

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>4 968 101</b>	<b>5 114 755</b>		<b>146 654</b>
<i>of which:</i>				
Current payments	458 729	458 729		
Transfers and subsidies	4 497 820	4 644 474		146 654
Payments for capital assets	11 552	11 552		
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Human Settlements</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and mission

#### Vision

Integrated sustainable human settlements and improved quality of household life.

#### Mission

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

### 2. Changes to programme purpose and objectives

Not applicable.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 8.1: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

Programmes  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Administration	226 164				57 300				57 300	283 464
2.Housing, Needs, Research & Planning	15 788				14 329				14 329	30 117
3.Housing Development	4 639 859			12 954	(69 800)			133 700	76 854	4 716 713
4.Housing Assets Property Management	86 290				(1 829)				(1 829)	84 461
<b>Total for programmes</b>	<b>4 968 101</b>			<b>12 954</b>				<b>133 700</b>	<b>146 654</b>	<b>5 114 755</b>

  

Economic classification  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>458 729</b>									<b>458 729</b>
Compensation of employees	348 460									348 460
Goods and services	110 269									110 269
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>4 497 820</b>			<b>12 954</b>				<b>133 700</b>	<b>146 654</b>	<b>4 644 474</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	4 497 820			12 954				133 700	146 654	4 644 474
<b>Payments for capital assets</b>	<b>11 552</b>									<b>11 552</b>
Buildings and other fixed structures										
Machinery and equipment	11 552									11 552
Heritage assets										
Specialized military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>4 968 101</b>			<b>12 954</b>				<b>133 700</b>	<b>146 654</b>	<b>5 114 755</b>

The 2014/15 main appropriation amounts to R4.9 billion and is adjusted up to R5.1 billion as a result of an additional funding of R133.7 million which will cater for Syferfontein, Obed Tombeni Nkosi Project and the mega project Savannah City. The rollover amount of R12.9 million also augments the adjusted appropriation and will be utilized to honour contractual commitments that could not be paid in the preceding year.

The budget has been re-aligned within the programmes, sub-programmes and economic classification to address the core outputs. The virements and shifts aims to ensure the achievement of the operational requirements on the centralized goods and services items and the realization of the departmental objectives. This will assist the department to ease spending pressures on goods and services, thus improving service delivery.

In view of the above table, an amount of R69.8 million was shifted from Programme 3 to Programme 1 and Programme 2 to defray the anticipated overspending on the programmes.

The Administration budget is increased by an amount of R57.3 million to accommodate where individuals have been placed in the new organogram as well as where the functions are performed; R39.5 million will be moved to Compensation of employees to where the expenditure is being incurred; whilst an amount of R17.8 million will be allocated to various items under Goods and services to supplement the allocation where programmes are being delivered.

An amount of R2 million is shifted from Programme 3 to Programme 2, to defray the anticipated overspending within goods and services so as to ensure that the departmental mandate and objectives are achieved. Furthermore, an amount of R10.5 million is shifted to compensation of employees. Policy and Research Directorate is planning to undertake five studies in the 2014/15 financial year and due to capacity challenges the directorate is planning to outsource three of the studies. An amount of R1.8 million is shifted from Programme 4 to Programme 2 to augment the original allocation to allow the department to implement studies which will improve the quality and delivery of outputs.

Furthermore, a total amount of R69.8 million is shifted from Programme 3 where Compensation of employees is reduced by R50 million due to posts not being whilst goods and services is reduced by R19.8 million due to the implementation of stringent cost containment measures on various items. These amounts are shifted to Programme 1 and Programme 2 under Compensation of employees and Goods and services to where individuals are placed on the organogram as well as where functions are performed.

The new term of governance which began after the tabling of the 2014 main appropriation, required that the department uses the 2014/15 adjustments process to affect the priorities of the new term of government. The department aligned to the three departmental pillars which are as follows:

- “Modernisation of the human settlement and urban development” is supported by upgrading informal settlements and transferring properties to individuals
- “Decisive spatial transformation” is supported by Financial Intervention which prioritises building integrated human settlements; procuring well-located land parcels; and eradication of the backlog on township establishment.
- “Accelerated social transformation” is supported by Social and rental housing which prioritises assisting people who don’t qualify for housing but do not earn enough to purchase their own houses; developing a Gauteng Rental Strategy and a Gauteng Densification policy; providing universal access to basic services and alternative tenure through the community residential units.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2014/15

### Programme 1: Administration

TABLE 8.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Corporate Services	226 164				57 300				57 300	283 464
<b>Total for programme</b>	<b>226 164</b>				<b>57 300</b>				<b>57 300</b>	<b>283 464</b>

# Vote 8 - Human Settlements • Adjustment Budget - 2014/15

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>214 357</b>				<b>57 300</b>				<b>57 300</b>	<b>271 657</b>
Compensation of employees	138 173				39 500				39 500	177 673
Goods and services	76 184				17 800				17 800	93 984
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>255</b>									<b>255</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	255									255
<b>Payments for capital assets</b>	<b>11 552</b>									<b>11 552</b>
Buildings and other fixed structures										
Machinery and equipment	11 552									11 552
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>226 164</b>				<b>57 300</b>				<b>57 300</b>	<b>283 464</b>

TABLE 8.3:DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION:PROGRAMME 1:ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(9 000)</b>		<b>66 300</b>
Compensation of employees			Funds are shifted to where individuals are placed on the departmental organogram. Provision is made for the remainder of the financial year to fund the shortage on compensation of employees.	39 500
Goods and services	The department implemented cost containment measures which translated to significant savings.	(9 000)	The funds will cater for the shortfall on items such as: Advertising, Catering, Computer services, Contractors, Consumable Supplies, Training and development and venues and facilities to ensure successful and effective service delivery.	26 800
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				

Economic classification	Motivation	From	Motivation	To
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>( 9 000)</b>		<b>66 300</b>

### Virements and shifts

The main appropriation for Programme 1 is adjusted upwards by R57.3 million to R283.4 million. The personnel budget is augmented by R39.5 million to fund the shortfall on compensation of employees due to filling of critical posts. An amount of R17.8 million is moved to Goods and Services to ensure that there is adequate provision for the following cost drivers: Communication, Fleet services and Operating Leases. The shifting is to ensure achievement of operational requirements on centralized goods and services items for the realization of the departmental objectives.

### Programme 2: Housing Needs, Research and Planning

TABLE 8.4: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Sub-programmes  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Administration	4 375				10 500				10 500	14 875
2. Policy	3 847									3 847
3. Planning	3 928				2 000				2 000	5 928
4. Research	3 638				1 829				1 829	5 467
<b>Total for programme</b>	<b>15 788</b>				<b>14 329</b>				<b>14 329</b>	<b>30 117</b>

Economic classification  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>12 150</b>				<b>12 500</b>				<b>12 500</b>	<b>24 650</b>
Compensation of employees	11 720				10 500				10 500	22 220
Goods and services	430				2 000				2 000	2 430
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>3 638</b>				<b>1 829</b>				<b>1 829</b>	<b>5 467</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										

# Vote 8 - Human Settlements • Adjustment Budget - 2014/15

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	3 638				1 829				1 829	5 467
<b>Payments for capital assets</b>										
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>15 788</b>				<b>14 329</b>				<b>14 329</b>	<b>30 117</b>

TABLE 8.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				<b>12 500</b>
Compensation of employees			Funds are shifted to where individuals are placed on the departmental organogram. Provision is made for the remainder of the financial year to fund the shortage on compensation of employees.	10 500
Goods and services			The funds will cater for the shortfall on certain items in order to ensure successful and effective service delivery.	2 000
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>1 829</b>
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			Provision will be made to the Policy and Research Directorate to undertake five studies in the current financial year.	1 829
<b>Payments for capital assets</b>				
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>				<b>14 329</b>

### Virements and shifts

The net increase in the programme budget amounts to R14.3 million as a result of a virements from Programme 3 to goods and services as well as to compensation of employees. An amount of R2 million will be shifted to goods and services to ensure that adequate provision is made for the operational activities which are crucial for the department to achieve its mandate. The personnel budget is augmented by an amount of R10.5 million to alleviate the current spending pressures.

Furthermore, an amount of R1.8 million will make provision for the Policy and Research Directorate to undertake five studies. Some of these projects are part of the Cabinet's programme for the current financial year and include:

- Security of Tenure study;
- Informal Settlements Upgrading Programme; and
- Housing Backlog.

### Programme 3: Housing Development

TABLE 8.6: PROGRAMME 3 : HOUSING DEVELOPMENT

Sub-Programmes  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Administration	232 222				(69 800)				(69 800)	162 422
2.Financial Interventions	572 059							50 000	50 000	622 059
3.Incremental Interventions	3 271 974			12 954				83 700	96 654	3 368 628
4.Social And Rental Intervention	503 444									503 444
5.Rural Intervention	60 160									60 160
<b>Total for programme</b>	<b>4 639 859</b>			<b>12 954</b>	<b>(69 800)</b>			<b>133 700</b>	<b>76 854</b>	<b>4 716 713</b>

Economic classification  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>232 222</b>				<b>(69 800)</b>				<b>(69 800)</b>	<b>162 422</b>
Compensation of employees	198 567				(50 000)				(50 000)	148 567
Goods and services	33 655				(19 800)				(19 800)	13 855
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>4 407 637</b>			<b>12 954</b>				<b>133 700</b>	<b>146 654</b>	<b>4 554 291</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	4 407 637			12 954				133 700	146 654	4 554 291
<b>Payments for capital assets</b>										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>4 639 859</b>			<b>12 954</b>	<b>( 69 800)</b>			<b>133 700</b>	<b>76 854</b>	<b>4 716 713</b>

TABLE 8.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3 : HOUSING DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(71 457)</b>		<b>1 657</b>
Compensation of employees	Funds are shifted to where individuals are placed in the department's organogram.	(50 000)		
Goods and services	Costs saving measure have been implemented. In addition, the department has redirected funding to priority areas.	(21 457)	The funds will cater for the shortfall on certain items in order to ensure successful and effective service delivery.	1 657
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(71 457)</b>		<b>1 657</b>

**Provincial additional funding: R133.7 million**

Additional funding amounting to R133.7 million has been allocated to this programme. An amount of R70 million will be allocated to Syferfontein in order to pay for the planning and research to unlock the Mega project, and R13.7 million will be awarded to the Obed Tombeni Nkosi Project which will be used to pay for electricity reticulation. Furthermore, an additional amount of R50 million is allocated to the mega project Savannah City which will be directed towards the bulk infrastructure which deals with the construction of the houses, laying out of sewer pipes and electricity lines.

**Roll-over: R12.9 million**

An amount of R12.9 million has been rolled over to honour contractual commitments that could not be paid in



the preceding year. These funds will be used for Malibongwe Ridge for the installation of municipal services such as water and sewer and construction of houses units in Cosmos City.

### Virements and shifts

The net increase in the programme budget amounts to R76.8 million due to the additional funding and the rollover amounts as indicated above.

An amount of R69.8 million is shifted from this programme which comprises of the R50 million for Compensation of Employees and R19.8 million for Goods and services. The department embarked on stringent cost containment measures and the funds were also directed to fund the priority areas such as repairing the hailstorm damage and an audit regarding asbestos. In addition, compensation of employees is shifted to where employees are placed on the departmental organogram.

### Programme 4: Housing Assets Property Management

TABLE 8.8: PROGRAMME 4: HOUSING ASSETS MANAGEMENT PROPERTY

Sub-programmes  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Sales& Transfer Of Housing Props	36 590				(1 829)				(1 829)	34 761
2.Devolution Of Housing Properties	1 656									1 656
3.Housing Properties Maintenance	48 044									48 044
<b>Total for programme</b>	<b>86 290</b>				<b>(1 829)</b>				<b>(1 829)</b>	<b>84 461</b>

Economic classification  R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>										
Compensation of employees										
Goods and services										
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>86 290</b>				<b>(1 829)</b>				<b>(1 829)</b>	<b>84 461</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	86 290				(1 829)				(1 829)	84 461
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>86 290</b>				<b>(1 829)</b>				<b>(1 829)</b>	<b>84 461</b>

TABLE 8.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: HOUSING ASSETS MANAGEMENT PROPERTY

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(1 829)</b>		
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households	Stringent cost savings measures were introduced along with reprioritisation towards priority areas.	(1 829)		
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 829)</b>		

### Virements and shifts

The net decrease in the programme budget amounts to R1.8 million and is due to the implementation of stringent cost containment measures. The funds are shifted to Programme 2 to be utilised to realise the objectives and to achieve the targets of the department.

## 5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 8.10: EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014 - September 2014	% Change 13/14-14/15 Apr-Sept
<b>R thousand</b>							
1. Administration	208 722	105 597	198 197	95%	283 464	126 866	20%
2. Housing Needs, Research and Planning	14 522	951	10 818	74%	30 117	10 093	961%

Department	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014 - September 2014	% Change 13/14-14/15 Apr-Sept
<b>R thousand</b>							
3.Housing Development	4 318 121	1 411 767	4 240 571	98%	4 716 713	1 733 855	23%
4.Housing Assets Management Property Management	78 276	47 444	96 857	124%	84 461	31 606	(33%)
<b>Total for programmes</b>	<b>4 619 641</b>	<b>1 565 759</b>	<b>4 546 443</b>	<b>98%</b>	<b>5 114 755</b>	<b>1 902 420</b>	<b>22%</b>
<b>Current payments</b>	<b>427 309</b>	<b>170 858</b>	<b>392 077</b>	<b>92%</b>	<b>458 729</b>	<b>209 179</b>	
Compensation of employees	320 580	129 287	316 760	99%	348 460	169 114	31%
Goods and Services	106 729	41 571	75 317	71%	110 269	40 065	(4)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>4 181 382</b>	<b>1 389 162</b>	<b>4 141 781</b>	<b>99%</b>	<b>4 644 474</b>	<b>1 691 025</b>	<b>28%</b>
Provinces and municipalities							
Departmental agencies and accounts							
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	4 181 382	1 389 162	4 141 781	99%	4 644 474	1 691 025	28%
<b>Payments for capital assets</b>	<b>10 950</b>	<b>5 739</b>	<b>12 585</b>	<b>115%</b>	<b>11 552</b>	<b>2 216</b>	<b>(61)%</b>
Buildings and other fixed structures							
Machinery and equipment	10 950	5 739	9 099	1%	11 552	2 216	(61)%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets			3 486				
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>4 619 641</b>	<b>1 565 759</b>	<b>4 546 443</b>	<b>98%</b>	<b>5 114 755</b>	<b>1 902 420</b>	<b>22%</b>

### Expenditure trend for 2013/14

Some of the programmes reflects an under spending which was as a result of shortage of funds for procurement of goods and services and the department embarked on a cost saving exercise in order to curb overspending and due to the delay of placement of staff as a result of demerger and payment of salaries made by COGTA. Furthermore the budget was set aside for 20PTP, however during the 2013/14 financial year, the department reprioritised the spending and consequently did not expand on 20PTP programmes. This was also accelerated by the department's challenge on the shortage of cash. The over expenditure on Payments for Capital Assets classification was as a result 13th month journal for operating leases on payments of copy machines.

### Expenditure trends for the first half of 2014/15

The economic classifications under goods and services are currently reflecting a low or slow spending pattern. This is as a result of the department trying to cut down on costs in order to pay for the accruals of the previous financial year. However, by doing so the department is still ensuring that no service delivery is negatively affected and that the objectives of the department are still met.

The economic classification under Machinery and Equipment is also reflecting a low or slow spending pattern; this is as a result of outstanding invoices not yet paid for services rendered during this current financial year.

## 6. Departmental receipts

TABLE 8.11: DEPARTMENTAL RECEIPTS

Department	2013/14 Audited Outcome				2014/15 Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% Change 13/14-14/15 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licenses							
Motor vehicle licenses							
Sales of goods and services other than capital assets	347	187	3 254	938 %	376	754	303%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land					329		
Sales of capital assets							
Financial transactions in assets and liabilities	3 313	908	1 634	87 %	3 530	987	9%
<b>Total receipts</b>	<b>3 660</b>	<b>1 095</b>	<b>4 888</b>	<b>123 %</b>	<b>4 235</b>	<b>1 741</b>	<b>3%</b>

### Revenue trends for the first half of the 2014/15 financial year

The department have clearly over achieved its anticipated targets for the revenue on Sales of goods and Services; this is mainly attributed to the unexpected increase in sales of goods and services. The reason for the over collection is because of the Scrap of assets <R5000 and servitude rights not budgeted for under Sale of goods and services other than asset. The reason for the significant increase of revenue collection emanated from the unexpected increase in the servitudes since more lines was installed on the land of the department which resulted in an increase of rentals for those lines received. The other reason is that the department has sold many of its unused assets through the bidding process which also contributed to the sharp increase in revenue. Another method of revenue collection for the department is by means of payments received for parking, this year the department has allocated more parking bays to its employees which also contributes to the increase in the revenue. There is also an increase in the sales of tender documents which also contributed to the increase in revenue.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 8:12 : CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 3	4 497 820			12 954					12 954	4 510 774
Human Settlement Development Grant	4 497 820			12 954					12 954	4 510 774
<b>Total changes to transfers and subsidies</b>	<b>4 497 820</b>			<b>12 954</b>					<b>12 954</b>	<b>4 510 774</b>

The total budget for transfers and subsidies has been inflated by an amount of R12.9million, as a result of a rollover amount for R12.9 million. The rollover funds will be utilised to honour the contractual commitments that could not be paid in the preceding year.

### 7.2 Changes to conditional grants

TABLE 8:13 : CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 3	4 419 641			12 954					12 954	4 432 595
Human Settlement Development Grant	4 417 641			12 954					12 954	4 430 595
EPWP	2 000									2 000
<b>Total changes to conditional grants</b>	<b>4 419 641</b>			<b>12 954</b>					<b>12 954</b>	<b>4 432 595</b>

The roll-over amount of R12.9 million will be utilised to honour the contractual commitments that could not be paid in the preceding year. The funds for the rollovers will be used for Malibongwe Ridge for the installation of services and construction of houses and units at Cosmos City.

### 7.3 Changes to infrastructure

TABLE 8:14 : CHANGES TO INFRASTRUCTURE

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
New infrastructure assets	3 687 624			12 954	(939 368)			133 700	(792 714)	2 894 910
Existing Infrastructure assets	744 629				939 368				939 368	1 683 997
Upgrading and additions	645 466				(190 930)				(190 930)	454 536
Rehabilitation, renovation and refurbishment	92 163				1 137 298				1 137 298	1 229 461
Maintenance and repair	7 000				(7 000)				(7 000)	
Infrastructure transfers										
Current Capital										

## Vote 8 - Human Settlements • Adjustment Budget - 2014/15

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Capital infrastructure	4 425 253			12 954	7 000			133 700	153 654	4 578 907
Current infrastructure	7 000				(7 000)				(7 000)	
<b>Total changes to infrastructure</b>	<b>4 432 253</b>			<b>12 954</b>				<b>133 700</b>	<b>146 654</b>	<b>4 578 907</b>

The rollover of R12.9 million is to honor the contractual commitments to be funded from the Human Settlements Development grant [HSDG] for compliance with prescripts of the PFMA and Annual division of revenue act. These funds will be used for Malibongwe Ridge: Installation of municipal services and construction of houses and units at Cosmos City.

An additional funding of R133.7 million was also granted to the department under Programme 3 which will be allocated as follows: R70 million will be used for Syferfontein; R13.7 million will be for the Obed Tombeni Nkosi Project for electricity reticulation and R50 million will be allocated to the mega project Savannah City which will be directed towards bulk infrastructure which deals with the construction of houses, laying out of sewer pipes and electricity lines.