

VOTE 8

DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2015/16	R5 939 014 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department of Human Settlements

1. OVERVIEW

Vision

The vision of the Department of Human Settlements is to provide integrated sustainable human settlements and improved quality of household life.

Mission

The mission of the department is to provide relevant differentiated, good quality housing opportunities to qualifying beneficiaries in partnership with various stakeholders.

Values

The department's values are based on the Batho Pele (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery; and
- Excellence.

Strategic goals

The department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five year programme. The department aims to achieve eight strategic objectives:

- To build inclusive human settlements consistent with integrated, efficient and equitable spatial patterns;
- To build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided;
- To build productive and capable human capital with the relevant and appropriate skills-base to respond to the needs of human settlements

Core functions and responsibilities

The mandate of the department is derived from the Constitution. Its primary roles are:

- To promote and facilitate the provision of adequate housing in the province;
- To develop provincial housing policies that will strengthen the ability to provide housing opportunities to qualifying beneficiaries in order to build sustainable communities.
- To develop and implement programmes and projects that give effect to the province's short, medium and long term housing plans;
- To manage the housing delivery process and transform informal settlements, especially in priority townships, into sustainable and vibrant communities; and provide services in respect of subsidies and rental housing.

Main services

The department delivers quality housing to the Gauteng province through the Human Settlement Development Grant from the National Department of Human Settlements and develops integrated infrastructure to create cohesive communities. It is responsible for managing provincial housing assets through the property management programme and for redistributing or transferring properties to beneficiaries.

Ten pillar programme of transformation, modernisation and re-industrialisation

Modernisation of the public service and transformation of the state and governance

Expenditure relating to this pillar amounts to R445 million under Programme 1: Administration to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (HR, financial management, ICT and facilities). The programme ensures effective leadership, management and administrative support to the core business divisions through continuous refinement of organizational strategy and structure in compliance with appropriate legislation and best practice.

As part of achieving decisive spatial transformation and modernising human settlements and urban development, the Housing Needs, Research and Planning programme undertakes research; and develops policies and plans that give support to the achievement of the ideals expressed by the pillars. Examples of such policies include the Inclusionary Housing Bill, currently under development; the Densification Policy; the Gauteng Rental Housing Strategy; and the Land Invasion Framework. An amount of R30 million has been allocated to achieve this pillar.

Programme 3: Housing Development Programme aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. Expenditure of R5.3 billion has been allocated to the realization on this pillar. The emphasis of this programme is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The department plans to implement mega-projects to provide various housing types, developing along nodes with economic and employment opportunities and transport. The mega projects include: Lion Park, Fleurhof Phases 1 and 2, Diepsloot East, Malibongwe Ridge, Syferfontein and Goudrand Extension 4. The programme is aligned with government's Outcome 8: "Sustainable human settlement and improved quality of household life".

This pillar is supported by Programme 4: Housing Needs, Property Maintenance and Assets. This provides for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Benefit Scheme, and housing property maintenance. In line with the pillar, the department provides cleaning services on its stock of flats and is also transferring ownership of them to people who qualify.

National Development Plan (NDP) and the departmental strategy for 2014-19

The national government's NDP is the overarching plan with which all departments and state agencies are aligned. In terms of the NDP Vision 2030, and Chapter eight (8) in particular, the department needs to ensure that the people of Gauteng have a decent standard of living through the elimination of poverty and reduction of inequality through the following key areas of focus:

- Shape the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devise alternative innovative financial instruments to increase housing opportunities by increasing the supply of Finance Linked Individual Subsidy Programme (FLISP) housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation; and servicing stands by the capital subsidy scheme;
- Play a central coordinating and facilitative role between Global City Regions (GCR) cities and capitalise on the growing integrated urban network to implement the Human Settlement Master plan (Housing Chapters), supported by transport and infrastructure plans and well located human settlements in areas of employment and economic activity;
- Prioritise the development of urban infrastructure, environment and affordability of living in urban centres in order to implement the provincial Bulk Infrastructure Plan; and align funding streams to support the plan (MIG/USDG/MISA);
- Promote social and spatial integration to achieve social cohesion through identifying and providing new human settlements; and

- Develop efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or “pockets of poverty”, through a joint effort with stakeholders. Encourage optimal use of land through densification in strategic locations.

External activities and events relevant to budget decisions

Statistics South Africa (Stats SA) has estimated Gauteng’s population growth at 0.5 per cent. It is expected to remain around this level over time. Stats SA also indicates that the percentage of unemployed South Africans stood at 23 per cent, and that the average monthly salary for South Africans stands at R8 380. The province’s unemployment rate is affected by migration, and increased funding is needed to cater for the increase in the number of poor people who cannot afford to buy houses. The slowdown in economic conditions and the reduction in government spending over the MTEF pose challenges in terms of the number of houses that the department can deliver.

Acts, rules and regulations

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- National Environmental Management Act (Act No. 107 of 1998, as amended by Act No. 8 of 2004);
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Construction Industry Development Board Act (Act No. 38 of 2000);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

Legislative and other mandates

- The core mandate of the department is to ensure the provision of housing and the effective functioning of local government across the province in order to build sustainable communities and facilitate shared and equitable social and economic growth and development.

Policy mandate

The department is guided by the following policies and strategies:

- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- National Housing Policy; and
- National Housing Code.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)

Decisive spatial transformation and modernisation of human settlements and urban development

The location of housing is of vital importance. Whilst significantly altering existing spatial patterns, the department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them in order to counteract the shortage and cost of land in the province. The department planned to complete a total of 748 housing units but only managed to complete 138 of these. Shack encroachment onto the construction site caused delays in the completion of the planned work in Cosmo City, for instance. However, the City of Johannesburg is addressing the issue. Under the Integrated Residential Development Programme (IRDP), the department planned to service 661 stands; however, it serviced only 238 of these. Delays in the payment of claims in relation to the Housing Subsidy System (HSS) administration were a contributory factor in this. Efforts are underway though to fast-track the payment of outstanding claims so that work on the ground can improve. In terms of providing IRDP housing units: Phase 2: Top Structure construction, the department built 948 of these against a planned total of 1 664. This was a consequence of the HSS problem referred to above. However, in relation to servicing stands for upgrading informal settlements, the department exceeded its set target of 718 and serviced 1 976.

Modernisation of human settlements and urban development

Sustainable housing accommodation remains a provincial priority and, in partnership with FLISP, the department

continues to provide subsidized and affordable housing support to first time home owners. For more information about FLISP, see under 7.4.2. Departmental Public-Private-Partnership (PPP) projects. Through the Mixed Housing Development programme, the department delivered 2 913 housing units against the target of 5 993. At the end of the third quarter of the 2014/15 financial year, the programme serviced 2 214 sites against a target of 2 183. In response to informal settlements upgrading, the department completed 2 405 housing units against the target of 4 643.

Decisive spatial transformation

The location of housing opportunities and the form that it takes relates to this Pillar. Developing human settlements along nodal lines is vitally important for maximum benefit including economies of scale. The location of land for housing is therefore critical. For this purpose, the department acquires and develops suitable and well located land, including state-owned land for the creation of sustainable human settlements. During the reporting year, R188 million was allocated to acquire land parcels. A target of 5 land parcels was to be acquired; however, none of these has been acquired to date.

Decisive spatial transformation and modernisation of human settlements and urban development

In addressing “gap”, the department aims to ensure that it provides the various segments of the housing market with access to different types of housing that suit their needs. At the same time, it has to take into account the limited amount, and the cost, of land in the province. The department planned to deliver a total of 431 community residential units (CRUs). However, it delivered only 127, in Kwa-Mazibuko Hostel in Ekurhuleni; and 54 in Kwa-Thema against a target of 79. By the end of the third quarter of 2014/15, the department constructed or converted 181 CRUs against a target of 530.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2015/16)

Decisive spatial transformation and modernisation of human settlements and urban development

The department’s plans for consolidation of its micro-projects into mega projects are underway. Mega projects will ensure that the department undertakes its developments in areas closer to employment, economic opportunities and transport facilities so that residents save money and time and also have access to basic services and other amenities. The department’s target is to deliver 1 422 housing units and 1 660 serviced stands using project-linked subsidies. Under the IRDP: Phase 2: Top Structure Construction, the department plans to develop 230 housing units and 6 190 serviced stands as part of IRDP: Phase 1: Planning and Services under Informal Settlements. For the IRDP: Phase 2: Top Structure: Informal Settlements, the department’s target is to complete 7 480 housing units. It also plans to build and upgrade 974 CRUs and a further 355 rental units under the Social Housing Capital Grant; under rental housing, to deliver 275 units with institutional subsidies; and to build 215 rural housing units. It will make available and allocate housing in line with approved empowerment policies.

The department aims to make available housing opportunities in line with approved empowerment policies and to allocate 17 356 houses. In terms of the Gender, Youth and People with Disabilities (GEYODI) allocation policy, the distribution of the houses will be as follows:

- Women-headed households: 80 per cent (13997);
- Child-headed households: 16 per cent (2799); and
- People with disabilities: 4 per cent (560);

The department supports the important national goal of universal access to basic services, although this is primarily the responsibility of the Department of Cooperative Governance and Traditional Affairs (COGTA). In its supportive role, the department is planning to deliver 4339 serviced informal settlement stands. The services provided include access to basic water, basic sanitation and electricity.

Decisive spatial transformation

Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale. The department plans to acquire 16 well-located land parcels for the development of affordable housing, social and rental housing initiatives and addressing the need of the gap housing market. These pockets of land range between 3-9 hectares in extent and are located within well-established residential areas across the province. However, in addressing the “gap” market needs, the department has a responsibility towards the “modernisation of human settlements and urban development.” To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to

different housing typologies that suit their needs, whilst at the same time taking into account the paucity of and pricey land in the province.

The FLISP was revised to cater for people who earn up to R15 000.00 a month (R3 500.00-R15 000.00 income bracket); this is a significant increase on the previous figure of R10 000.00. As part of improving the property market, the department will set aside 16 land parcels to be developed through the FLISP and deliver 400 housing units during the financial year.

Challenges faced by the department are:

- Continuous increase in the housing demand and thus an increase in the housing backlog;
- Distressed infrastructure as a result of rapid urbanisation and inward migration;
- An increase in the number of informal settlements across the province. Providing basic services to these places a huge financial burden on the province and on the municipalities.
- Growth in the “gap” market demand in line with the revised threshold;
- Difficulties in acquiring suitable and well-located housing land, and high prices asked by its owners; and
- Lack of in-house expertise.

The following are some of the mitigating steps that need to be taken to address these difficulties:

- Joint planning with municipalities and other departments. This collaborative approach is reflected in, for example, the planned mega projects.
- Long-term planning, in co-operation with municipalities and with other departments;
- Consumer education to ensure that there is wide-spread knowledge of opportunities such as FLISP.

4. REPRIORITISATION

The department continues to review its operations in order to identify potential cost savings and eliminate inefficiencies. This will lead to reprioritisation, essential in the present tight fiscal environment. The department continues to explore less expensive building technologies and, taking the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. Thus, the budgets of some programmes, such as Programme 3 where there was a very slow spending trend, have been re-directed to Programmes 1 and 2 where they can be used more effectively. The Department of Human Settlement redirects R105.9 to augment the departmental capacity and address pressures in funding the operating costs of the department. The department contained spending in non-core items such as travelling costs, operating payments and services outsourced to consultants, whilst personnel requirements is reprioritised within the line item across programmes. .

5. PROCUREMENT

The department will continue to procure goods and services in line with the budget allocation indicated by the Provincial Treasury and in terms of all prescribed policies and Acts; and will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subjected to market-related price analysis and the terms and conditions are analysed to identify areas where the department can negotiate for better value for money without compromising quality. The department encourages the use of small black owned businesses to promote sustainable job creation, using a range of these businesses in order to promote fairness and transparency.

In relation to procurement, in the 2015/16 financial year the department plans to:

- Acquire a server room as part of the management of electronic information;
- Install a new telephone system to monitor and contain the cost telephone usage;
- Renovate its building to optimize office space and improve the working environment;
- Continue to train and develop its staff; and
- Honour contractual obligations.

6. RECEIPTS AND FINANCING

6.1. Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Equitable share	456 532	472 105	508 099	548 460	682 160	682 160	959 170	714 286	645 000
Conditional grants	3 804 647	4 003 776	4 108 399	4 419 641	4 432 595	4 432 595	4 979 844	5 473 336	5 769 301
Human Settlement Development Grant EPWP	3 804 647	4 003 776	4 108 399	4 419 641	4 432 595	4 432 595	4 979 844	5 473 336	5 769 301
				2 000	2 000	2 000			
Total receipts	4 261 179	4 475 881	4 616 498	4 970 101	5 116 755	5 116 755	5 939 014	6 187 622	6 414 301

Equitable share and conditional grants are the main source of funding for the Gauteng Department of Human Settlements. The grant allocation caters for the implementation of national and provincial housing programmes, and the equitable share is primarily for carrying out the operational activities of the department. In the 2015/16 financial year the total budget of R5.9 billion is made up R4.9 billion in conditional grant and R959 million in equitable share.

Over the seven years MTEF period, conditional grants have increased steadily from R3.8 billion in 2011/12 to R5.8 billion in the 2017/18 financial year. The conditional grant from the National Department of Human Settlements enables the provincial department to provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The grant increases from R4.9 billion for 2015/16 to R 5.8 billion for the 2017/18 financial year, in line with the estimated inflation projections. The continuous increase of the conditional grant will assist in decreasing the housing backlog which the province experiences.

The provincial allocations and conditional grants allocated to the department during 2014/15 MTEF period provides for continuation of the Alexandra Urban Renewal Project, Inner City Renewal, Rehabilitation of the 20 Prioritised Township Programme (PTP) and 50 poorest wards and carrying the operational activities of the department. Over the 2015/16 MTEF, the department is allocated additional earmarked funding of R370 million of which R270 million is for Syferfontein 1 and 2 and R100 million for bulk infrastructure in Savannah City.

6.2. Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Sales of goods and services other than capital assets	595	1 825	3 255	376	376	911	393	414	435
Interest, dividends and rent on land	10			329	329	329	344	362	380
Sales of capital assets						2 007			
Transactions in financial assets and liabilities	18 856	10 876	1 633	3 530	3 530	3 530	3 692	3 888	4 082
Total departmental receipts	19 461	12 701	4 888	4 235	4 235	4 770	4 429	4 664	4 897

The department generates its revenue from parking fees, sale of tender documents and collection of rental from departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The increased revenue estimates for 2014/15 resulted from servitude rights amounting to R329 000 and sales of scrap on assets less than R5000 amounting to R376 000. This was once-off revenue. Increased parking fees, tender document prices and commission on third party payments could improve revenue collection over the MTEF. Estimated revenue grows from R4.4 million to R4.9 million over the 2015 MTEF.

6.3 Donor Funding

N/A

7. PAYMENT SUMMARY

7.1. Key assumptions

- The department has budgeted for a 5.6 per cent wage increase for the 2015 MTEF, based on assumed CPI;
- The following factors have been taken into account when determining personnel and other economic classifications:
 - Number of staff and possible changes over the MTEF;
 - Basic salary cost including improvement of conditions of service adjustments from 1 April each year;
 - Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
 - Inflation in the cost of goods and services, based on headline CPI projections;
 - Provision for eradicating informal settlements through the province; and
 - Provision for upgrading infrastructure services.

7.2. Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	247 525	220 968	198 197	226 164	283 464	283 464	444 995	459 919	482 915
2. Housing Needs, Research And Planning	8 694	10 821	10 818	15 788	30 117	30 117	29 603	34 854	36 596
3. Housing Development	3 844 953	4 103 039	4 240 571	4 639 859	4 716 713	4 716 713	5 363 737	5 587 280	5 783 942
4. Housing Assets Management Property Management	85 024	86 769	96 857	86 290	84 461	84 461	100 679	105 570	110 848
Total payments and estimates	4 186 196	4 421 597	4 546 443	4 968 101	5 114 755	5 114 755	5 939 014	6 187 622	6 414 301

7.3. Summary per economic classification

TABLE 8.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	340 952	362 337	392 077	458 729	458 729	459 621	566 206	593 719	623 405
Compensation of employees	247 082	298 769	316 760	348 460	348 460	348 411	372 402	393 149	412 807
Goods and services	93 870	63 568	75 317	110 269	110 269	111 210	193 804	200 570	210 598
Interest and rent on land									
Transfers and subsidies to	3 831 990	4 047 556	4 141 781	4 497 820	4 644 474	4 643 553	5 333 882	5 567 124	5 762 778
Provinces and municipalities									
Non-profit institutions									
Households	3 831 990	4 047 556	4 141 781	4 497 820	4 644 474	4 643 553	5 333 882	5 567 124	5 762 778
Payments for capital assets	13 039	10 460	12 585	11 552	11 552	11 581	38 926	26 779	28 118
Buildings and other fixed structures		5 359							
Machinery and equipment	9 096	5 101	9 099	11 552	11 552	11 552	30 926	26 779	28 118
Software and other intangible assets	3 943		3 486			29	8 000		
Payments for financial assets	215	1 244							
Total economic classification	4 186 196	4 421 597	4 546 443	4 968 101	5 114 755	5 114 755	5 939 014	6 187 622	6 414 301

The table above shows that departmental expenditure increased from R4.1 billion in the 2011/12 financial year to R4.5 billion in the 2013/14 financial year. The sharp increase in 2011/12 was mainly as a result of the recalculation of the equitable share receipts based on Stats SA data that showed Gauteng's population was higher than previously indicated. For the 2014/15 financial year, the budget was R5 billion, adjusted to R5.1 billion to cater for projects and roll overs. The largest share of the budget is allocated to the Human Settlements Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

Programme 1: Administration expenditure significantly declined from R248 million 2011/12 to R198 million in the 2013/14 financial year. The decrease related mainly to cost containment measures on Administration programmes. In 2014/15, the budget increased slightly to R226 million and to R283 million during the adjustment

budget; this related to the realignment of the personnel budget from Programme 3: Housing Development. The budget grows from R445 million in 2015/16 to R460 million in 2016/17 and to R483 million in the outer year. Over the MTEF, the department receives additional funding to take account of improvement of conditions of employment and for province-specific outcomes.

Programme 2: Housing Needs, Planning and Research expenditure increased from R8.7 million to R10.8 million from 2011/12 to 2013/14. In 2014/15, the programme budget grew significantly from the main appropriation of R15.8 million to the adjusted budget of R30.1 million. The increase during the adjustment budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre. The budget grows from R29.6 million to R36.6 million over the MTEF. The programme provides the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation.

Programme 3: Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew from R3.8 billion in the 2011/12 financial year to R4.2 billion in the 2013/14 financial year. From 2013/14 to 2014/15, the budget grew from R4.2 billion to R4.6 billion or by 9.5 percent year on year. In the 2014/15 financial year, the budget was adjusted to R4.7 billion to cater for roll overs and additional funding for reticulation and bulk infrastructure in Syferfontein and Savanna City and to speed up housing delivery. In the 2015/16 financial year, the budget increased to R5.4 billion mainly due to additional funding of R390 million for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1-2 and Savanna City. Although the programme received additional funding, Human Settlements Development Grant (HSDG) was reduced by R240 million over the MTEF to make provision for the Housing Development Agency. An amount of R162 million is earmarked for the mining towns of Merafong, Randfontein and Westonaria in the 2015/16 financial year.

Programme 4: Housing Assets Property Management expenditure was R85 million in 2011/12 and R97 million in 2013/14. It decreased to R86 million in the 2014/15 main appropriation. Over the MTEF the budget increases to R101 million in 2015/16 and to R111 million in 2017/18. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands; and to provide the tools and personnel needed for these activities.

Expenditure on compensation of employees increased from R247 million in 2011/12 to R317 million in 2013/14. In the 2014/15 financial year, the budget for personnel amounted to R348 million. The personnel budget grows from R348 million in the 2014/15 financial year to R372 million in the 2015/16 financial year. The increased allocation is mainly attributed to the yearly general increment as agreed upon by the Bargaining Council as well as the filling of critical vacant posts in the department. The total expenditure for goods and services declined considerably from R94 million in the 2011/12 financial year, to R75 million in the 2013/14 financial year. In 2014/15 the allocation for goods and services increased to R110 million mainly to address the budget pressure that the department is experiencing because of increased costs of operations. The budget increases to R211 million for the outer year of the MTEF period.

Transfers and subsidies increased from R3.8 billion in 2011/12 to R4.1 billion in 2013/14. The growth in transfers and subsidies is driven by the growth in Human Settlements Conditional Grant to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. For the period 2014/15 the total allocation for transfers and subsidies amounted to R4.5 billion and it increases to R5.3 billion in 2015/16. The increase caters for the accelerated delivery in housing projects and the eradication of informal settlements in the province. The allocation increases to R5.7 billion for the 2017/18.

Expenditure on machinery and equipment fluctuates, decreasing from R9 million in 2011/12 to R5 million in 2012/13 and increasing to R9 million in 2013/14. The 2014/15 budget was R12 million, increasing to R28 million in the outer year of the MTEF. The budget is mainly for procuring equipment as part of the tools of trade for personnel to carry out their duties efficiently and effectively.

7.4. Infrastructure payments

7.4.1 Departmental infrastructure payments:

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

7.4.2. Departmental Public-Private-Partnership (PPP) projects

Municipal Accreditation Framework

- In all provinces and especially those such as Gauteng which have metropolitan municipalities within their administrative and geographical jurisdiction, the municipal accreditation process remains a key policy issue as the target for level 3 accreditation draws closer. The forthcoming financial year is expected to bring with it major developments in this regard.

Finance linked individual subsidy programme (FLISP).

- FLISP was a key policy issue during the reporting period. It was revised in order to cater for individuals earning up to R15 000.00 a month. This is a significant increase from the previous maximum of R10 000, and was the result of a comprehensive consultation and engagement process between the various stakeholders involved in the housing market. In addition to the revision of the subsidy bracket, the National Housing Finance Corporation (NHFC) was given the responsibility of managing FLISP applications directly with the financiers. This means that government departments' administrative responsibility in relation to FLISP has effectively been taken away.
- The department aims to work in partnership with the identified sectors and to empower them to become productive and to be actively involved in housing construction. The department has since vulnerable groups as including, among others, people with severe mental disabilities, people disabled by violence, particularly domestic violence, orphans and abused children, the aged, victims of war and people living with HIV/AIDS. The range of the department's beneficiaries has therefore been extended to include all vulnerable sections of society.

7.5. Transfers

7.5.1. Transfers to public entities

The Human Settlement Development Grant will be reduced by R240 million over the MTEF period (R80 million in 2015/16, R80 million in 2016/17 and 2017/18.) These funds will be allocated to the Housing Development Agency which is taking on an expanded mandate that includes some of the planning and project development work that was previously carried out by provinces. The reprioritisation therefore adheres to the principle that funds should follow functions.

7.5.2. Transfers to other entities

N/A

7.5.3 Transfers to local government

N/A

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The main goal of this programme is to strengthen and align the department's ability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (HR, financial management, supply chain, ITC, risk management and facilities management and support). The programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are in line with government's Outcome 12 which seeks to achieve "An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship."

Programme objectives

- To ensure that the department's supply chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective; and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the department.
- To ensure that HRM is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide effective, efficient and stable ICT infrastructure and support to the department;
- To ensure prudent financial management, efficient and effective procurement systems and to ensure that

- financial planning and budgeting are aligned to the department's Strategic Plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
 - To ensure effective, efficient and transparent risk management, financial systems and controls in order to safeguard departmental assets; and
 - To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Office Of The MEC									
2. Corporate Services	247 525	220 968	198 197	226 164	283 464	283 464	444 995	459 919	482 915
Total payments and estimates	247 525	220 968	198 197	226 164	283 464	283 464	444 995	459 919	482 915

TABLE 8.6: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	230 850	212 452	185 555	214 357	271 657	271 628	405 769	432 824	454 465
Compensation of employees	151 337	153 626	121 852	138 173	177 673	177 673	231 488	242 921	255 067
Goods and services	79 513	58 826	63 703	76 184	93 984	93 955	174 281	189 903	199 398
Interest and rent on land									
Transfers and subsidies to	14 864	2 171	72	255	255	255	300	316	332
Provinces and municipalities									
Households	14 864	2 171	72	255	255	255	300	316	332
Payments for capital assets	1 596	5 101	12 570	11 552	11 552	11 581	38 926	26 779	28 118
Buildings and other fixed structures									
Machinery and equipment	1 596	5 101	9 084	11 552	11 552	11 552	30 926	26 779	28 118
Heritage Assets									
Software and other intangible assets			3 486			29	8 000		
Payments for financial assets	215	1 244							
Total economic classification	247 525	220 968	198 197	226 164	283 464	283 464	444 995	459 919	482 915

The table above shows that the programme's expenditure decreased from R248 million in 2011/12 to R198 million in 2013/14 financial year. In 2014/15, financial year the budget was R226 million, increased by R57 million, or 25 per cent, during the adjustment budget. It increases to R445 million in 2015/16 and R483 million in the outer year of the MTEF.

The budget shows significant growth of 56 per cent from 2014/15 to 2015/16. This is mainly because the personnel budget shifted from other programmes to this one. The allocated funding will enable the department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will also ensure the implementation of and compliance with minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives delivery and is achieved through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The Sub-programme 1: Office of the MEC has no expenditure or budget for the period under review because the function has moved to Cooperative Governance and Traditional Affairs (COGTA). However, the sub-programme continues to provide administrative and political support by developing and implementing key systems and strategies, and submitting reports and plans for the department and COGTA at stipulated times within the financial year.

The programme's expenditure on compensation of employees decreases from R151 million in 2011/12 to R122 million in 2013/14 before the budget increased to R138 million in 2014/15 financial year and to R231 million in 2015/16. The increase results from the personnel budget being moved from other programmes. The budget remains relatively stable at R243 million and R255 million in the two outer years.

Goods and services expenditure declined significantly from R80 million to R64 million between the 2011/12 to

2013/14 financial year. The decrease was part of the department's cost cutting measures in which the budget allocation for goods and service was reduced. In the 2014/15 financial year, the budget amounted to R76 million and increased slightly during the adjustment budget to R94 million. The budget increased by R80 million to R174 million between 2014/15 and 2015/16 financial years. The budget increases will cater for software licences and office refurbishment and the establishment of the project management office.

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Programme description

The purpose of this programme is to facilitate and undertake housing delivery planning, identify housing needs, provide a regulatory framework for housing delivery, develop policy guidelines, provide provincial inputs on housing legislation and any amendments to these, develop provincial multi-year housing delivery plans, ensure alignment of housing plans with IDPs and conduct research into the demand for housing. The programme also promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale; and sustainable local economies. The programme has a number of transversal functions including quality assurance, research and development and inputs into policy development, planning and housing support.

Programme objectives

- Develop and implement departmental policies and initiate research to achieve the strategic objectives;
- Facilitate the realignment of and compliance with the regulatory environment for sustainable human settlements;
- Develop Annual Performance Plans and the 5 year Strategic Plan;
- Implement, revise and review the department's Programme of Action (PoA); and
- Provide support to various directorates in the department on the development of performance indicators for both the APP and PoA.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS; RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	3 107	3 631	4 120	4 375	14 875	7 997	11 064	10 623	11 155
2. Policy	3 194	3 650	3 171	3 847	3 847	10 704	6 931	10 254	10 767
3. Planning	2 376	3 540	3 478	3 928	5 928	5 928	7 803	9 970	10 468
4. Research	17	49	49	3 638	5 467	5 488	3 805	4 007	4 207
Total payments and estimates	8 694	10 821	10 818	15 788	30 117	30 117	29 603	34 854	36 596

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS; RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	8 694	10 821	10 818	12 150	24 650	24 650	25 798	30 847	32 389
Compensation of employees	8 681	10 759	10 479	11 720	22 220	22 171	22 245	30 328	31 844
Goods and services	13	62	339	430	2 430	2 479	3 553	519	545
Interest and rent on land									
Transfers and subsidies to				3 638	5 467	5 467	3 805	4 007	4 207
Provinces and municipalities									
Households				3 638	5 467	5 467	3 805	4 007	4 207
Payments for capital assets									
Buildings and other fixed structures									
Payments for financial assets									
Total economic classification	8 694	10 821	10 818	15 788	30 117	30 117	29 603	34 854	36 596

The programme's expenditure increased from R9 million to R11 million between the 2011/12 and 2013/14 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the Bill. The 2014/15 budget increases significantly by R14.3 million from R15.7 million to R30.1 million during the adjustment budget, an increase of 88 per cent. The increase was because the personnel budget shifted from Programme 3: Housing Development. The budget is R30 million in 2015/16, R35 million

in 2016/17 and R37 million in 2017/18. The increase in the budget is mainly to develop and implement departmental policies, initiate research to achieve strategic objectives and ensure alignment and compliance with the regulatory environment for sustainable human settlements.

The expenditure for the Sub-programme: Policy remained constant at R3 million from 2011/12 to 2013/14 and the budget was increased to R4 million in 2014/15. It increases to R11 million in 2015/16 and remains constant over the MTEF period.

The budget on Sub-programme: Planning increases from R6 million in 2014/15 to R8 million in 2015/16, or by 32 percent year on year. The growth in the budget is to support the development and alignment of the departmental planning frameworks including the Annual Performance Plans, the Integrated Multi-year Housing Development Plan, the Medium Term Budget Policy Statements and Programmes of Action, in line with national and provincial requirements.

The Sub-programme: Research had no budget allocation in the 2012/13 financial year and in 2013/14 spending amounted to R49 000 to conduct research and develop innovative methods to address housing needs. However funding was increased to R3.6 million in the 2014/15 financial year and grows to R3.8 million in the 2015/16 financial year and R4.2 million in 2017/18. The growth in the budget will fund four research projects to be conducted annually which include: FLISP target market affordability & financial Institutions lending pattern; Human Settlements Satisfaction Survey; Informal Settlements Upgrading Programme; and Understanding Demand and Backlog in the Gauteng Province.

SERVICE DELIVERY MEASURES

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Sub Programme: Policy			
Number of Acts passed/ or policy guidelines approved	3	3	3
Sub Programme: Planning			
Number of municipalities capacitated and supported with regard to human settlements (housing) development planning	12	12	12
Sub Programme: Research			
Number of research projects approved	2	2	2
Number of research papers completed	2	2	

PROGRAMME 3: HOUSING DEVELOPMENT

Programme description

The main aim of this programme is to promote effective and efficient delivery of national and provincial housing programmes. It focuses on the integrated redevelopment of urban communities at scale to cultivate sustainable local economies.

Programme objectives

- Provide and develop integrated infrastructure for the creation of cohesive communities;
- Promote home ownership;
- Substantially reduce levels of unemployment;
- Create a healthy and clean living environment;
- Provide engineering services at an affordable and sustainable level;
- Reduce levels of crime and violence;
- Upgrade existing housing and create additional affordable housing;
- Alleviate poverty;
- Create sustainable livelihoods;
- Create a caring and responsive government;
- Create a better life for all; and
- Implement integrated, high impact, time bound and targeted interventions.

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	105 336	144 423	195 719	232 222	162 422	162 422	126 236	121 645	127 727
2. Financial Interventions	332 858	344 887	577 555	572 059	622 059	808 018	475 331	697 973	732 871
3. Incremental Interventions	2 687 693	2 815 026	2 536 186	3 271 974	3 368 628	3 182 669	4 024 726	3 997 356	4 219 522
4. Social And Rental Intervention	607 081	518 942	883 058	503 444	503 444	503 444	705 971	723 607	654 787
5. Rural Intervention	111 985	279 761	48 053	60 160	60 160	60 160	31 473	46 699	49 034
Total payments and estimates	3 844 953	4 103 039	4 240 571	4 639 859	4 716 713	4 716 713	5 363 737	5 587 280	5 783 942

TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	101 393	139 064	195 704	232 222	162 422	163 343	126 236	121 645	127 727
Compensation of employees	87 059	134 384	184 429	198 567	148 567	148 567	111 236	112 467	118 091
Goods and services	14 334	4 680	11 275	33 655	13 855	14 776	15 000	9 178	9 637
Interest and rent on land									
Transfers and subsidies to	3 739 617	3 958 616	4 044 852	4 407 637	4 554 291	4 553 370	5 237 501	5 465 635	5 656 214
Provinces and municipalities									
Households	3 739 617	3 958 616	4 044 852	4 407 637	4 554 291	4 553 370	5 237 501	5 465 635	5 656 214
Payments for capital assets	3 943	5 359	15						
Buildings and other fixed structures		5 359							
Machinery and equipment			15						
Software and other intangible assets	3 943								
Payments for financial assets									
Total economic classification	3 844 953	4 103 039	4 240 571	4 639 859	4 716 713	4 716 713	5 363 737	5 587 280	5 783 942

The programme expenditure grew from R3.8 billion to R4.2 billion between 2011/12 and 2013/14, a year-on-year increase of 11 per cent. In 2014/15, the programme budget was R4.7 billion and increases to R5.4 billion in 2015/16, and will be R5.6 billion in 2016/17 and R5.8 billion in 2017/18. The purpose of the programme is to assist the department to deliver in its mega projects and programmes: mixed housing development, eradication of informal settlements, alternative tenure, the urban renewal programme and the Priority Township Programme (PTP).

The expenditure for the Sub-programme: Financial Intervention was R333 million in 2011/12 and R578 million in 2013/14. The purpose of the increase was to facilitate immediate access to housing goods and services, create an enabling environment and provide implementation support. After the 2014/15 adjusted budget, the budget stood at R622 million, mainly to cater for credit linked individual housing subsidies, housing finance linked individual subsidies, the enhanced extended discount benefit scheme (EEDBS), Rectified RDP stock 1994-2002, social and economic facilities, NHBRC enrolment and procurement of land parcels. In 2015/16, the programme budget declines by R147 million from the previous financial year. This decrease is mainly because of the change in the department's strategy to focus more on mega projects. The programme budget recovers to R698 million in 2016/17 and R733 million in 2017/18. The projected budget growth will cater for the 1 725 houses targeted to be built under the Finance Linked Individual Subsidy Programme.

The expenditure for the Sub-programme: Incremental Intervention declined from R2.7 billion in 2011/12 to R2.5 billion in 2013/14. The budget increased from R3.3 billion in 2014/15 to R4 billion in 2015/16, and will provide for servicing 2 150 stands and building 1 370 houses for Project-linked Subsidies. The programme expects to service 2 695 stands and build 200 houses/units for the Integrated Residential Development Programme. Through this programme the department plans to complete 11 220 houses/units for Informal Settlements Upgrading over the MTEF. The programme budget estimates show the budgets for 2015/16 and 2017/18 as R4 billion and R4.2 billion respectively. The estimated budget growth provides for the planned mega projects Fleurhof Phase 1 & 2, Cosmo City Phase 1, Malibongwe Ridge, Lufhereng, Syferfontein and Goudrand Ext 4, Lion Park and Diepsloot and expects 73 330 new housing units to be completed over the MTEF. An additional R476 million in provincial-specific funding is earmarked for planning and bulk infrastructure for the Syferfontein and Savana City mega projects

The expenditure for the Sub-programme: Social and Rental intervention grew significantly from R607 million to R883 million between 2011/12 and 2013/14. This increase was driven by the growing demand for housing resulting, among other factors, from immigration to the province. The 2014/15 budget of R503 million shows a decline of R380 million or 43 per cent from the previous financial year. It increases to R706 million in 2015/16 and R724 million in 2016/17, declining to R655 million in 2017/18. The budget will provide for the 980 units to be built for Institutional Subsidies and 4880 CRUs to be converted/up-graded over the MTEF period. The sub-programme also plans to construct 800 units for CRUs and service 650 stands for rural housing.

Transfers and subsidies increased from R3.7 billion in 2011/12 to R4 billion in 2013/14. In 2014/15, the budget increased from R4.4 billion to R4.6 billion in the adjustment budget mainly to provide for payments to contractors and service providers involved with housing development projects including Savana City and Syferfontein. The budget grows from R5.2 billion to R5.5 billion and R5.7 billion over the years of the MTEF. The budget grows at an annual average rate of 2 per cent over the MTEF, mainly driven by growth in the Human Settlement Development Grant.

SERVICE DELIVERY MEASURES

PROGRAMME 3: HOUSING DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Sub-programme: Financial Interventions			
Number of houses built for individual credit-linked subsidies	600	295	495
Sub-Programme: Incremental Interventions			
Number of houses built for individual credit-linked subsidies	19 222	16 527	17 419
Number of land parcels acquired for human settlement development	8 106	8 905	15 389
Sub-Programme: Social and Rental Housing Interventions			
Number of houses built for individual credit-linked subsidies	2 265	1 408	2 135
Number of land parcels acquired for human settlement development		100	100
Sub-Programme: Rural Interventions			
Number of houses built for individual credit-linked subsidies	200	310	224
Number of land parcels acquired for human settlement development	400		150
Priority Projects			
Number of houses built for individual credit-linked subsidies	1 100	1 142	1 475
Number of land parcels acquired for human settlement development	1 901	600	800
Provincial Specific Programmes			
Number of houses built for individual credit-linked subsidies	800	280	300

PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

Programme description

The purpose of the programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It also disposes of the department's commercial properties

Programme objectives

- To capacitate social housing institutions so as to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To provide housing assistance to departmental staff;
- To promote home ownership;
- To deliver housing units in targeted presidential projects; and
- To facilitate affordable rental accommodation, including upgrading backyard rentals and non-transferable stock.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	7 515						8 403	8 403	8 823
2. Sales And Transfer of Housing Properties	36 695	44 876	53 979	36 590	34 761	34 761	39 576	41 674	43 757
3. Devolution of Housing Properties			42 878	1 656	1 656	1 656	2 156	2 270	2 384
4. Housing Properties Maintenance	40 814	41 893		48 044	48 044	48 044	50 544	53 223	55 884
Total payments and estimates	85 024	86 769	96 857	86 290	84 461	84 461	100 679	105 570	110 848

TABLE 8.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	15						8 403	8 403	8 823
Compensation of employees	5						7 433	7 433	7 805
Goods and services	10						970	970	1 019
Interest and rent on land									
Transfers and subsidies to	77 509	86 769	96 857	86 290	84 461	84 461	92 276	97 167	102 025
Provinces and municipalities									
Households	77 509	86 769	96 857	86 290	84 461	84 461	92 276	97 167	102 025
Payments for capital assets	7 500								
Buildings and other fixed structures									
Machinery and equipment	7 500								
Payments for financial assets									
Total economic classification	85 024	86 769	96 857	86 290	84 461	84 461	100 679	105 570	110 848

This programme mainly deals with the Extended Discount Benefit Scheme and transfer of housing properties to beneficiaries. The programme's expenditure increased from R85 million in 2011/12 financial year to R97 million in 2013/14. The allocation for the programme in 2014/15 is R86 million. Between 2015/16 and 2017/18 MTEF, this increases from R101 million to R111 million; much of this is due to staff placed in the programme to carry out the transfer of properties to beneficiaries and manage the processes involved with devolving rental stock to municipalities. The targets for the Sub Programme: Housing Property Maintenance largely depends on how many complaints are received in a given year, as it carries out unplanned maintenance. The targets for the 2016/17 year are estimated to be lower than in previous years as, once they are transferred, properties and their maintenance become the responsibility of the purchaser/owner.

SERVICE DELIVERY MEASURES

PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Sub Programme: Sale and Transfer of Housing Properties	8 000	8 000	8 000
Sub Programme: Devolution of Housing Properties	2 500	2 500	2 500
Sub Programme: Housing Property Maintenance	450	450	400
Sub Programme: Housing Property Maintenance: 6 Inner City Hostels	6	6	6

9. OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 8.13: PERSONNEL NUMBERS AND COSTS: HUMAN SETTLEMENTS

Personnel numbers	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018
1. Administration	498	498	498	519	519	519	519
2. Housing Needs, Research And Planning	44	44	295	38	38	38	38
3. Housing Development	466	466	466	304	304	304	304
4. Housing Assets Management Property Management	152	152	152	58	58	58	58
Total provincial personnel numbers	1 160	1 160	1 411	919	919	919	919
Total provincial personnel cost (R thousand)	247 082	298 769	316 760	348 411	372 402	393 149	412 807
Unit cost (R thousand)	213	258	224	379	405	428	449

TABLE 8.14: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS

	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Total for province									
Personnel numbers (head count)	1 160	1 160	1 411	919	919	919	919	919	919
Personnel cost (R thousands)	247 082	298 769	316 760	348 460	348 460	348 411	372 402	393 149	412 807
Human resources component									
Personnel numbers (head count)	62	62	62	51	51	51	51	51	51
Personnel cost (R thousands)	17 411	17 411	22 729	24 070	24 070	24 070	25 177	26 562	27 890
Head count as % of total for department									
Personnel cost as % of total for department									
Finance component									
Personnel numbers (head count)	82	82	92	141	141	141	141	141	141
Personnel cost (R thousands)	24 214	24 214	15 216	16 114	16 114	16 114	16 856	17 783	18 672
Head count as % of total for department	7.1%	7.1%	6.5%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
Personnel cost as % of total for department	9.8%	8.1%	4.8%	4.6%	4.6%	4.6%	4.5%	4.5%	4.5%
Full time workers									
Personnel numbers (head count)	793	822	861	906	906	906	906	906	906
Personnel cost (R thousands)	226 372	278 059	303 342	342 984	342 984	342 984	364 224	384 521	403 748
Head count as % of total for department	68.4%	70.9%	61.0%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Personnel cost as % of total for department	91.6%	93.1%	95.8%	98.4%	98.4%	98.4%	97.8%	97.8%	97.8%
Contract workers									
Personnel numbers (head count)	44	44	36	13	13	13	13	13	13
Personnel cost (R thousands)	20 710	20 710	13 418	5 427	5 427	5 427	8 178	8 628	9 059
Head count as % of total for department	3.8%	3.8%	2.6%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Personnel cost as % of total for department	8.4%	6.9%	4.2%	1.6%	1.6%	1.6%	2.2%	2.2%	2.2%

For the period under review the table above indicates personnel numbers and personnel cost estimates relating to the Department of Human Settlements. The departmental structure has been reviewed to ensure filling of posts in accordance with the availability of funds. The number of contract workers declines substantially from the 2011/12 financial year, with contract workers being absorbed as permanent staff members.

9.2. Training

ABLE 8.15: PAYMENTS ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	1 307	2 062	7 120	6 410	6 410	6 410	6 768	7 140	7 497
Subsistence and travel									
Payments on tuition	1 307	2 062	7 120	6 410	6 410	6 410	6 768	7 140	7 497
Other									
Total payments on training	1 307	2 062	7 120	6 410	6 410	6 410	6 768	7 140	7 497

TABLE 8.16: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Number of staff	1 160	1 160	1 411	919	919	919	919	919	919
Number of personnel trained	265	226	200	300	300	300	400	500	600
of which									
Male	106	74	90	140	140	140	160	240	240
Female	159	152	110	160	160	160	240	260	360
Number of training opportunities	54	8	20	20	20	20	20	25	25
of which									
Tertiary	27		10	10	10	10	8	10	12
Workshops	13	8	7	7	7	7	4	5	6
Seminars	3		3	3	3	3	3	3	2
Other	11						5	7	5
Number of bursaries offered	21	111	73	100	100	100	100	100	100
Number of interns appointed	32	25	29	30	30	30	30	30	30
Number of learnerships appointed			29	30	30	30	15	15	15
Number of days spent on training	21		80	80	80	80	100	120	126

The table above gives the number of staff participating in the training programmes provided by the department in order to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training as well as details of the number of bursaries and training developments. The training offered relates to computer training, secretarial courses, project management and financial management. The high training cost relates to bursaries to various institutions for different courses.

A total number of 80 employees were trained and developed through skills programmes coordinated by the department in the following programmes: Ms Excel and PowerPoint; project management; and more. The department conducted in-house training where 634 employees were trained on the performance management and Development system.

9.3. Reconciliation of structural changes

N/A

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 8.17: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Tax receipts									
Sales of goods and services other than capital assets	595	1 825	3 255	376	376	376	393	414	435
Sale of goods and services produced by department (excluding capital assets)	595	1 825	3 255	376	376	376	393	414	435
Sales by market establishments	595	1 825	3 255	376	376	376	393	414	435
Fines, penalties and forfeits									
Interest, dividends and rent on land	10			329	329	329	344	362	380
Interest	10			329	329	329	344	362	380
Other capital assets									
Sales of capital assets						2 007			
Transactions in financial assets and liabilities	18 856	10 876	1 633	3 530	3 530	3 530	3 692	3 888	4 082
Total departmental receipts	19 461	12 701	4 888	4 235	4 235	5 493	4 429	4 664	4 897

TABLE 8.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	340 952	362 337	392 077	458 729	458 729	459 621	566 206	593 719	623 405
Compensation of employees	247 082	298 769	316 760	348 460	348 460	348 411	372 402	393 149	412 807
Salaries and wages	213 092	252 466	237 268	265 538	298 038	311 082	306 309	323 743	339 930
Social contributions	33 990	46 303	79 492	82 922	50 422	37 329	66 093	69 406	72 876
Goods and services	93 870	63 568	75 317	110 269	110 269	111 210	193 804	200 570	210 598
Administrative fees	47	60		157	157	112	60	1 224	1 285
Advertising	1 113	2 482	3 813	4 307	5 307	5 307	8 732	6 426	6 747
Minor assets	1 306	1 019	1 090	1 529	529	550	419	2 058	2 161
Audit cost: External	4 244	193	7 589	6 500	6 500	6 500	6 825	7 871	8 265
Bursaries: Employees	129	157	269	850	850	855	2 893	1 045	1 097
Catering: Departmental activities	777	1 343	1 476	739	2 839	2 839	3 269	2 345	2 463
Communication (G&S)	19 829	15 173	18 218	20 500	20 500	20 500	20 000	17 781	18 670
Computer services	867	2 932	88	1 000	5 000	5 000	15 750	7 002	7 352
Consultants and professional services: Business and advisory services	13 416	8 535	8 270	12 506	11 849	15 590	38 879	6 477	6 800
Consultants and professional services: Legal costs	1	8	25	200	200	200	210	12 095	12 699
Contractors	6 324	2 020	37	350	10 350	4 979	39 553	12 199	12 809
Agency and support / outsourced services	1 854	500	99	20 120	2 120	2 120	10 126	1 225	1 287
Entertainment		42	21						
Fleet services (including government motor transport)				11 020	11 020	11 020	11 000	32 159	33 767
Inventory: Clothing material and accessories			50			105			
Inventory: Farming supplies						150			
Inventory: Food and food supplies	11		215	150	150	13	200	682	716
Inventory: Fuel, oil and gas		10		15	15	15	16	16	17
Inventory: Materials and supplies	4	1							
Inventory: Other supplies		1 209							
Consumable supplies	837		2 833	1 230	3 230	5 230	4 660	15 025	15 776
Consumable: Stationery, printing and office supplies	6 005	4 860	4 034	1 975	3 975	3 238	3 678	10 968	11 517
Operating leases	10 346	3 865		6 300	6 300	6 800	4 000	10 266	10 779
Property payments	10 747	2 626	3 503	700	1 700	2 096	2 650	5 542	5 820
Transport provided: Departmental activity	137		15 560					2 500	2 625
Travel and subsistence	13 973	13 450	4 673	13 951	7 551	7 600	8 144	18 525	19 451
Training and development	1 178	1 490	534	4 269	4 269	4 269	3 817	15 328	16 094
Operating payments	460	854	136	1 101	2 058	2 322	3 255	2 027	2 128
Venues and facilities	265	739	2 784	800	3 300	3 300	5 668	9 785	10 274
Rental and hiring					500	500			
Transfers and subsidies	3 831 990	4 047 556	4 141 781	4 497 820	4 644 474	4 644 523	5 333 882	5 567 124	5 762 778
Provinces and municipalities									
Households	3 831 990	4 047 556	4 141 781	4 497 820	4 644 474	4 643 553	5 333 882	5 567 124	5 762 778

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R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Social benefits	28	2 171	72	255	255	255	300	316	332
Other transfers to households	3 831 962	4 045 385	4 141 709	4 497 565	4 644 219	4 643 298	5 333 582	5 566 808	5 762 446
Payments for capital assets	13 039	10 460	12 585	11 552	11 552	11 581	38 926	26 779	28 118
Buildings and other fixed structures		5 359							
Other fixed structures		5 359							
Machinery and equipment	9 096	5 101	9 099	11 552	11 552	11 552	30 926	26 779	28 118
Other machinery and equipment	9 096	5 101	9 099	11 552	11 552	11 552	30 926	26 779	28 118
Software and other intangible assets	3 943		3 486			29	8 000		
Payments for financial assets	215	1 244							
Total economic classification	4 186 196	4 421 597	4 546 443	4 968 101	5 114 755	5 114 755	5 939 014	6 187 622	6 414 301

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	230 850	212 452	185 555	214 357	271 657	271 628	405 769	432 824	454 465
Compensation of employees	151 337	153 626	121 852	138 173	177 673	177 673	231 488	242 921	255 067
Salaries and wages	131 654	133 380	98 560	109 075	148 575	159 294	185 191	194 474	204 198
Social contributions	19 683	20 246	23 292	29 098	29 098	18 379	46 297	48 447	50 869
Goods and services	79 513	58 826	63 703	76 184	93 984	93 955	174 281	189 903	199 398
Administrative fees	47	60		50	50	54	53	1 111	1 166
Advertising	384	2 430	3 813	3 500	4 500	4 500	8 725	5 364	5 633
Minor assets	1 306	1 004	1 079	1 100	100	121	105	1 449	1 522
Audit cost: External	4 244	193		6 500	6 500	6 500	6 825	7 871	8 265
Bursaries: Employees	129	157	269	850	850	850	2 893	1 045	1 097
Catering: Departmental activities	767	1 298	1 284	550	2 550	2 550	2 678	1 994	2 094
Communication (G&S)	19 829	15 173	18 218	20 000	20 000	20 000	20 000	17 255	18 118
Computer services	867	2 932	88	1 000	5 000	5 000	15 750	7 002	7 352
Consultants and professional services: Business and advisory services	7 780	8 535	8 270	8 456	8 456	12 197	38 879	6 106	6 411
Consultants and professional services: Legal costs	1	8	25	200	200	200	210	12 095	12 699
Contractors	6 324	2 020	33	50	10 050	4 979	39 553	12 178	12 786
Agency and support / outsourced services	1 854	9	99	120	120	120	126	246	259
Entertainment		42	21						
Fleet services (including government motor transport)			(2)	11 020	11 020	11 020	11 000	32 159	33 767
Inventory: Clothing material and accessories			50						
Inventory: Farming supplies						150			
Inventory: Food and food supplies	11		215	150	150	13	200	682	716
Inventory: Fuel, oil and gas		10		15	15	15	16	16	17
Inventory: Materials and supplies	4	1							
Inventory: Other supplies		1 193							
Consumable supplies	837		2 595	1 192	3 192	5 192	4 352	14 680	15 414
Consumable: Stationery,printing and office supplies	5 914	4 598	3 930	1 000	3 000	2 263	3 000	9 886	10 380
Operating leases	3 228	3 461	(60)	3 500	3 500	4 000	4 000	10 107	10 612
Property payments	10 747	2 625	3 503	700	1 700	1 700	2 650	5 542	5 820
Transport provided: Departmental activity	137		15 560					2 500	2 625
Travel and subsistence	13 200	10 279	1 460	12 451	4 451	4 451	4 674	14 665	15 398
Training and development	1 178	1 487	534	2 380	4 180	4 180	3 724	15 135	15 891
Operating payments	460	743	87	600	1 100	600	500	1 232	1 293
Venues and facilities	265	568	2 632	800	3 300	3 300	4 368	9 585	10 064
Rental and hiring									
Transfers and subsidies	14 864	2 171	72	255	255	255	300	316	332
Provinces and municipalities									
Households	14 864	2 171	72	255	255	255	300	316	332
Social benefits	28	2 171	72	255	255	255	300	316	332

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Other transfers to households	14 836								
Payments for capital assets	1 596	5 101	12 570	11 552	11 552	11 581	38 926	26 779	28 118
Buildings and other fixed structures									
Machinery and equipment	1 596	5 101	9 084	11 552	11 552	11 552	30 926	26 779	28 118
Transport equipment									
Other machinery and equipment	1 596	5 101	9 084	11 552	11 552	11 552	30 926	26 779	28 118
Software and other intangible assets			3 486			29	8 000		
Payments for financial assets	215	1 244							
Total economic classification	247 525	220 968	198 197	226 164	283 464	283 464	444 995	459 919	482 915

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS; RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	8 694	10 821	10 818	12 150	24 650	24 650	25 798	30 847	32 389
Compensation of employees	8 681	10 759	10 479	11 720	22 220	22 171	22 245	30 328	31 844
Salaries and wages	7 586	8 902	10 479	10 314	19 314	18 163	17 781	23 553	24 730
Social contributions	1 095	1 857		1 406	2 906	4 008	4 464	6 775	7 114
Goods and services	13	62	339	430	2 430	2 479	3 553	519	545
Administrative fees				7	7	7	7	7	8
Advertising				7	7	7	7	7	8
Minor assets				4	4	4	164	4	4
Catering: Departmental activities	4		5	39	139	139	441	43	45
Consultants and professional services:									
Business and advisory services					1 000	1 000			
Contractors			4						
Inventory: Clothing material and accessories						105			
Consumable supplies				8	8	8	8	8	9
Consumable: Stationery, printing and office supplies			104	75	75	75	678	82	86
Operating leases			60						
Property payments						96			
Travel and subsistence	9	15	10		400	449	800		
Training and development				89	89	89	93	98	103
Operating payments		23	22	201	201		255	269	282
Venues and facilities		24	134				1 100		
Rental and hiring					500	500			
Transfers and subsidies				3 638	5 467	5 467	3 805	4 007	4 207
Provinces and municipalities									
Households				3 638	5 467	5 467	3 805	4 007	4 207
Social benefits									
Other transfers to households				3 638	5 467	5 467	3 805	4 007	4 207
Total economic classification	8 694	10 821	10 818	15 788	30 117	30 117	29 603	34 854	36 596

TABLE 8.21: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	101 393	139 064	195 704	232 222	162 422	163 343	126 236	121 645	127 727
Compensation of employees	87 059	134 384	184 429	198 567	148 567	148 567	111 236	112 467	118 091
Salaries and wages	73 847	110 184	128 229	146 149	130 149	133 625	98 134	100 513	105 539
Social contributions	13 212	24 200	56 200	52 418	18 418	14 942	13 102	11 954	12 552
Goods and services	14 334	4 680	11 275	33 655	13 855	14 776	15 000	9 178	9 637
Administrative fees				100	100	51		105	111

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R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Advertising	729	52		800	800	800		1 054	1 107
Minor assets		15	11	425	425	425		455	478
Audit cost: External			7 589						
Bursaries: Employees						5			
Catering: Departmental activities	6	45	187	150	150	150		158	166
Communication (G&S)				500	500	500		527	553
Computer services									
Consultants and professional services:									
Business and advisory services	5 636			4 050	2 393	2 393		371	389
Contractors				300	300			21	22
Agency and support / outsourced services		491		20 000	2 000	2 000	10 000	979	1 028
Entertainment									
Fleet services (including government motor transport)			2						
Inventory: Other supplies		16							
Consumable supplies			238	30	30	30		37	39
Consumable: Stationery, printing and office supplies	91	262		900	900	900		1 000	1 050
Operating leases	7 118	404		2 800	2 800	2 800		159	167
Property payments		1				300			
Travel and subsistence	754	3 156	3 203	1 500	2 700	2 700	2 500	3 690	3 875
Training and development		3		1 800				95	100
Operating payments		88	27	300	757	1 722	2 500	527	553
Venues and facilities		147	18						
Rental and hiring									
Transfers and subsidies	3 739 617	3 958 616	4 044 852	4 407 637	4 554 291	4 553 370	5 237 501	5 465 635	5 656 214
Provinces and municipalities									
Households	3 739 617	3 958 616	4 044 852	4 407 637	4 554 291	4 553 370	5 237 501	5 465 635	5 656 214
Social benefits									
Other transfers to households	3 739 617	3 958 616	4 044 852	4 407 637	4 554 291	4 553 370	5 237 501	5 465 635	5 656 214
Payments for capital assets	3 943	5 359	15						
Buildings and other fixed structures		5 359							
Buildings									
Other fixed structures		5 359							
Machinery and equipment			15						
Transport equipment									
Other machinery and equipment			15						
Software and other intangible assets	3 943								
Total economic classification	3 844 953	4 103 039	4 240 571	4 639 859	4 716 713	4 716 713	5 363 737	5 587 280	5 783 942

TABLE 8.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	15						8 403	8 403	8 823
Compensation of employees	5						7 433	7 433	7 805
Salaries and wages	5						5 203	5 203	5 463
Social contributions							2 230	2 230	2 342
Goods and services	10						970	970	1 019
Minor assets							150	150	158
Catering: Departmental activities							150	150	158
Consumable supplies							300	300	315
Travel and subsistence	10						170	170	179
Venues and facilities							200	200	210
Rental and hiring									
Transfers and subsidies	77 509	86 769	96 857	86 290	84 461	84 461	92 276	97 167	102 025
Provinces and municipalities									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Non-profit institutions									
Households	77 509	86 769	96 857	86 290	84 461	84 461	92 276	97 167	102 025
Social benefits									
Other transfers to households	77 509	86 769	96 857	86 290	84 461	84 461	92 276	97 167	102 025
Payments for capital assets	7 500								
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	7 500								
Transport equipment									
Other machinery and equipment	7 500								
Total economic classification	85 024	86 769	96 857	86 290	84 461	84 461	100 679	105 570	110 848



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