performance



PART B: BUDGET PROGRAMME AND SUB-PROGRAMME PLANS

SUMMARY OF PROGRAMMES

The activities of the Department are organised in the following five programmes per National Treasury guidelines:

Programme	Sub-programme
1. Administration	1.1. Office of the MEC and HOD 1.2. Corporate and Financial Services (Corpfin) 1.3. Communication and Customer Support

Programme	Sub-programme
	1.4. Corporate Governance
2. Housing Planning and Research	2.1. Chief Operations Officer 2.2. Policy 2.3. Research 2.4. Office of the Registrar 2.5. Municipal Support 2.6. Planning 2.7. Programme Management Office 2.8. Programme Management Information System
3. Housing Performance and Subsidy Programme	3.1. Individual 3.2. Project Linked 3.3. PHP 3.4. Consolidation (Community Builder Programme) 3.5. Institutional 3.6. Hostels 3.7. Relocation 3.8. Disaster Management /Emergency Programme 3.9. Rural Housing Sock 3.10. Savings Linked 3.11. Essential Services 3.13. NHBRC
4. Urban Renewal and Human Settlement Redevelopment	4.1. Administration (optional) 4.2. Urban Renewal and Human Resettlement 4.3. Targeted Development Zones
5. Housing and Asset Management	5.1. Administration (optional) 5.2. Maintenance 5.3. Transfer of Rental stock 5.4. Sale of Rental stock 5.5. Management of Rental Stock 5.6. Devolution of Rental Stock 5.7. Rental Tribunal 5.8. Management of Assets 5.9. Land Administration 5.10. Discount Benefit 5.11. Subsidy (4 of 1987)

10. PROGRAMME 2: HOUSING PLANNING AND RESEARCH

PROGRAMME DESCRIPTION	PROGRAMME STRUCTURE
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Housing Planning and Research Defined Housing Planning and Research undertakes key functions for the Department viz. policy, planning, research, municipal support, programme management and legislative work. The planning, Housing Delivery Support, PMO and Programme Management Information System units report directly to the Chief Operations Officer, whilst the others are the responsibility of the Chief Director.	2.1	Administration
	2.2	Policy
	2.3	Research
	2.4	Office of the Registrar
	2.5	Municipal Support
	2.6	Planning
	2.7	Programme Management Office (PMO)
	2.8	Programme Management Information System

Table 1: Programme Description and Programme Structure

10.1 Situation Analysis

Programme 2 on Housing Planning and Research provides a consistent support function to the Department on Policy, Research and Planning. Planning within Programme 2 is critical in ensuring that implementation of housing projects is within existing legislative frameworks and policy guidelines of the various sister departments within the provincial government, as well as, by national government and municipal authorities. An example will be the importance of ensuring that housing projects are informed by the Provincial Spatial Development Framework and that the municipal IDP takes cognizance of housing priorities by the Department. Consistent interaction and maintaining relations with the various tiers of government is therefore critical since the mandate by the Department is one component of the many services and priorities by government.

Additionally, Programme 2 provides support to the Department's capital Programmes through bridging the gaps between existing housing policy frameworks and project implementation. Additional research is often required to motivate a policy intervention on focus areas where the current national frameworks are unclear and/or silent. It is important to assert that project implementation is critical in ensuring that our policy frameworks are relevant to the needs requirements of our electorates.

The Programme Management Office was recently established within Programme 2 in response to the need for an efficient and effective project management system on implementation of housing projects within the various municipal jurisdictions. It has become an urgent priority to track progress on all our projects under implementation, and improve on our turnaround time by expediently responding to hurdles as and when they occur. This will ensure that we meet our performance output targets and desired outcomes for all implementation projects. Of significance is the fact that the Department will be able to expediently reconcile performance outputs with expenditure patterns, in enhancing accountability in project implementation. The Programme Management Office (PMO) therefore provides the essential project management support to the various capital Programmes internally within the Department, as well as linking that to the sub-offices within the various municipal jurisdictions.

Programme 2 has made some significant headway in terms of the support provided to the Department on the various policy frameworks developed in response to gaps in implementation. Additionally, the PMO office would be able to be operational and functional by the end of 2004/2005 in beginning to add value to the effectiveness of our project management system with ultimate impact on the pace of delivery.

The strategic value added by Programme 2 in enhancing delivery of the Department's mandate is undisputable. However, the increase in responsibilities from the new political priorities on the various capital programmes will undoubtedly impact on the workload of Programme 2. This should

therefore be accompanied by additional resources required to adequately carry out the Programme functions on behalf of the Department. It is imperative to assert that Programme 2 is currently operating on skeleton human resource base, and an urgent supplement in this regard is urgent.

10.2 Policies, Priorities and Strategic Objectives

The relevant policies required to achieve the desired priorities and objectives of the programme are dependent on the needs of the delivery programmes, since the key priority of the programme is to provide strategic support to the delivery programmes and the Department as a whole.

Translation of strategic objectives into key measurable objectives

Strategic Objective	Key Measurable Objective
To build an effective, efficient and caring government in the delivery of housing	<ul style="list-style-type: none"> To conduct Housing Research through gathering of information and analysis and reporting within specific time frames To provide Housing Related training and capacity building for the municipalities and departmental programmes To define a policy development and approval process To enhance and sustain the strategic direction of the Department To maximize the utilization of the department's communications tools so as to improve the overall image of our department To ensure that all communications done by the department is customer and programmes focused To manage and market the corporate brand of the department To manage and oversee departmental events and outreach programmes To deepen the involvement of communities as decision makers in housing delivery process To build stakeholder and community relations
To facilitate, fund, manage the provision of tenure and appropriate quality services and houses	<ul style="list-style-type: none"> To ensure an integrated management process approach to service delivery To establish and manage the Spatial Information Systems of the Department to proactively guide and monitor development To render a planning support service to the Department to proactively guide and monitor development
To densify housing on well located land as well as diversification of housing stock for various markets	<ul style="list-style-type: none"> To develop provincial multi-year strategic housing plans, aligning provincial and municipal housing plans and IDPs To co-ordinate the activities of the Municipal Housing Development Planning process with the principles of Land Use Development Management
To contribute to National policy processes and address gaps that hinder sustainable development	<ul style="list-style-type: none"> To provide regulatory framework for housing delivery in respect of policy guidelines, proclamation of legislation

Table 6: Strategic Goals and Objectives in relation to Programme 2

10.3 Analysis of Constraints and Measures Planned to Overcome Them

The challenges facing the programme include a lack of clearly defined working relations with other programmes, which leads to a lack of co-ordination and support in relation to policies developed by other directorates, and a lack of 'buy-in' in the evaluation of the line functions and building the unit's capacity.

Constraints limiting the sub-programme are:

- Lack of personnel
- Limited budget
- Lack of departmental policy development capacity

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Strategic plan does not articulate how and when the constitutional and legislative mandate will be achieved. - Measurable deliverables - Resources required - Time frames	None	- Education of managers in the development of strategic plans through ongoing interaction - Sub-programme managers to develop their own business plans (to be consolidated up in to programme level) - "bottom up approach" within an accepted framework - Implement risk management process to assist strategic planning process.
- Ineffective monitoring and evaluation of Housing Programmes - Accurate and relevant monitoring of outcomes (efficient, effective, economical and equity-based monitoring)	PMO office established to improve controls and integrate all systems for reporting systems	- Evaluate effectiveness of recently implemented monitoring mechanisms.

10.4 Description of Planned Quality Improvement Measures

Areas that Require Service Improvement	Existing Controls	Planned Quality Improvement Measures
The concept of sustainable development is still a foreign concept that has to be inculcated in the planning process and marketed	<ul style="list-style-type: none"> - The department has included and is enforcing the requirement in the SLAs with the RPTs. - It has also defined the concept. 	All future projects of the department will have to satisfy the criteria that will ensure sustainable development. This will include engaging with other sister departments.
Ineffective monitoring and evaluation of Housing Programmes	PMO office established to improve controls and integrate all systems for reporting systems	<ul style="list-style-type: none"> - Evaluate effectiveness of implemented monitoring mechanisms.
<ul style="list-style-type: none"> - National policy updates do not keep up with changes on the ground. - Changing National Housing Policies – review of Code. - Policy and legislative impact 	All actions to address challenges are supported by MEC directives or housing advisory committee recommendations approved by MEC	<ul style="list-style-type: none"> - Engage with National Department of Housing.

11. PROGRAMME 3: HOUSING PERFORMANCE / SUBSIDY PROGRAMMES

PROGRAMME DESCRIPTION		PROGRAMME STRUCTURE
<p>Housing Performance/Subsidy Programme</p> <p>The Housing Performance / Subsidy Programme provides various housing subsidies. The housing subsidy programmes implemented by the Department are: Individual; Project Linked; Essential Services; People's Housing Process; Institutional; Hostels; Relocation, Rural Housing Stock and Savings Linked.</p> <p>However, the majority of funding is allocated to the areas of Essential Services, People's Housing Process, Project Linked, Hostel and Institutional, with the first three managed by Housing Administration and the latter managed by Social Housing.</p>		<p>Subsidy Administration (Housing Administration)</p> <p>Individual</p> <p>Project Linked (Old and New)</p> <p>People's Housing Process (PHP)</p> <p>Consolidation</p> <p>Institutional (Social) Housing</p> <p>Hostels (Affordable Rental)</p> <p>Relocation</p> <p>Emergency Housing</p> <p>Rural Housing stock</p> <p>Savings Linked</p> <p>Essential Services</p> <p>Community Builder Programme</p> <p>NHBRC</p>

Table 1: Programme Description and Programme Structure

11.1 Situation Analysis

Housing Development represents implementation of housing needs reflected on the Provincial Waiting List, through provision of the government subsidy in facilitating security of tenure for the poorest of the poor. As previously alluded to, the demand for housing within Gauteng province exceeds the delivery capacity of the Department based largely on resource constraints, and hence the housing backlog. It is in this regard that the Department has repositioned the various sub-Programmes within Housing Development to creatively respond to the existing challenges in housing delivery within the existing resource constraints.

The new political priorities to be implemented by Programme 3 comprise the formalization of informal settlements capable of formalization by 2009, and the alleviation of poverty through promoting labour-intensive methods in creating job opportunities through the Expanded Public Works Programme. This has further presented additional strain to the insufficient resources at the disposal of the Department for implementation of housing projects under Programme 3.

The Gauteng Province receives approximately a quarter of the national allocation for housing. This allocation currently caters for 49 500 units at full subsidies of R28 721. The national guidelines provide that within the subsidy, the maximum amount

available for the provision of municipal engineering services is R11 406 and the amount available for the construction of the top-structure is R16 170. The demand for housing in Gauteng far exceeds the funding provided through the national allocation to the Gauteng Department of Housing. We are therefore challenged to explore other forms of funding and creative layout designs and revisit our building regulations with our counterparts at local municipal level, to sufficiently accommodate our resource constraints, without compromising on the quality of our outputs.

Essential Services

The housing need or demand in Gauteng can be measured by two key indicators. The first indicator is the Gauteng Housing Backlog as captured and recorded on the Gauteng Waiting-List System. Currently housing applications for 440 000 households have been captured on the Gauteng Waiting-List. The second key indicator is the number of informal settlements in Gauteng, which was estimated to yield a backlog in terms of water and sanitation of 440 000 households as captured by the Department of Development Planning and Local Government in their Infrastructure Backlog Study of 2002. The Department over the 2004/2005 financial year will be refining its data on the waiting-list through a review and re-development of the Waiting-List System and on informal settlements through a survey of informal settlements and the Municipal Housing Development Plan process.

Over the five years of the strategic planning cycle: 576 000 serviced stands will be delivered through the Essential Services Programme to contribute towards the formalization of all informal settlements capable of formalization; 120 000 subsidies will be provided to beneficiaries.

The Essential Services Programme will address the upgrading of Informal Settlements and is based on the Water and Sanitation Backlog study conducted by the Department of Local Government of 440 000 households of which approximately 50% are capable of being formalized. The key challenge for the programme is meeting the increased demand with limited internal capacity and ensuring the creation of sustainable settlements.

People's Housing Process

The key challenge facing the building of sustainable communities through the People's Housing Process is balancing the delivery of outputs and outcomes. The Department has taken a decision to focus more on the outcomes in terms of ensuring the quality of the process and the development of sustainable community organizations that are capacitated to build for themselves. As a consequence, the Department changed its policy from using Municipalities as Support Organisations to using Community Based Organisations. The delivery targets of the People's Housing Process Programme are dependent on a fully functional Xhasa Accounting and Technical Centre (ATC). Over the next five years: 20 250 houses will be delivered through the People's Housing Process.

Project Linked

The Department took a decision in 2002 to phase out the formal housing programme that was implemented by external developers and to complete all formal housing contracts entered into prior to 2001. A new formal housing (project linked) sub-programme, has been implemented with the Department or the Municipality as developer. The intention is to implement new formal housing projects, where mixed income developments are deemed feasible and site circumstances dictate.

The aim is to eradicate the housing backlog, as captured on the Gauteng Waiting-List, through the development infill developments and Greenfield developments on well located land. The increase in housing delivery can be achieved with the allocation of additional funds and the involvement of the private sector in line with the new procurement requirements. The early identification of these projects needs to be expedited in order to ensure that the land is secured and the Department engages in the necessary planning processes.

Community Builder Programme (CBP)

The Community Builder Programme has been initiated to construct houses on previously serviced stands where beneficiaries already received ownership. This programme aims to combine fast track delivery with the community based development methodology of housing delivery and to provide job creation and skills development opportunities within the community. The CBP is not a substitute for People's Housing Process.

Expanded Public Works Programme

In terms of contributing towards the Expanded Public Works Programme the Department will ensure that all tender specifications ensure that labour intensive mechanisms are utilized in the installation of services. It is envisaged 52 434 jobs will be created.

The increase delivery targets have led to a direct increase in the funding requirements of the Gauteng Department of Housing over the next five years. The total shortfall for the period amounts to R5,6 billion.

Institutional (Social Housing)

Social Housing was established in response to the need to proactively provide affordable tenure options through mixed-income developments within close proximity of socio-economic opportunities. The Department is engaged in partnerships with the various Social Housing Institutions in delivery of our mandate on Social Housing units within strategic locations, as a contribution towards revitalising urban environments and optimising government investment for the benefit of Gauteng residents. The Housing Agencies Registry (within the Office of the Head of the Department), has recently accredited Social Housing Institutions with capabilities to complement the Department delivery capacity. The Technical Resource Groups have been collaborating with individual Social Housing Institutions as a complementary resource, necessary to meet our delivery commitments.

The Gauteng Partnership Fund (GPF) was established as a mechanism to overcome financial constraints impacting on Social Housing delivery, through providing equity and loan financing, as well as leveraging additional funding in its interaction with the private sector, particularly on commitments by the Financial Services Charter. The established GPF also represents a strategic mechanism by the Department to ensure that the accredited Social Housing Institutions receive the financial support necessary to maintain their sustained operations.

The Social Housing Institutions provide a vehicle through which the Department can deliver 30 000 medium -density units within the next five years. The Department is currently finalising the policy framework on implementation of Medium-Density projects necessary to facilitate delivery. Even though the Social Housing Institutions are providing

short-to-medium term relief, in terms of facilitating delivery of Social Housing units, this will need to be complemented by an internal resources base in the long-term.

Hostels - Affordable Rental Accommodation (ARA)

This unit, formerly known as Hostels deals with the transformation and re-development of hostels from single gender dormitory type of accommodation to Affordable Rental Accommodation (ARA). ARA will offer residents the following range of options; in terms of tenure, there will be a choice between rental or ownership and in terms of unit types, the choice will be between single, communal or family units – all self-contained units. It also seeks to address emergency situations by the rollout of interventions that provide short-term relief. The Premier, in his address to legislature, mandated the conversion of all hostels by 2008. The completion of the conversion of former single gender and dormitory-type hostels into single, communal and family units will be eventually placed into effective Property Management solutions.

ARA also represents an attempt by the Department to optimise government investment and stimulate local economies through the proposed redevelopments. This will ultimately contribute towards ensuring that the urban landscape reflects the ideals of our democratic dispensation as voted for by the national and provincial electorates. Implementations of ARA projects are currently fast-tracked through partnerships with the Social Housing institutions. This is in acknowledging the slow pace of delivery to date. The Department established strategic and political structures within the various tiers of government, in partnership with community structures, necessary to ensure that relevant issues raised are addressed immediately without compromising progress on operations.

11.2 Programme Policies, Priorities and Strategic Objectives

The relevant policies required to achieve the desired priorities and objectives of the programme are outlined under the Legislative Shortcomings of the National Housing Act and Housing Code in part 1 above.

Translation of strategic objectives into key measurable objectives

STRATEGIC OBJECTIVE	KEY MEASURABLE OBJECTIVE*
To build an effective, efficient and caring government in the delivery of housing	<ul style="list-style-type: none"> • To improve the accuracy of the data on the waiting-list in relation to beneficiary needs and profile in order to enable a better response to beneficiary queries and the planning requirements of the department • To provide a fully functional waiting-list system that enables a better response to beneficiary needs and the planning requirements of the department • To improve the project management and monitoring of the implementation of all housing projects and programmes • To provide an effective and efficient beneficiary administration service • To ensure quality housing products • To capacitate Social Housing Institutions so as to accelerate housing delivery. • To Facilitate an enabling environment that allows delivery of Social housing including facilitation of involvement of financial institutions • To facilitate the stabilisation of the Sectional Title environment • To phase out Special Needs Housing and facilitate interactions with provincial line departments • To create humane conditions and restore human dignity to residents • To improve the project management capacity of all projects implemented under this programme

	<ul style="list-style-type: none"> To provide housing assistance to Department of Housing staff
To facilitate, fund, manage the provision of tenure and appropriate quality services and houses	<ul style="list-style-type: none"> To address the 600,000 units backlog on basic services and infrastructure by 2009 To address rural housing needs in Gauteng To deepen the involvement of communities as decision makers in the housing delivery process To transform and redevelop hostels into affordable rental accommodation
To densify housing on well located land as well as diversification of housing stock for various markets	<ul style="list-style-type: none"> To focus on the development of Greenfield, well located, integrated, higher density housing To facilitate medium-density housing (rental, installment sale and cooperative housing) To facilitate affordable rental accommodation (including upgrade of Backyard rentals and non-transferable stock)
To complete all targeted time-bound projects	<ul style="list-style-type: none"> To ensure the eradication of all informal settlements by 2014 Prioritise the creation of humane living conditions for ARA residents To deliver Social Housing units in targeted presidential projects
To facilitate and project manage the implementation of broad-based Urban Regeneration	<ul style="list-style-type: none"> To facilitate the regeneration and rehabilitation of Inner City housing (Better Building Programmes) as defined in the MHDP's. To facilitate regeneration and rehabilitation of targeted urban environments in order to promote urban integrations

Table 9: Programme 3 Strategic Objectives

11.3 Analysis of Constraints and Measures Planned to Overcome Them

Housing Administration

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Inability to address the housing backlog <ul style="list-style-type: none"> • Increase demand for consumer education • Demand for subsidies is greater than ability to deliver • Annual increase in backlog 	<ul style="list-style-type: none"> • Liaise with Heads of Housing in Municipalities • Task teams coordinating the WL • Initiation of Steering Committee established with National Housing Dept., LA, Nurcha, and stakeholders 	<ul style="list-style-type: none"> • Use PPP's to leverage private sector finance as governed by Treasury Regulation 16 • PPP's not only used for financial shortfall but also for project management capacity. <ul style="list-style-type: none"> ▪ Revise RPT SLA's to focus on the attainment of the goal of ridding Gauteng of all informal settlements by 2014 ▪ Implementation of the community builder through ATC
Waiting List (WL) <ul style="list-style-type: none"> ▪ Application not fully operational ▪ Backlog of capturing information 1996 – 1998 ▪ Lack of cooperation and capacity at Municipalities ▪ Lack of maintenance of WL ▪ WAN not fully operational - using offline facility 	<ul style="list-style-type: none"> ▪ Monthly meetings with vendor of WL application to communicate the current needs ▪ Monthly meetings with IT to address WAN connectivity ▪ Compile and submit policy directive for signature of the MEC 	<ul style="list-style-type: none"> ▪ Sign a SLA with IT to ensure reliable network and services ▪ Negotiate with MEC to sign policy directive on IT service focus. ▪ Enforce action list implementation with monthly meeting and get feedback ▪ Employ 50 interns on contract as data capturers to assist with Diepsloot backlog & re-registering people on the new enhanced waiting list. ▪ For Social responsibility, the interns should also be from Diepsloot area
Policies <ul style="list-style-type: none"> ▪ Lack of policy directive to govern the WL & subsidy administration application 	<ul style="list-style-type: none"> ▪ Old policy and outdated policy 	<ul style="list-style-type: none"> ▪ Renew and update the old policy

Table 12: Risks, Threats & Controls

11.4 Description of Planned Quality Improvement Measures

RPT SLA

The Department revised the contracts into Service Level Agreements with the Regional Professional Teams (RPTs). The purpose of revising the contracts of the RPTs as to ensure that the roles and responsibilities of the RPTs gravitate beyond just feasibility and implementation considerations of specific housing projects, to a more holistic approach to development that considers the entire municipality/region/province and promotes the creation of sustainable and integrated communities.

SLA WITH CORPFIN

An internal Service Level Agreement between the Housing Development Chief Directorate and Corpfin to address the IT and Procurement issues is critical.

MOU WITH DACE

The Department has signed a Memorandum of Understanding with the Department of Agriculture, Conservation, Environment and Land Affairs (DACE) to clearly outline the environmental procedures and requirements that have to be followed prior to the construction of housing development.

MOU WITH DLG

The Department intends to enter into a Memorandum of Understanding with the Department of Local Government with regard to the procurement of land for subsidized housing development.

ACCOUNTING AND TECHNICAL CENTRE

The Department has also established a Xhosa Accounting and Technical Centre (ATC). The purpose of the ATC is to provide capacity in gaining efficiency by deploying the principle of high volume shared functions across housing delivery entities particularly, the Housing Support Centers (HSCs) linked to the People's Housing Process (PHP), and the Social Housing Institutions (SHIs) linked to Social Housing (Rental and alternative tenure) in Gauteng and to transfer skills to identified individuals within the various supporting structures accredited with them.

This initiative is part of the strategic interventions within the housing delivery system in maximising the impact of available resources.

The Support Organisation must appoint an account administrator (i.e. the ATC) who must have experience in dealing with financial matters. The account administrator then pays out the subsidy amount to or on behalf of each beneficiary, in terms of specified criteria depending on the type of subsidy accessed. The account administrator is required to provide a monthly report to the Provincial Department on all funds paid out during the month as well as interest earned. At the end of the project the account administrator provides a detailed reconciliation.

The ATC – mandated through the 'power of attorney' from the Support Organizations and Housing Support Centres in the case of PHP and Housing Associations and Co-operative Societies in the case of Social Housing – will, on an outsourced basis, provide account administration (including accounting, financial management and revenue collection), technical support, beneficiary database, materials supplier's database and capacity building opportunities to Gauteng Housing entities.

The Strategic Objective of the ATC is to build sufficient organisational capacity to rise to the global challenges presented by the urbanisation of poverty and the growth of city slums.

12. PROGRAMME 4: URBAN RENEWAL AND HUMAN RESETTLEMENT REDEVELOPMENT

PROGRAMME DESCRIPTION		PROGRAMME STRUCTURE
Urban Renewal and Human Settlement Redevelopment The Urban Renewal Programme focused on integrated redevelopment of urban communities at scale, to cultivate sustainable local economies. The province has identified three areas that require urban renewal intervention, these being: Alexandra, Bekkersdal and Evaton. These projects will be transferred to line departments over the next three years. New emphasis will be on the Top Twenty backyard dwellings and hostel redevelopment	4.1 4.2 4.3	Administration (Optional) Urban Renewal and Human Settlements Targeted Development Zones (20)

Table1: Programme Description and Programme Structure

12.1 Situation Analysis

The Urban Regeneration Programme (URP) has, as its primary focus, the revitalization of historically ravaged urban localities through harnessing on locational opportunities to stimulate local economies and alleviate poverty. The programme is implemented through an interdepartmental initiative by the three tiers of government in implementation of integrated development projects co-ordinated by this Department. The three tiers of government are working in partnership with community structures on various implementation projects in ensuring ownership and sustainability of government investment. The Urban Regeneration projects currently under implementation are in Alexandra, Bekkersdal and Evaton.

The **Alexandra Urban Renewal Project** has been the pilot project for the URP and implementation thereof has therefore been a primary focus by the Department. The population of Alexandra is roughly 350,000 people, a large proportion of which is young adults. The area is predominantly residential and has about 4,060 formal houses and 34,000 shacks, as well as various types of other accommodation including flats, hostels and warehouses.

Approximately 30% of the residents do not pay rentals at all, while 29% pay below R50 as rent. The area is highly densified with an average of approximately four households for every 40m², devoid of the basic bulk infrastructure and services, posing desperate health hazards to the community. This is particularly evident in Old Alexandra where approximately 70% of households accommodate more than 10 people. An urban management system is currently being implemented by the various organs of government in formalising Alexander into an integrated liveable environment with socio-economic amenities, including water and sanitation. The intergovernmental co-operation on Alexander is engaging with various stakeholders in ensuring that the high unemployment levels are addressed through skills training and creation of job opportunities, necessary to stimulate the local economy, and improve the affordability levels.

The **Bekkersdal** area, like most settlements in the West Rand is located on dolomitic land, which exponentially increases the risk of sinkhole formation and collapse of the settlement. This situation has been further worsened by the influx of an additional 15,000 families into the Bekkersdal informal settlement.

The majority of people in the area have lost their jobs on the mines in the last decade. Bekkersdal has a high level of unemployment.

Due to the dolomitic risk, no services, with the exception of limited temporary water, have been installed. In addition to dolomitic conditions, Bekkersdal is prone to being an emergency high-risk area, with a high rate of fire breakouts and potential for flooding.

The **Evaton** is the latest inclusion to the URP and the institutional arrangements for the implementation of the project have just been finalised. The area has similar historical characteristics with Alexander and Bekkersdal in terms of high unemployment, low affordability levels and poor socio-economic conditions.

12.2 Policies, Priorities and Strategic Objectives

The relevant policies required to achieve the desired priorities and objectives of the programme are outlined under the Legislative Shortcomings of the National Housing Act and Housing Code in part 1 above.

Translation of strategic objectives into key measurable objectives

Strategic Objective	Key Measurable Objective
To build an effective, efficient and caring government in the delivery of housing	To establish structures and agreements that will ensure effective co-ordination of all relevant departments and all spheres of government. To foster co-operation and co-ordinate resources in all phases of project life cycle To improve the project management of the various projects. To mobilise community participation at all phases of the project life cycle (PPP's) mobilised
To facilitate, fund, manage the provision of tenure and appropriate quality services and houses	To facilitate the normalisation of housing environment in the targeted areas.
To complete all targeted time bound projects	To undertake the successful and sustainable management of selected urban regeneration projects, so as to enhance the economic and social viability of neighbourhoods
To contribute to National policy processes and address gaps that hinder sustainable development	To ensure enhancement of integrated and sustainable development of urban regeneration
To mainstream implementation of the Expanded Public Works Programme and labour intensive methods	To reduce levels of unemployment through the stimulation of income generating opportunities.

Table 16: Strategic Objectives for Programme 4

12.3 Analysis of Constraints and Measures Planned to Overcome Them

The main challenge faced by the programme in the three areas (Alexander, Bekkersdal and Evaton) are:

- the general unwillingness of people to be relocated, undermining de-densification efforts.
- the slow judicial process in resolution of relocation issues
- less effective integration and co-ordination in the implementation of projects due to absence of formally binding arrangements in place (e.g. MOUs, SLAs)
- delays in procurement processes.
- Availability of land for de-densification.

In addition to that, in the case of Alexander; there is prevalence of high densities with very low income levels limiting relocation prospects in to the neighbouring viable neighbourhoods.

Other challenges facing the programme include in the three intervention areas include:

- Historical legacies: poor urban management, unsustainable sources of employment (past over dependency on mining sector, under developed agricultural economic sector, high prevalence of migrant labour);
- Low skills levels and high unemployment
- Breakdown of moral and social fibre;
- Breakdown of law and order;
- Lack of institutional capacity and weak service delivery.

Table 17: Risks, Threats & Controls

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Political / Social risk		
Multiple stakeholder forums resulting in communication breakdown	Enhance communication line by appointing a director.	Enhance communication and co-ordination mechanisms
Expectation gap - communities	Ongoing communication via forums and other media.	Ongoing communication via forums and other media.
Community ownership gap	Communication and direct involvement from communities in planning and operations.	Communication and direct involvement from communities in planning and operating.
Buy-in not obtained from communities	Communication and direct involvement from communities in planning and operations.	Communication and direct involvement from communities in planning and operating.
Opportunistic stakeholder emerging	Ongoing communication, with clear rules and procedures.	Specific rules and procedures needed for stringent criteria to select contractors.
Outputs of renewal leads to significant exclusion of poor which leads to social conflict	Transferred to another area.	Create sustainable jobs.
Lack of sustainability of projects in the area due to lack of community skills	Capacity building programmes run by agents of the Department.	Effective management and monitoring of community participation
Institutional risk (Inter-Governmental / Departmental)		
Lack of commitment of various implementing agencies	Performance agreements and memorandum of understanding (MOU) to be concluded by and between different implementing agencies.	Performance agreements and memorandum of understanding (MOU) to be concluded by and between different implementing agencies.
Lack of capacity - institutional	Capacity building and training of local government officials and other participants e.g. NGO's and communities. Project management and implementation support, appointing of additional staff, purchase of equipment and premises.	Monitoring of existing.
Loss of political / technical champions	Spread knowledge of the project broadly amongst multiple players, Business plans - projects documented, with grassroots support.	Monitoring of existing.
Turf-war between institutions	Coordination, Interpersonal relations, clearly defined roles and responsibilities per the business plans.	MOU to spell out roles and responsibilities.
Communication risk		
Poorly informed community	Ongoing communication, Utilisation of ADF, ward committees, CLO and precinct managers, utilising local media and PRO.	Monitoring of existing.
Negative publicity	Utilising PRO, ongoing transparency and reporting, media management.	Monitoring of existing.
Forums not communicating effectively	Regular meetings with forums, Capacity building of forums, information sharing.	Monitoring of existing.
Lack of communication between the stakeholders (roles and responsibilities)	Enhanced communication with stakeholders.	Define roles and responsibilities.
Tenders allocated to fronting companies	Tender document evaluation done by procurement unit. Due diligent checks, adjudication process.	Improve adjudication process.

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Community conflict around contracts	Rules and procedures, Communication with community, tender training, transparency.	Clear processes and procedures on adjudication of contract.
Irregularities within procurement process	Clear rules and procedures, Firewall between project administrators and procurement, irregularities reported to the investigation unit.	Clear processes and procedures on adjudication of contracts.
Opportunistic stakeholders emerging	Rules and procedures, Transparency, ongoing wider communication.	Ongoing transparency and communication.
Relocation risk		
Reliance on external development solutions	Political interventions, inter-regional co-operation, Funding required for other areas.	Impact assessments, Co-ordination with other provincial Departments. Identify additional land nearby.
Social resistance to relocations	Voluntary relocation package, Communication with communities, evictions by due process of law.	Communicate intentions in advance.
Potential blockage of relocations	Identification of multiple options and alternative strategies.	Ongoing
Finance risk		
Delayed payments to contractors and suppliers	Dedicated staff appointed	Claims management system improved in province, Dedicated capacity in City, service level agreements in province.
Fraudulent payments / duplicate payments	Centralised payment system, Rules and procedures, double certification procedure by City and consultant consortium.	Integration of systems to addresses.
Insufficient budget and cash flow available timeously due to budget not aligned with plans	Align plans to MTEF.	Align plans to MTEF.
Project Management risk		
Insufficient project management skills and capacity at Provincial and Local government levels	PMO established.	PMO and integrated systems.
Lack of authority given to ARP project managers		Setting up of performance contracts with project managers, Incorporate into Departmental deliverables.
Program delays leading to extended life span of project	Implementation risk to be assessed upfront.	Implement project management system to provide management information.
Lack of effective monitoring and evaluation of outcomes	None	Implement project management system to provide management information. Business plan to outline outcomes.

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Projects not appropriately co-ordinated between City and province, City and its Agencies, functional teams and precincts, between clusters and between centres and regions	Improve project programming and document processes and procedures.	Develop tool to improve coordination.
Ineffective handover of projects (maintenance and operating budgets)	None	Political leadership in the region. Business plan to address the effective handover of projects.
Multiple reporting systems	Fragmented manual system combining reports. Integration of various systems.	Implement single consolidated report writing system.
Turn over of project management staff	Fixed term contracts, consultant consortium involvement, comprehensive business planning, documenting of projects, Succession planning.	Improve institutional skills through training.

12.4 Description of Planned Quality Improvement Measures

Areas that Require Service Improvement	Existing Controls	Planned Quality Improvement
<p>Coordination of funding from line departments</p> <p>Completion of all three projects by 2009</p>		<p>Coordinate the orderly handover of functions to relevant line function departments through SLA's</p> <ul style="list-style-type: none"> – LED to Finance & Economic affairs – Infrastructure to Public Transport, Roads & Works – Welfare to Social Services – Health & Education Issues to Department of Health & Education respectively, <p>There is a requirement to detail with the process of this handover.</p> <p>The rationalisation of service providers</p>

13. PROGRAMME 5: HOUSING ASSET MANAGEMENT

PROGRAMME DESCRIPTION		PROGRAMME STRUCTURE	
Housing Asset Management The Gauteng Housing Asset Management Programme is responsible for the efficient management of provincial assets through property management. Social Housing is managed from this programme.	5.1	Administration (Optional)	Table 1: Programme Description and Programme Structure 13.1 Situation Analysis Directorate for Urban Management
	5.2	Maintenance	
	5.3	Transfer of Houses	
	5.4	Sale of Housing Assets	
	5.5	Management of Housing Assets	
	5.6	Devolution of Housing Assets	
	5.7	Regulate Rental Housing	
	5.8	Management of Housing Assets	
	5.9	Home Ownership	
	5.10	Subsidy (4 of 1987)	
	5.11	Duma	
	5.12	Rental Tribunal	
	5.13	Transfer of Rental Properties (Torps)	
	5.14	Registrar	

(DUMA)

DUMA was previously known as Property Management, in that it managed all Departmental housing stock, including vacant land and commercial property. The Premier mandated this unit to progressively transfer all former "own affairs" stock (2nd Directive) to tenants and purchasers and to find property management solutions for the non-transferable stock. The unit recently received Provincial Exco in principle approval to write off arrear debt, regularize occupancy and transfer ownership. The Regularization and Transfer of Ownership programme (RETRO) has now been broadened to include other municipal owned stock, where applicable and implementable. DUMA has also been tasked to relieve itself of all vacant land by disposal, for optimum value promoting integrated developments, that contribute towards the attainment of sustainable communities. Commercial property will be sold "voetstoots" where they are stand-alone. The shopping complexes/centres will be refurbished and then sold at market value on the open market.

Gauteng Rental Housing Tribunal (GRHT)

The Gauteng Rental Housing Tribunal is formally constituted in terms of the Rental Housing Act (Act No. 50 of 1999) to administer all disputes between landlord and tenant in residential property in the province. To date, the unit has enjoyed relative success, save for the fact that the Magistrate's Court Act does not accommodate the tribunal as a law-dispensing organism.

This matter is being addressed jointly by the unit itself, as well as the Department's Policy and Legal units. The plans for the forthcoming year are to consolidate the performance of the GRHT and to formalize its independence. A business plan is currently in development to extend its ambit and capacity and to give it the prestige it deserves

Transfer of Residential Property (TORPS)

TORPS has been in existence for at least 10 years and has been effective in the transfer of residential property to former black areas (1st and 3rd Directive) where people were not allowed to own land, save by virtue of 99 year leases. The unit has transferred some 219 679 properties thus far, and will over the next two years complete the

transfer of the last 55 202. Mediation and adjudication issues have slowed the progress of the unit, but new process flows are being developed to fast-track transfers. The Department has identified that there will be instances of “New TORPS” situations and a process flow under consideration. Over and above this mandate, the unit (together with CCRM) will undertake a massive occupancy audit (both of post 1994 Departmental and municipal-built units, as well as bonded units subsidized by government). These surveys will feed into our various databases, most important of which is the Waiting List, upon which the housing demand is calculated.

13.2 Policies, Priorities and Strategic Objectives

The relevant policies required to achieve the desired priorities and objectives of the programme are outlined under the Legislative Shortcomings of the National Housing Act and Housing Code in part 1 above.

Strategic Objectives and Key Measurable Objectives

Strategic Objectives	Key Measurable Objectives
To densify housing on well located land as well as diversification of housing stock for various markets	<ul style="list-style-type: none"> • To facilitate the development/disposal of vacant land owned by the Department
To complete all targeted time-bound projects	<ul style="list-style-type: none"> • To dispose of commercial property owned by the department in the most economical manner • To promote home ownership

13.3 Analysis of Constraints and Measures Planned to Overcome Them

- The key constraints or challenges over the MTEF period are noted below:
- Low levels of rental and instalment repayments;
- Difficulties posed by the operations of the national debtor system that is not necessarily compliant with current business operations;
- High accumulated rental and instalment arrears; and
- Unavailability of a national policy for debt write-offs to enhance the promotion of homeownership.

The key relating to policy gaps discussed earlier, requires an intervention in terms of the finalisation of policies to enhance implementation and promotion of service delivery.

Quality improvement will be ensured through the implementation of the policy measures listed above. In addition, the shift from an exclusively 'property management' environment, into a property re-development environment, will result in a qualitative improvement of service provided by the Department because this shift is designed to rehabilitate properties which may have been neglected in the past, and to dispose of properties that are suitable for disposal.

Table 21: Risks / Threats & Controls

Risks / Threats to obtaining objective	Existing Controls	Required Controls and actions
Unauthorised occupancies	Inspectors Public enquiries Notification by lawful client in respect to contracts	Currently undertaking an Occupancy Audit
Lack of policies and time taken to implement policies	Policy section	Regularisation (policy on the table) Enforce evictions
Unreliable property register	Administrative section (financial support services) Electronic database Regular audits	Out of this sub-programme's control
Systems down time (e.g. Debtors System)	IT Department Help desk	Upgrade of infrastructure
Disputes with service providers (e.g. property management, surveys, lawyers)	Contracts Legal Department Dispute resolution mechanisms	Out of this sub-programme's control
Insufficient budget	Finance and control section Interim budgets (adjustment budget)	Improve monitoring of service level agreements with providers
Revenue due is not collected	Debt collection procedures Service providers (debt collectors) Inspectors and Rent Offices Invoicing and monthly statements	
Insufficient IT support and backup	IT Department Help desk	Additional manpower required Implement customer care fieldworkers strategy (implement community cadre strategy)
Lack of property management skills (including finance, maintenance, safeguarding of properties)	Training Service providers	Out of this sub-programme's control
Ineffective community liaison mechanisms (marketing and communication)	Communications directorate CCF strategy (to be implemented) Property and Site Managers	Specific job related training at all levels
Political interventions	MEC	Develop directorate communication strategy Identify directorate communication mechanisms

13.4 Description of Planned Quality Improvement Measures

Areas that Require Service Improvement	Existing Controls	Planned Quality Improvement
Unauthorised occupancies	Inspectors Public enquiries Notification by lawful client in respect to contracts	Regularisation of unauthorised occupants policy Enforcement of evictions
Unreliable property register	Administrative section (financial support services) Electronic database Regular audits	To develop a parallel property management system and input cleaned-up data
Lack of property management skills (including finance, maintenance, safeguarding of properties)	Training Service providers	Specific job related training at all levels
Ineffective community liaison mechanisms (marketing and communication)	Communications directorate CCF strategy (to be implemented) Property and Site Managers	Develop directorate communication strategy Identify directorate communication mechanisms

14. CAPITAL INVESTMENT, MAINTAINANCE AND ASSET MANAGEMENT PLAN

Table 1: Summary of Capital Budget

DESCRIPTION	2003/04 Actual R'000	2004/05 Estimated R'000	2005/06 MTEF R'000	2006/07 MTEF R'000	2007/08 MTEF R'000
New capital projects	1,030,822	1,229,899	1,450,749	1,533,759	1,606,876
Rehabilitation/Renovation	23,259	30,353	33,900	35,934	37,731
Maintenance (capital)	28,174	33,814	30,779	30,081	30,081
Other - Machinery and Equipment	14,487	14,923	4,714	4,774	4,963
Total	1,096,742	1,308,989	1,520,142	1,604,548	1,679,651

Note: The detail supporting the summary is available in the Budget Statement.

15. CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

The information below refers to important external linkages the Department has to provincial government Departments and local government, i.e. municipalities as well as the mechanisms used to initiate and ensure co-ordination and co-operation with and between the different levels of government.

15.1 Inter-Departmental Linkages

The work commissioned on the MHDPs required close collaboration and co-operation from other tiers of government and line function Departments in ensuring appropriate planning towards realisation of our desired outcomes, as consistent with our strategic direction. This resulted in input from our sister Departments in education, health, sports and recreation, community safety and social services on their performance in delivery to date through the Amenity Backlog Study.

Information on provision of such support services is important in aligning housing delivery accordingly, to achieve our desired outcome on integrated development with optimised access to social amenities and economic opportunities. Further to the review of the MHDPs, the Department acknowledged input from the Department of Local Government (DDPLG) on appraisal of municipal Integrated Development Plans (IDP) and the strategies contained in the Gauteng Spatial Development Framework (GSDF).

It became necessary for the Department to articulate the challenges faced in achievement of our output targets and desired outcomes through cognisance of the interventions employed in strategic planning within the

Gauteng Spatial Development framework. Among the major intervention strategies by the GSDF that are consistent with our desired outcomes as informed by our defined strategic thrusts, include:

- Promotion of a compact city through containing urban sprawl, as consistent with our strategic thrusts on Incremental Housing and Social Housing;
- Economic growth mechanisms for areas in decline. The Alexander Renewal Programme (ARP) from our strategic thrust on Urban Regeneration has paved the way for revitalisation of decayed urban areas in the country, for improvement in the livelihood of our people;
- Interventions for growth in new areas (locational subsidies proposed as a critical need with regard to low-cost housing);
- Interventions for appropriate development in rural zones;
- Interventions for addressing access and mobility.

15.2 Local Government Linkages

Gauteng Province has conceptualised and packaged IDP and the accompanying Spatial Development Frameworks (SDF) in a way that strongly responds to the broad principles set out in the Local Agenda 21. It is in this regard that the IDP and SDF is representative as legitimate mechanisms for sustainable urban development. The Department has participated in the formulation and evaluation of the IDP and SDF in alignment with housing delivery imperatives within the province.

The Department has completed the review of the Municipal Housing Development Plans and has work-shopped the findings of these plans with the municipalities to ensure the co-ordination of the plans. The principles and criteria on sustainable housing as contained in the MHDPs will enable the reviewing and updating of the aligned IDP and SDF in future years. It sets criteria for achieving more integrated and sustainable settlements within the province. It has further identified no minimal and significant cost interventions to achieve higher levels of sustainability.

In turn, aligning the MHDPs will to a large extent complement the development of national requirement of the PHDP, a visionary perspective for housing delivery in the province. This facilitates housing delivery in the medium- to long-term period in response to prioritised issues as covered in the recommendations from the Gauteng Spatial Development Framework (GSDP).

Below are some the challenges as experienced by municipalities but not limited to these, as outlined by the MHDPs:

Institutional Capacity

- Few municipalities are geared towards housing delivery and have the necessary capacity to manage such housing programmes.
- The institutional capacity of Social Housing Institutions to successfully manage housing units and ensure the long-term viability of such projects is critical.
- Some municipalities have little or no policy and/or programme to deal with housing programmes.

Delivery

- The identification of strategically located vacant land for the sustainable and integrated settlements with the province of Gauteng is essential.
- A policy shift towards a beneficiary contribution of R2, 479 with regard to the Incremental Housing programme slows rollout on delivery of housing projects.
- Management of the growing number of informal settlements in and around Gauteng poses a number of challenges to municipalities and the provincial government.
- The installation and affordability of basic services such as water and sanitation to communities is a key issue.
- Key strategic areas (Targeted Development Zones) for capital investment need to be identified in order to promote sustainable and integrated development instead of investing in beneficiaries. This should be seen in the broader context of Gauteng to optimise infrastructure and other facilities such as public transport.

- Prioritisation of areas most suitable for development by municipalities in line with subsidy allocations.
- Identification of creative strategies to protect land as a scarce resource and innovative strategies to deal with growing densities.

Financial Arrangements

- Substantial additional capital is necessary for housing projects to materialise so as to ensure accelerated delivery.
- The urgent need to match finance for Housing (serviced sites) vs. Infrastructure capital through CMIP in areas where capacity is needed, will fast track housing delivery.

Despite these challenges, the ultimate goal for municipalities is to become accredited in administering National Housing programmes.

Linkages to accreditation

As outlined in sections above, the ultimate aim of the National Housing Code is to move towards the option of accreditation of municipalities. The aim is to establish a conducive environment for municipalities with the necessary and adequate institutional and technical capacity to undertake and manage National Housing programmes. Currently, as outlined in the Department's Strategic Plan, the Gauteng Department of Housing acts as the 'Developer of choice' until such time as municipalities can take up such these responsibilities.

The Capacitation of municipalities through the PMO will result in local authorities becoming more capable of delivering and managing housing in the province. The link to accreditation will take place by firstly performing an audit of the structure of municipalities and identifying the skills gap against the optimum structure for a municipality department of housing. Filling of the gap will happen in the short term through the placement of programme management professionals. The medium term initiative will be to build skills in municipalities through the appointment and Capacitation of identified municipality officials.

15.3 Public Entities

The department is in the process of registering two Public Entities: the Gauteng Partnership Fund (GPF) and the Xhasa Accounting Technical Accounting (ATC).

15.4 Public, Private Partnerships, Outsourcing

The Department does not transfer funds to municipalities. It is in the process of exploring three PPP one of which is being discussed with the Provincial Treasury.

GLOSSARY OF TERMS

ADF Alexandra Development Forum

AFS Annual Financial Statements

ARP	Alexandra Renewal Project	HSS	Housing Subsidy System
ATC	Accounting and Technical Centre	IDP	Integrated Development Plans
BAS	Basic Accounting System	IDTT	Inter-Departmental Task Team
BEE	Black Economic Empowerment	IPW	Instruction to Perform Work
CBA	Cost Benefit Analysis	LA	Local Authorities
CCRM	Communication and Customer Relations Management	LBSC	Local Business Support Centre
CCF	Customer Care Field Workers	LCC	Life Cycle Costing
CID	City Improvement District	LED	Local Economic Development
CIII	Construction Industry Incubator Initiative	MANCOM	Management Committee
CFO	Chief Financial Officer	MHDP	Municipal Housing Development Plans
CLO	Community Liaison Officer	MOU	Memorandum of Understanding
CMIP	Consolidated Municipal Infrastructure Programme	MPD	Metro Police Department
CMS	Claims Management System	NEPAD	New Partnership for Africa's Development
COO	Chief Operations Officer	NHFC	National Housing Finance Corporation
CORPFIN	Corporate and Financial Services	NURCHA	National Urban Reconstruction and Housing Agency
CSIR	Council for Scientific and Industrial Research		
DAC	Department Acquisition Committee	OPSCOM	Operational Committee
DACEL	Department of Agriculture, Conservation, Environment and Land Affairs	PDS	Project Data System
DAPU	Departmental Accredited Procurement Unit	PFMA	Public Finance Management Act
DOH	Department of Housing	PHDP	Provincial Housing Development Plan
DPLG	Department of Development Planning and Local Government	PHP	Peoples Housing Process
DTT	Departmental Task Team	PMO	Programme Management Office
Exis	Expenditure Information System	PPPFA	Preferred Procurement Policy Framework Act
EXCOM	Executive Committee	PRO	Public Relations Officer
GAAP	Generally Accepted Accounting Practice	RPT	Regional Professional Teams
GIDP	Gauteng Integrated Development Plan	SABTACO	South African Black Technical and Allied Careers Organization
GPF	Gauteng Partnership Fund	SDF	Spatial Development Framework
GPG	Gauteng Provincial Government	SETA	Sectoral Education Training Authority
GSDF	Gauteng Spatial Development Framework	SITA	State Information Technology Agency
GSHPSC	Gauteng Social Housing Partnership Steering Committee	SHA	Social Housing Associations
GSSC	Gauteng Shared Services Centre	SHI	Social Housing Institutions
HAC	Housing Advisory Committee	SLA	Service Level Agreement
HH	Households	SO	Support Organizations
HPDMP	Housing Policy and Development Management Programme	STATS SA	Statistics South Africa
HSC	Housing Support Centres (HSC)	TRG	Technical Resource Group
		WAN	Wide Area Network
		WL	Waiting List

