

VOTE 8

DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2020/21	R 5 739 452 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department

1. OVERVIEW

Vision

To create integrated and sustainable human settlements within a smart Gauteng City Region.

Mission

To align national and provincial sector priorities of the 6th term of administration and reflect the impact and outcomes the Department will achieve through implementation of its Strategic Plan.

To lead and direct the delivery of Human Settlements across Gauteng and the restoration of human dignity through:

- Functional and integrated management and governance of the Department
- Development and implementation of responsive research-based policies, legislation and strategic frameworks that enable the speedy, effective and efficient delivery of human settlements
- Facilitation of the development of spatially just, efficient, equitable, sustainable and transformed human settlements
- Implementation of an efficient and effective Beneficiary Administration and Title Deeds Programme that provides social justice through security of tenure and asset value for homeowners
- Effective, efficient and compliant management of the Department's housing stock/property assets.

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
- Excellence
- Sanctioning bad behaviour and rewarding good behaviour
- Accountability
- Sound ethical standards.

Strategic goals

The GDHS's Vision, Mission and Values for the sixth term of administration are informed by the following principles:

- Consistent mandate of the Department regarding integrated and sustainable human settlements.
- Undertaking by government to improve on its successes over the past 25 years in general and the previous 5th term of administration in particular.
- Strategic paradigm shift away from sporadic and uncoordinated development to purposefully planned and developed Mega Projects that are completely self-sufficient in providing for the housing, social and economic needs of the community.
- Development of human settlements that mainstream economic development and social cohesion and consolidate inter-governmental, stakeholder collaboration and relationships.

- Achieving the outcome of a spatially just and transformed space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas.

Emphasis has been based on the fact that “spatial integration, human settlements and local government” is one of the seven national priorities as evidenced in State of the Nation Address (SONA) and that efforts to identify and release public land that is suitable for smart, urban settlements will be accelerated. This is in alignment with the five provincial priorities for the 6th term of administration as evidenced in the State of the Province Address (SOPA) namely, “Integrated mega human settlements and land release”.

Core functions and responsibilities

The mandate of the GDHS is to provide housing opportunities and facilitate the development of sustainable, integrated human settlements that:

- Respond to the social and economic needs of people
- Turn the tide against the legacy of apartheid spatial planning
- Provide safe and secure spaces where people can live, play, relax and work in the same place
- Modernise our human settlements.

Consolidating and up-scaling the development of Mega Human Settlements remains the strategic paradigm within which the GDHS will perform its work.

Main services

Collectively, the five outcomes of the Department contribute to Priority Four in the NDP 5-year Plan: i.e. Spatial Integration, Human Settlements and Local Government and their related outcomes. The outcome indicators are responsive to the following provincial priority interventions:

- Up-scaling implementation of Mega Human Settlements and fast-tracking the roll-out of mega infrastructure projects for new nodes and cities
- Accelerating the Rapid Land Release Programme: fast-tracking the release of unutilised government buildings, abandoned factories, municipal shops or land for urban agriculture to entrepreneurs, as well as releasing land for places of worship
- Upgrading and re-development of hostels
- Stopping land invasions through the counter land invasion strategy and its implementation
- Developing innovative partnerships to provide affordable lending to owners of properties to upgrade their backyard rooms towards enhancing and expanding the township rental economy
- Student accommodation through GPF
- The urban renewal programme: Alexander, Evaton, Winterveld, Kliptown and Bekkersdal
- Security of tenure through the Title Deeds programme
- The informal settlements upgrading programme
- Completion of incomplete and abandoned housing projects
- Bulk Infrastructure Support (through 2% HSDG allocation and Mining Towns grant)
- Township formalisation and proclamation
- Transformational imperatives namely job creation, incubation, youth skills programme(s)

The key enablers to achievements are as follows:

- A revised organisational structure designed to deliver on the Department’s strategy. The Department has amended its 2019/20 APP to complete this process by March 2020.
- The revised structure appropriately staffed with requisite skills, capacity and knowledge within its human capital resources. The Department plans to have its approved structure fully staffed by the end of the first quarter of the 2020/21 financial year.
- Successful implementation of the Integrated Service Delivery Model (IDMS), including its adaptations to suit the needs of the construction value chain of human settlements and the training of departmental staff on the use of the system. The Department plans to have acquired this system and to have it ready for full-scale implementation in the first quarter of the 2020/2021 financial year.
- Successful structured inter-governmental planning system and processes that ensure integrated spatial planning and budgeting in respect of human settlements. This includes planning and budgeting for bulk infrastructure, waste-water treatment solutions, etc.
- Fast-tracking human settlement matters on the agendas of GPG EXCO and Gauteng Legislature Committees and Legislature sittings of matters identified as requiring decision-making and/or adoption at these respective political levels.
- An adopted Gauteng Human Settlement Spatial Master Plan that is applicable to all related provincial and local government structures and against which programmes, projects and budgets will be aligned and consolidated.
- Achievements of Outcomes 1 and 2 of the Department which are cross-cutting elements of all outcomes.

External activities and events relevant to budget decisions

The Gauteng Partnership Fund (GPF) is a schedule 3 C Public Entity founded in 2002 and 100% owned by the Gauteng Department of Human Settlements. Its key mandate is- focused on the social housing market and over the years has evolved to include affordable housing. It therefore seeks to attract public and private sector capital into the low income housing sector and currently has committed approximately R1.9b GPF funding towards affordable and social housing. Its focus areas are Social Housing, Student Housing, Affordable Housing and Mixed Use Developments (Mega Projects)

The Gauteng Partnership fund (GPF) as an entity of the Department is in the process of:

- Converting from a Trust to an SOE
- Process to be followed by conversion from a 3C to a 3D to enable mobilization of funding and borrowing from the private sector
- To effectively manage its portfolio outside Mega Projects, the GPF will need R250m in the 2020/21 and in turn through this R700m will be mobilized to satisfy the current pipeline.
- The R500m facility from PIC and Future Growth won't be accessed without own capitalization – lost opportunity cost

Acts, rules and regulations

The National Housing Code sets out the overall vision for housing in South Africa and the linkages between various policy programmes. The Code was revised to align it with the Breaking New Ground (BNG) strategy and accommodate changes effected since 2000 and to convert the programmes into flexible and less prescriptive provisions and guidelines.

The National Spatial Development Framework (NSDF)

The NSDF is a key mechanism of government to reconfigure apartheid spatial relations and implement spatial priorities in ways that meet the stated goal of providing basic services to all and alleviating poverty and inequality. The NSDF recognizes the burden that unequal and inefficient spatial arrangements place on communities and especially the poor who, for example, must bear significant transport costs to commute long distances to and from work. Similarly, the Gauteng Employment, Growth and Development Strategy (GEGDS) and the Municipal Integrated Development Plans are central programmes of government's response to its stated aim of growing the economy and addressing the needs of poor people.

The four principles of the NSDF are:

- Rapid economic growth that is sustained and inclusive to achieve poverty alleviation
- Fixed investment focused on localities of economic growth or economic potential
- Programmes and projects to address poverty and the provision of basic services in areas where low economic potential exists
- Future settlement and economic development opportunities should be channeled into activity corridors and nodes adjacent to or linked with main centres.

The National Development Plan (NDP) 2030

The introduction to the Chapter on Human Settlements in the NDP is unambiguous. It states, "Where people live and work matters". The NDP also provides key principles that must underlie the transformation of human settlements. These include:

- Human settlements must systematically change the entrenched apartheid spatial patterns that resulted in social inequality and economic inefficiencies.
- Human settlements must be responsive to the unique needs and potentials of rural and urban areas.
- Human settlement policies and legislation must realize people's constitutional right to housing.
- The delivery of housing must restructure towns and cities, strengthen the livelihood prospects of households and support active citizenship and involvement in conceptual and planning processes.
- Human settlement spaces must be livable, equitable, sustainable, resilient, efficient and support economic opportunities and social cohesion.
- Human settlement developments must provide people with a greater choice of where to live.

The Integrated Urban Development Framework (IUDF)

The IUDF actualises the NDP's directive for an urban development policy that is mindful of increasing urbanisation across the country. According to the IUDF, more than 60% of South Africa's population live in urban areas and it is projected that this number will increase to over 70% by 2030 and to 80% by 2050.

The aim of the IUDF is to reap the benefits of urbanisation and minimise the impacts of badly managed urbanisation through proper planning and provision of necessary infrastructure. Urban development requires integrated and coordinated interventions across government and other sectors of society to develop inclusive, resilient and livable urban settlements that serve as engines of growth. The IUDF is therefore responsive to Sustainable Development Goal (SDG) 11: "making cities and human settlements inclusive, safe resilient and sustainable."

“The key outcome of the IUDF is spatial transformation” and its objective is to “ensure spatial integration, improve access to services and promote social and economic inclusion”². Achieving the IUDF is premised on four strategic goals and nine inter-linked policy levers that address the structural drivers which retain the status quo. These goals and levers are shown in the following table.

Strategic Goals and Policy Levers of the IUDF

Spatial integration	Integrated urban planning and management
Inclusion and access	Integrated transport and mobility
Growth	Integrated sustainable human settlements
Governance	Integrated urban infrastructure
	Efficient land governance and management
	Inclusive economic development
	Empowered active communities
	Effective urban governance
	Sustainable finances

The Global City Region (GCR) Perspective: Gauteng 2055

The GCR Perspective seeks to promote Gauteng's development agenda by positioning the province as a globally competitive city region. The GCR strategy also seeks to address inequality and uneven development in the province. The long-term plan for achieving this is contained in the Gauteng 2055 document. Chapter 4, section 4.3 states the following with regard to human settlements in a GCR, “Our people live in healthy, safe spaces – supported by the nutrients for human growth, prosperity and dignity: affordable, accessible and equitable green spaces; recreational facilities, schools; clinics; shops; places of celebration and worship; places to gather; opportunities for work; networks for transit, ICT and economic infrastructure; heritage sites; and spaces in which collective creativities and dreams can be harnessed.”

The new strategic approach of the GDHS is firmly located within this policy imperative.

GPG's Transformation, Modernization and Re-industrialization (TMR) Strategy

The fifth term of democratic administration of Gauteng Province is fortified by its TMR Strategy which is underscored by 10 Pillars. Collectively, the Pillars advocate equitable socio-economic development, good governance and development across the continent. The main thrust of each Pillar is transformation and/or modernization and/or reindustrialization.

The GDHS responds directly to four of the ten Pillars, as the following table shows.

Even though the Department is not directly accountable for the other six (6) pillars, it does contribute to them with a specific emphasis on job creation, economic growth and development and socio-economic infrastructure.

² IUDF, Cogta, 2016.

GPG Pillars that the GDHS responds to

Decisive Spatial Transformation	Accelerated Social Transformation	Modernisation of Human Settlements and Urban Development	Modernisation of the Public Service
<p>The elements that relate to human settlements are:</p> <ul style="list-style-type: none"> transforming the spaces people live in by connecting and integrating places of work and human settlements spatial transformation and modernisation of human settlements Better and coordinated land use management and spatial development. Creation of new integrated and sustainable human settlements and post-apartheid cities that are more connected, livable, smart and green. 	<p>The elements that relate to human settlements are:</p> <ul style="list-style-type: none"> Raising the living standards and quality of life of all the people of Gauteng. 	<p>The key elements of this pillar are</p> <ul style="list-style-type: none"> development of new post-apartheid cities integrated and sustainable human settlements that are socially and economically inclusive and promote urban green development renewal of old towns and townships inner-city regeneration working together with municipalities and the private sector implementing biometric technology eradicating the bucket system converting all hostels into family units preventing illegal land invasion and growth of informal settlements integrated urban planning and development. 	<p>The key elements that relate to GDHS are:</p> <ul style="list-style-type: none"> changing the way institutions relate to society serving people to be centre of work building a capable and developmental state dealing with and eradicating corruption among public officials and public servants

Other relevant 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)
- Public Finance Management Act (Act No. 1 of 1999)
- 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)
- Deeds Registries Act (Act No. 47 of 1937).

Legislative and other mandates

The core mandate of the Department is to provide housing opportunities and facilitate the development of sustainable, integrated human settlements.

Other policies and strategies

- The Department is guided by the following policies and strategies:
- Provincial Growth and Development Strategy (PGDS)
- Gauteng Human Settlements Mega Projects Strategy
- National Housing Policy

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2019/20)

The location of housing is critical to ensuring elements of the spatial development framework have been considered in an endeavour to transform old patterns of development. These are:

- Nodal development (high intensity land use)
- Promoting links between nodes
- Identifying areas where in-fills and densification could be planned and could best facilitate spatial integration
- Limiting inefficient low density developments; protecting valuable natural heritage resources, economic wetlands, agricultural land, future growth areas etc.

Whilst aiming to significantly alter existing spatial patterns, the Department has the responsibility to modernise urban development and human settlements through greening these developments and densifying them to counteract the shortage and cost of land in the province. Partnerships with the Gauteng Department of Agriculture and Rural Development (GDARD) specific to mega projects have already been initiated but are not limited to such interventions. The strategy on densification is of great importance and especially relevant in Gauteng given the scarcity of well-located and suitable land for human settlements development. In its current form, the strategy requires consideration of the governance packages that address in particular indigents who are unable to undertake the financial responsibilities linked to, for example, Sectional Title Deeds costs as they are not covered by the subsidy quantum, Insurance of Buildings Maintenance, water meter technology (it remains difficult to solicit this from municipalities) and body corporate implications, etc. These are conscious and deliberate efforts/commitments/developed solutions that government needs to consider.

The Department's five-year targets aligned to national and provincial priorities are unlikely to be met because of a number of historical issues. These include but are not limited to the following:

- The extent of accruals, which have implications for reaching the committed targets
- Budget reductions in the Human Settlements development Grant (HSDG) and the equitable share, and the consistent unanticipated sector budget cuts which will lead to reduced targets
- The budget non-consideration of provincial priorities like hostel redevelopment, safe guarding of assets (invaded land assets)
- Title deeds performance will continue not to perform given that the Title Deeds Restoration Grant has gaps in the framework and does not address historical planning backlog milestones and emerging priorities from the HSDG gaps. The Department has a number of legacy projects that are the subject of non-formalisation of a township/non-proclamation of townships. The major impediment is the pending milestones to conclude the township formalisation process which are not covered by the HSDG subsidy quantum whilst the TRG was created to address the Title Deeds backlog. This seems near impossible given the above-cited gaps that require attention. There are also glaring pending milestones, general plans, opening of township registers e.g. retaining walls, storm water drains, roads and lights masts not covered by the subsidy quantum.

The aim is to have such developments taking place in areas close to employment and/or economic opportunities and transport facilities so that residents save money and time commuting between their workplaces and homes and gain access to basic services and other amenities.

The Department's cumulative performance in terms of the housing programmes (implemented as at end of January of the 2019/20 financial year post the end of the third quarter) is summarised below.

Housing Development: The adjusted Annual Performance Plan (APP) for the 2019/20 financial year was 13 105 serviced stands and 19 697 housing units. Actual delivery as at the end of January 2020 was 6 283 of the planned number of serviced stands and 7 449 housing units.

Housing units and serviced stands combined yielded 13 732 outputs or 42 percent of the combined planned output of 32 400. The deficit of 6 822 stands and 12 248 housing units will be fast-tracked during the fourth quarter of the financial year.

The programme which performed adequately during the first three quarters of the financial year is the Integrated Residential Development Programme (IRDP): Top Structure Informal Settlements programme. Weekly monitoring of implementation of projects, including expenditure and unlocking of blockages through implementation of the recovery plan, is undertaken to fast-track service delivery as part of remedial actions. The planned 2019/20 targets will be affected by the probable R250 million budget reduction in the 2019/20 financial year HSDG and by under-performance of municipalities as implementing agents.

Financial Intervention Programme: Under Financial Intervention, the Department aimed to produce 2 988 housing units in the year under review. 433 units had been achieved as at the end of the third quarter.

Finance Linked Individual Subsidy Programme (FLISP): The sub-programme is implemented with the assistance of the National Housing Finance Corporation (NHFC) and the yield depends on approval of beneficiaries for bonds from the banks. As per the approved business plan, targets were set to be achieved in the fourth quarter of the financial year.

Incremental Housing Programme: No stands and housing units were planned under the Integrated Residential Development Programme: Phase 1: Planning and services, Integrated Residential Development Programme, Phase 2: Top Structure Construction and Informal Settlement Upgrading.

Integrated Residential Development Programme: Phase 1: Planning and Services Informal Settlements: Under the programme, to date no stands and housing units have been achieved. This is because the project was not ready for implementation and was removed from the Business Plan as part of adjustments submitted to the Department in October 2019 to address outstanding planning milestones and the delay in appointing contractors.

Integrated Residential Development Programme: Phase 2: Top Structure Construction Informal Settlements: A cumulative total of 6 282 housing units were realised under the programme against a target of 11 496. The under-achievement can be attributed to the following factors: insufficient bulk sewer; lapse of signed contracts; invasion of the houses and community disruptions; insufficient or lack of approved beneficiaries on HSS; late appointment of contractors and non-enrolment of some projects with the National Home Builder Registration Council (NHBRC).

Social and Rental Intervention Programme

No targets were set under this programme; however, 720 units were achieved under the Social Housing sub-programme. The achievement is towards the annual target as no quarterly targets were set.

No targets set under the following programmes for the current financial year (2019/20), the Rural Housing Communal Land Rights Programme and Priority Projects programme. A total of 14 units were realised against the annual target of 21 under Provincial Specific projects as construction work for these units started in the previous financial year.

COMMENTS ON DELIVERY

Delivery towards the adjusted 2019/20 APP target stood at 6 283 as at the end of January 2020 against a target of 13 105 (48 per cent). A total of 7 449 (38 per cent) housing units were delivered against the adjusted annual performance plan (APP) target of 19 697. There is a deficit of 6 822 stands and 12 248 housing units which the Department must deliver by the end of the 2019/20 financial year.

A total of 7 006 Title Deeds were registered across all title Deed categories (pre-, post and new title Deed) based on a total adjusted APP target of target of 46 230 and an initial TRG target of 52 443.

Factors that hampered the performance of projects can be summarised as follows:

- Business forums prohibit the execution of departmental projects.
- Barriers to Title Deeds registration due to pending township formalisation and proclamation.
- Inadequate or lack of bulk infrastructure capacity to enable development; in some cases, the Department has completed constructing units and unable to count the completed outputs due to outstanding bulk infrastructure implemented through the USDG and construction of internal roads that was still underway.
- Underperformance by municipalities/implementing agents based on transferred money.
- Poor performance by contractors.
- Disputes between contractors and sub-contractors,
- Invasion of strategic land parcels/incomplete and invaded units
- Delays in appointment of contractors and professional teams.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2020/21)

STRATEGIC OVERVIEW OF THE INFRASTRUCTURE PROGRAMME

The department has adopted the approach of responsiveness to community needs and will continue to deliver on its mandate of providing integrated and sustainable human settlements to the people of Gauteng as opposed to simply providing houses in alignment with the District Development Model.

The department is implementing changes in relation to, and not limited to ensuring:

- Improved planning and execution of housing projects.
- Faster turn-around time in providing housing units without compromising quality.
- Better administrative processes: allocation lists, consultation process, communication etc.
- Multi-year projects: continuous tracking, improved quality control, dealing with variations, improved project management, use of automation systems, improved M&E etc.
- Smarter planning involving stakeholders, partners and funders at an early stage etc.
- Improving standards (ISOs) and adherence to law, regulations and principles of good governance.

In the 2020/21 financial year, the Department will focus on but will not be limited to:

- Implementation of the Integrated Delivery Management System (IDMS) with emphasis on the human settlements value chain, elimination of inefficiencies and strengthening of capacity.
- Concluding blocked projects over the MTEF period.
- Mega Projects.
- Land acquisition in line with the Development Plan of the Department. Importantly, land acquired must be serviced to speed up development.
- Formalisation and proclamation of townships before development, including enabling Title Deeds registration and issuance to beneficiaries.
- Acceleration of the Rapid Land Release Programme end to end process.
- Province-wide Human Settlements Spatial Master Plan.
- Addressing accruals.
- Project pipeline/bank confirmation and refinement for the current year and beyond.
- Project Readiness Matrix (PRM) validation before inclusion/finalisation of the Business Plan.
- Social facilitation and improved project management.
- Alignment of HSDG and USDG (IDP alignment) to work closely with CoGTA.
- Joint planning and implementation alignment with metros, municipalities and relevant entities such as Eskom, National Department of Water and Sanitation, sector departments and CoGTA.
- Government coordinated strategy to avert interruptions by business forums through inclusion of local contractors with subcontracting arrangements linked to the main contractor.
- Hostel upgrading and redevelopment.
- Upgrading the Informal Settlements Programme
- Implementation of the Urban Renewal Programme
- Proactive safeguarding of assets through a counter-land invasion strategy, evictions etc.
- Empowerment and transformational imperatives.

The decrease in allocation in the Human Settlements Development Grant (HSDG) allocation, the provincial equitable share and the seeming potential reduction in the envisaged committed five-year housing opportunities has a bearing on the committed outputs over the Medium Term Expenditure period or over the five years.

OUTLOOK FOR THE 2020/21 MTEF

The department will continue to deliver on its mandate through the various programmes guided by the new five-year Strategic Plan, the APP and the Human Settlements Development Grant Business Plan among other key plans. Implementation of the Upgrading of Informal Settlements Programme (UISP) will continue to catalyse upgrading of settlements that lack basic services while a separate grant by the National Department of Human Settlements for the UISP is being finalised.

The following are some of the settlements that will be upgraded in the financial years from 2020/21 in each development corridor:

Central Development Corridor

Naledi-Dobsonville, Extension 9	Holomisa
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Tshepisoong West Extensions 1 & 2	Kya Sands
Boikhotsong and Orange Farm	Lawley Extensions 3 & 4
Ennerdale South 1 & 2	Lawley Station
Golf Park	Lenasia Extension 13

Northern Development Corridor

Boekenhoutskloof (Portion 80 of farm)	Soshanguve Extensions 4 & 5
Haakdoorn Boom 267 Jr	Kameeldrift (Plot 1749, Portion 2 of farm)
Louwsbaken 476 Jr Rayton (Erf. 1041)	Steve Bikoville (Kekana Gardens)
Olievenhoutbosch Extension 27	Danville (Elandspoor)
Soshanguve Extension 19	Lady Selbourne/Suiderberg

Eastern Development Corridor

Helderwyk (Mega Project)	Syferfontein
Somalia Park Informal Settlement	Sterkwater Portion 3
Rondebult Extension 2	
Chief Albert Luthuli Park Extension 6	
Rietfontein	

Southern Development Corridor

Rensburg Extension 4	Rust Ter Vaal
Evaton Stands	Johandeo Phase 2
Bophelong Chris Hani Extension 1	Sicelo Shiceka Erf 6
Obed Mthombeni Nkosi	Vereeniging Old Hospital
Westside Park (Sebokeng Extension 21)	Sicelo Shiceka Extension 5 Erf 78

Western Development Corridor

3 R Blaauwbank (Ga-Mohale)
3 V Nooitgedacht
3 V Tarlton Village 1

Issuing/registration of title deeds by the Deeds Office remains one of the Department's main programmes. There are townships where specific milestones have to be passed before title deeds can be issued to the rightful beneficiaries; some of the milestones are not covered on the existing subsidy quantum. Pending milestones include general plans and opening of township registers (retaining walls, storm water drains, roads, lights masts not being covered by the subsidy quantum). This will require costed milestones per township and per project with pending township establishment issues to enable township formalisation and proclamation. Lack of detailed attention to costing milestones per township and per project, along with issues relating to township formalisation and proclamation, may block progress in this priority area.

Considerable resources will be invested in township formalisation to help address the title deeds backlog over, with a focused approach being required. The Title Deeds Restoration Grants addresses title deeds issuance from the Deeds Office/Title Deeds registration. The Department aims to deliver 18 259, 3 863 and 3 063 title deeds in 2020/21, 2021/22 and 2022/23 respectively across the various categories.

The lack of bulk infrastructure in many parts of the province remains a challenge for human settlements development and requires that metropolitan councils invest the Urban Settlements Development Grant to address this problem; integrated development planning and budgeting would assist. For the financial year 2020/21, the Department plans to deliver 10 704 serviced sites and 16 221 housing units; in 2021/22, the first financial year of the MTEF period, 9 977 serviced sites and 16 011 housing units; and in 2022/23 10 177 serviced sites and 16 311 housing units.

Challenges faced by the department in the main are:

- Title deeds, and township formalisation and proclamation:
- Business Forums prevent departmental projects from being carried out
- Inadequate or lack of bulk Infrastructure capacity to enable development

4. REPRIORITISATION

In preparation for the 2020/21 budget process, the Department had a strategy in place to improve financial management and to ensure that the budget is efficiently re-allocated and spent within the limited resources. The Senior Management Team embarked on strategic planning sessions and all budget bids of programmes were interrogated and assessed to determine their alignment with institutional priorities. The Department continued to implement sound fiscal discipline and reviewed its operations to identify cost savings while cost-cutting measures were implemented and resources re-directed to essential services to ease budget pressure. The budget of the Department is reprioritised to align the strategic plan of the Department with the mandate of national and provincial priorities.

Funds were reprioritised from non-essential items such as communications, travel & subsistence to augment the budgetary shortfall in goods and services to support core activities such as operating leases and other contractual obligations. The total reprioritisation is R 990 million in the 2020/21 financial year. The available budget will be effectively utilised to ensure that planned outcomes are achieved as efficiently as possible.

5. PROCUREMENT

The department will procure goods and services in line with the budget allocation 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 subject to market-related price analysis and the terms and conditions will be analysed to identify areas where the Department can negotiate better value for money without compromising quality. The Department encourages the use of small and designated township-based businesses to promote sustainable job creation, using a range of such businesses to promote fairness and transparency.

- In relation to procurement, in the 2020/21 financial year the department intends to:
- Fully implement the SAP operating system for processing of orders and contract management for operational contracts
- Continue to train and develop its staff
- Implement the use of pre-approved lists as the basis of appointment of service providers for regular services. This will ensure timeous appointment of contractors within the first quarter of the financial year.
- Acquire goods and services in line with targets, as indicated in the procurement plan
- Ensure significant improvement in contract administration to ensure that commitments are valid, complete and accurate
- Implement the new procurement regulations to ensure compliance throughout the procurement processes.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Equitable share	1 002 223	669 747	783 368	885 455	911 755	911 755	939 026	994 663	1 049 322
Conditional grants	5 046 443	5 435 810	5 278 674	5 331 071	5 384 787	5 384 787	4 800 426	4 934 153	5 130 438
Housing Disaster Grant									
Total receipts	6 048 666	6 105 557	6 062 042	6 216 526	6 296 542	6 296 542	5 739 452	5 928 816	6 179 760

The equitable share and conditional grants are the main source of funding for the department. The Human Settlements Development Grant (HSDG) and funding made available by the province caters for the implementation of national and provincial housing programmes.

In 2016/17, the allocation amounted to R6 billion and increased to R6.1 billion in 2017/18. Over the MTEF period, total receipts decreased from R6.3 billion in 2019/20 to R6.2 billion in the 2022/23 financial year. The funding made available will enable the department to embark on projects that contribute positively to spatial transformation by ensuring that people are located closer to places of work and economic opportunities. It will also provide sustainable human settlements services and infrastructure in line with national access and equity policy and objectives. The conditional grants decrease from R5.4 billion in 2019/20 to R5.1 billion in the 2022/23 financial year, due to budget cuts. These grants assist the Department with addressing the housing backlog in the province mainly caused by the increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.

During the 2019/20 adjustment budget process, the allocation was adjusted by R26.3 million for equitable share, R49.4 million for the Human Settlement Development grant and R4.3 million for the Title Deed restoration grant; this was through an approved roll over from the provincial Treasury.

Included in the HSDG funding for 2020/21 is an amount of R693 million earmarked for upgrading informal settlements in the province. An amount from the HSDG of R185 million over the MTEF is allocated 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. The allocation will deal with the Extended Discount Benefit Scheme (EDBS) and the transfer of housing properties to beneficiaries. An amount of R180 million is made available by the province in 2020/21 for rapid land release, fast-tracking delivery on urban renewal projects and incomplete housing projects as well as hostel redevelopment

An amount of R164.7 million, in the form of a conditional grant, is made available to the Department in the 2020/21 financial year for the Title Deeds Restoration Programme and will fund the transfer of housing properties to beneficiaries. The EPWP incentive grant amounts to R10.1 million and will assist the department to contribute to job creation initiatives across the province.

Funding made available to the department will enable it to focus on the following: accelerating implementation of Mega Projects; procuring of serviced sites for rapid land release; upgrading of informal settlements; urban renewal programmes; re-development of hostels, Title Deeds acquisition and township formalisation.

6.2 Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Sales of goods and services other than capital assets	1 609	694	456	485	485	485	512	540	570
Interest, dividends and rent on land	9	220	367	425	425	6 169	448	473	499
Sales of capital assets	3 211								
Transactions in financial assets and liabilities	6 086	1 989	(14)	4 561	4 561	4 561	4 812	5 077	5 356

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Total departmental receipts	10 915	2 903	809	5 471	5 471	11 215	5 772	6 090	6 425

The department has a mandate to collect revenue from departmental owned properties and other sources of minor revenue. However, it has been experiencing challenges in this regard. This is primarily due to the reluctance of occupants to pay for services provided and, in some cases, their inability to pay. The Department carried out a cost benefit analysis to determine if it was economically viable to continue with collections. It was apparent that there were no benefits from continuing with collections because of the amount paid to the collection company. The returns gained by the Department by using a service provider to collect revenue, were far below the costs incurred. The department has however taken the decision to transfer ownership of these properties to qualifying and approved beneficiaries.

In terms of its mandate, the department is not revenue driven and consequently does not generate a large amount of revenue. The revenue that the department collects is derived from the following: employee parking tariffs, sale of tender documents, replacement of security cards, interest on overdue debt accounts, recoveries from previous years' expenditure and servitude rights and commission. The Department received a once off amount in the form of servitudes rights in the financial year 2016/17 which increased revenue collection to R10.9 million. The budget will remain relatively stable after the Department transferred properties to the DID and will not receive any revenue from servitudes rights.

The department therefore does not have a revenue strategy in place; however, it is working on putting together a strategy to assist it in collecting better.

7. PAYMENT SUMMARY

7.1 Key assumptions

The assumptions that underpin the Department's 2020 expenditure are summarised below. There is an anticipated average wage increase of 6.5 per cent in 2020/21 and 2021/22. A 5.3 per cent increase in general goods and services is anticipated in 2020/21, 5.5 per cent in 2021/22 and 5.5 per cent in 2022/23 in line with the projected consumer price index (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2019 MTEF:

- Number of staff and possible changes over the MTEF
- Basic salary costs including 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
- Equalisation of pay progression across the public service
- Inflation in the cost of goods and services, based on headline CPI projections
- Provision for eradicating informal settlements
- Provision for upgrading infrastructure services
- The impact of VAT increase.

7.2 Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Administration	461 651	413 801	474 752	659 810	636 068	631 469	537 483	569 771	619 111
2. Housing Needs, Research And Planning	18 447	45 352	17 029	44 126	40 926	41 246	21 557	21 619	23 651
3. Housing Development	5 347 593	5 333 252	4 990 996	5 288 804	5 364 575	5 368 051	4 924 834	5 164 377	5 367 931
4. Housing Assets Management Property Management	129 992	171 603	313 596	223 786	254 973	255 776	255 578	173 049	169 066
Total payments and estimates	5 957 683	5 964 008	5 796 373	6 216 526	6 296 542	6 296 542	5 739 452	5 928 816	6 179 759

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	610 909	764 860	714 351	847 640	863 718	863 718	749 376	798 358	844 835
Compensation of employees	382 000	420 565	439 799	472 830	472 830	472 830	503 564	544 856	585 720
Goods and services	228 909	344 295	274 552	374 810	390 888	390 888	245 812	253 502	259 115
Interest and rent on land									
Transfers and subsidies to:	5 302 025	5 054 603	5 081 379	5 348 830	5 403 372	5 403 372	4 982 216	5 124 681	5 330 125
Households	5 302 025	5 054 603	5 081 379	5 348 830	5 403 372	5 403 372	4 982 216	5 124 681	5 330 125
Payments for capital assets	15 756	144 501	431	20 056	29 410	29 410	7 860	5 777	4 800
Buildings and other fixed structures		118 578							
Machinery and equipment	15 721	19 451	431	11 010	23 010	23 010	3 316	2 708	2 177
Software and other intangible assets	35	6 472		9 046	6 400	6 400	4 544	3 069	2 623
Payments for financial assets	28 993	44	212		42	42			
Total economic classification	5 957 683	5 964 008	5 796 373	6 216 526	6 296 542	6 296 542	5 739 452	5 928 816	6 179 759

The table above indicates the departmental expenditure and budget per programme and by economic classification over a seven-year period. Expenditure remains relatively stable at R6 billion between 2016/17 and 2017/18 financial years as a result of an amount of R150 million that was reprioritised by the National Department of Human Settlements to fund priority projects in other provinces. For the year under review, the Department was appropriated an amount of R6.2 billion during the main appropriation to fund provision of sustainable human settlements where all citizens have access to housing and other social amenities. This budget was increased by R80 million during the adjustment budget process as a result of roll overs that will ensure that the Department meets its previous year's obligations and additional funding for rates and taxes for non-transferred RDP stock. The budget decreases from an adjusted budget of R6.3 billion to R5.7 billion between the 2019/20 and 2020/21 financial years due to budget cuts. The departmental budget will fund the servicing of stands; provision of housing units; the FLISP programme; eradication of informal settlements; urban renewal projects; hostel redevelopment; issuance of Title Deeds; and the Rapid Land Release Programme amongst other things. The budget increases from R5.7 billion in 2020/21 to R6.1 billion in 2022/23. Included in the departmental budget for the MTEF is the Title Deeds Restoration Grant as well as the Informal Settlements Upgrading Partnership Grant.

Programme 1: Administration expenditure increased from R461 million in the 2016/17 to R474 million in the 2018/19 financial year. The budget was adjusted downwards to R472 million during the 2019/20 financial year as a result of the realignment of the departmental operational budget where funds were reprioritised to other programmes where expenditure was incurred and functions performed. The budget over the MTEF is expected to increase from R537 million in 2020/21 to R619 million in the outer year. The programme received a total equitable share rollover amount of R26.3 million during the 2019/20 financial year from Provincial Treasury and the funds will be utilised for the acquisition of capital assets, tools of trade for officials of the Department, payment for property rates and taxes for non-transferred RDP stock, five provincial hostels and the migration and testing of application development system and the admin services database administration.

Programme 2: Housing Needs, Planning and Research: expenditure under this programme increased from R18.4 million to R44.1 million between 2016/17 and 2019/20 due to the multi-year wage agreement which caters for cost of living agreements (CPI). However, the budget decreases between 2020/21 and 2021/22 to R21.5 and R21.6 respectively because the personnel budget is being correctly linked to the programme as per concurred staff establishment over the MTEF.

The increased expenditure under the Policy sub-programme, from R14.9 million and R15.8 million, between the 2016/17 and 2019/20 financial years is due to the development and implementation of policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment.

The increased expenditure in respect of the Planning sub-programme, from R2.9 million to R12.4 million, between the 2016/17 and 2019/20 financial years was to support the development and alignment of the departmental planning frameworks including the APPs, the integrated multi-year housing development plan, the mid-term budget policy statements and the Programmes of Action in line with national and provincial requirements. The budget is adjusted downwards to R6.6 million in the outer year of the MTEF. The decrease in the budget for Compensation of Employees was to curb over-expenditure on other programmes.

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. The programme performs the core function work of the Department. The core functions are planning, land acquisition, township establishment, delivery of housing opportunities across all housing programme in the National Housing Code, beneficiary management and the issuing of Title Deeds. The following strategic priorities are included in the 2020/21 and MTEF allocations of the budget of this programme: up-scaling Mega Projects, accelerating implementation of the RLRP, supporting access to basic services, closing of legacy projects, completing all abandoned/incomplete/blocked projects, hostel redevelopment, upgrading of informal settlements, UISP implementation and resuscitation of URPs.

The provision of social housing and of housing subsidies (financial interventions) remain critical for sub-programmes that are budgeted for in this programme which takes up the largest share of the Department's budget (about 85 percent of the budget and expenditure is allocated to this programme). The budget for the programme remained relatively stable at R5.3 billion between the 2018/19 and 2019/20 financial years. Over the MTEF, the budget for the programme remain relatively at R5.3 billion in the outer year of the MTEF. The budget will enable the Department to deliver on its outcomes 3 and 4 which are "Integrated, sustainable, spatially transformed human settlements and livable neighbourhoods" and "Social justice through security of tenure and asset value for beneficiaries" respectively. The Department has already put aside a total of R1.6 billion to be made available from the adjusted business plan during the 2019/20 financial year to ensure provision for the rapid land release (RLRP) and upgrading support programme (USP) for the upgrading of informal settlements programme. The rapid land release programme will amount to R863.7 million and upgrading of informal settlements will amount to R800 million in the 2020/21 financial year. The main purpose is to deliver on the Department's up-scaling on mega projects, eradication of informal settlements and completing all abandoned/incomplete or blocked projects.

The expenditure for the sub-programme Financial Intervention increased from R549 million in the 2016/17 financial year to R1.3 billion in 2018/19. During the 2019/20 financial year the budget will be utilised to ensure that 1 571 houses are built

under Finance Linked Individual Programme (FLISP), 388 Non Credit Linked Individual Subsidies disbursed to qualifying beneficiaries and 171 Credit Liked Individual housing subsidies are disbursed to qualifying beneficiaries.

An amount of R49.3 million from the conditional grant is approved to assist the Department to honour commitments already made on the conditional grant in the previous financial year where services were rendered but the Department was not billed as at the end of the financial year. The rollover amount will assist the Department with the creation of sustainable and integrated human settlements.

The expenditure for the sub-programme: Incremental Intervention increased from R3.7 billion in 2016/17 financial year to an adjusted budget of R 4.7 billion in 2019/20 financial year. During the year under review, the budget under the sub- programme is adjusted upwards due to the fact that Social & Rental Intervention is phased out and the funds are re-directed to Incremental Intervention. The main purpose for the funds being re-directed to the programme is that the Department is doing away with hostels and will be building RDP walk ups. In 2022/23, the budget for the programme increased to R5.3 billion which is an increase of 5 per cent from the 2021/22 financial year.

Programme 4: Housing Assets Management and Property Management: Over the MTEF, the programme's personnel budget is increased from R35 million in the 2020/21 financial year to R39.1 million in 2021/22 to align the expenditure with the approved staff establishment. With regards to the Title Deeds backlog, the challenge requires a focused intervention. The Title Deeds Restoration Grant takes care of Title Deeds issuance from the Deeds Office/Title Deeds registration. The Department plans on delivering a total of 18 259 Title Deeds and 3 063 Title Deeds in 2020/21, 2021/22 and 2022/23 respectively across the various categories.

Compensation of employees sees an increase over the MTEF period mainly to fund the yearly general increment related to improved conditions of employment as well as filling of critical vacant positions in the Department. The departmental Compensation of Employees budget over the MTEF takes into consideration the three-year wage agreement signed in June 2018. The personnel budget will over the MTEF keep costs including overtime within affordable levels; seek to align the budget with the headcount; be aligned to HR plans; and minimize growth to ensure that compensation of employees does not crowd out critical posts amongst other things.

Goods and Services significantly increases over the MTEF due to the restructuring of the departmental operational budget. The restructuring was done mainly to address the pressure as a result of the increased costs of operations. The main drivers of expenditure were payment of rates and taxes and security costs. The budget decreases from R374 million in 2019/20 and declines to R259 million in the outer year of the MTEF due to the reduction on sliding scale that was implemented by National Treasury.

Over the MTEF, transfers and subsidies both increase and decrease. This is primarily due to National Department of Human Settlements reprioritising the grants in between the years. This expenditure was in line with the DORA requirement and was earmarked for establishing sustainable human settlements where all citizens have access to housing and other social amenities, and to assist the Department in delivering on its mega projects and programmes: mixed housing development, eradication of informal settlements, alternative tenure and the Urban Renewal Programme. Apart from the HSDG funding, the budget includes the EPWP Integrated Grant earmarked for job creation initiatives across the province; the Title Deeds Restoration Grant that will assist the department to fast track the issuing of title deeds to beneficiaries; and the Informal Settlements Upgrading Partnership Grant for Provinces aimed at eradicating informal settlements across the province.

There is growth in the budget for machinery and equipment which was attributed to the purchase of new furniture and equipment for the offices following the renovations made to the building, the relocation of the Johannesburg regional offices and procurement of computer equipment.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments:

Please refer to the 2019 Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

7.5 Transfers

7.5.1 Transfers to public entities

TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Gauteng Partnership Fund	212 400	224 719	609 000	251 067	251 067	251 067	1 119 342	350 824	350 824
Total departmental transfers	212 400	224 719	609 000	251 067	251 067	251 067	1 119 342	350 824	350 824

The Gauteng Partnership Fund facilitates investment capital flow into integrated developments, as per the Sustainable Human Settlements Policy Framework to facilitate equitable risk sharing project financing and participate in Social Housing Projects through innovative funding interventions with Social Housing institutions (as a mechanism to entice capital market investment into this market). The GPF functions as a financing vehicle and implementation agent of the Department for mega human settlements projects and as a custodian of strategic provincial land transferred to the GPF for effective fixed-asset management.

The GPF receives contributions from the GDHS from time to time but the entity funds itself mainly from interest earned from the original capitalisation of the GDHS donation. The GPF receives interest from loans extended to borrowers. In the 2016/17 financial year, the contribution increased to R212 million; there was a significant increase in the contribution of R609 million in 2018/19. The increase during the adjusted budget of 2018/19 was mainly to facilitate the delivery of mega projects across all corridors of the Gauteng City region (GCR). The GPF will receive a contribution of R251 million in 2019/20 which will assist to strengthen its strategic objective of increasing and leveraging private sector funding for affordable housing in Gauteng with the aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R1.1 billion in the 2020/21 financial year to accelerate delivery of the above over the MTEF.

7.5.2 Transfers to other entities

N/A.

7.5.3 Transfers to local government

TABLE 8.6 SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Category A	741 384	492 797	386 649	401 507	55 103	55 103			
Category B	190 452	246 070	226 283	151 438	151 438	151 438	40 000	36 000	30 000
Total departmental transfers	931 836	738 867	612 932	552 945	206 541	206 541	40 000	36 000	30 000

Transfers to local government decreased from R931.8 million to R612.9 million between 2016/17 and 2018/19. During the 2016/17 period, the Department transferred a total of R741.3 million to Category A and R190 million to Category B municipalities. All transfers made to Category A municipalities were for the delivery of housing stock/units, where the municipality is appointed as the implementing agent. R40.5 million was transferred to Randfontein Municipality for the construction of a water reservoir which unlocked a number of developments in the West Rand area and parts of the southern region. The budget for construction of the water reservoir was funded from the mining town's earmarked allocation. R82 million was transferred to Merafong Municipality and was earmarked for construction of a bridge over a railway line to connect the old and new developments; R22 million was earmarked for servicing of 500 sites and R34 million was allocated for the construction of 265 housing units.

In the 2017/18 financial year, category A municipalities received R492.7 million whereas category B municipalities received R246 million. The Department entered into subsidy funding agreements with all of the municipalities receiving funds. The funding was primarily for construction of top structures and to a lesser degree servicing of stands. Mining towns' funds are being used to a large degree for infrastructure upgrades. These areas do not receive funds from the USDG. Funding is provided for these targeted areas to unblock development bottlenecks. The budget for transfers to local government decreased to R386.6 million in 2018/19 and to R226.2 million for both Category A and B as the department planned to implement some of the projects previously implemented by municipalities. The budget will further increase to R552.9 million in 2019/20. For Category A municipalities, a decreased to R386.6 million and a decrease to R226.2 million for Category B. For the outer years of the MTEF, the budget will only be allocated to Category B.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The programme is responsible for strengthening and aligning the Department's ability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (human resources, financial management, supply chain, information and communication technology (ICT), 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 human resources management 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 with 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 to safeguard departmental assets
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Corporate Services	461 651	413 801	474 752	659 810	636 068	631 469	537 483	569 771	619 111
Total payments and estimates	461 651	413 801	474 752	659 810	636 068	631 469	537 483	569 771	619 111

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	416 282	387 021	473 076	638 384	605 246	601 003	527 833	562 106	612 319
Compensation of employees	197 154	218 739	207 246	281 559	229 559	229 559	294 892	323 465	369 603
Goods and services	219 128	168 282	265 830	356 825	375 687	371 444	232 941	238 641	242 716
Transfers and subsidies to:	625	826	1 033	1 370	1 370	1 014	1 790	1 888	1 992
Households	625	826	1 033	1 370	1 370	1 014	1 790	1 888	1 992
Payments for capital assets	15 751	25 910	431	20 056	29 410	29 410	7 860	5 777	4 800
Machinery and equipment	15 716	19 438	431	11 010	23 010	23 010	3 316	2 708	2 177
Software and other intangible assets	35	6 472		9 046	6 400	6 400	4 544	3 069	2 623
Payments for financial assets	28 993	44	212		42	42			
Total economic classification	461 651	413 801	474 752	659 810	636 068	631 469	537 483	569 771	619 111

Expenditure for the programme increased from R461 million in the 2016/17 financial year to R475 million in 2018/19, mainly due to the fact that the personnel budget shifted from other programmes to this programme in line with the concurred organisational structure. In the 2017/18 financial year, expenditure decreased to R413.8 million largely due to the budget being adjusted downwards as a result of the realignment of the departmental operational budget where funds were reprioritised to other programmes where expenditure was incurred and functions performed. During the budget adjustment

process in 2018/19, the programme received a once-off provincial additional funding amount of R45 million for payment of rates and taxes for non-transferred RDP stock and five provincial hostels. The budget increased to R659.8 million in 2019/20 and increases to R616 million in the outer year of the MTEF due the reduction in budget. In the 2019/20 financial year, the programme received the total equitable share rollover amount of R26.3 million from National Treasury; the funds will be utilised for the acquisition of capital assets, tools of trade for officials of the department, payment for property rates and taxes for non-transferred RDP stock, five provincial hostels and for migration and testing application development.

Expenditure on compensation of employees increased from R197 million in 2016/17 to R218.7 million in 2017/18 mainly due to the personnel budget shifting from this programme to other programmes in line with the approved structure during the 2016/17 financial year and the land use management function shifting to the Department of Infrastructure Development in 2017/18. The budget increases from R281.6 million in the 2019/20 financial year to R370 million in the outer year of the MTEF. The increase is mainly attributable to the yearly general increment related to improved conditions of employment as well as filling critical vacant posts in the Department.

The programme's goods and services expenditure increased to R219.1 million in 2016/17. The increase in expenditure related mainly to payment for software licences, office refurbishment and the establishment of the project management office. In 2017/18, expenditure decreased to R168.3 million; the significant decrease can be attributed to the programme's goods and services budget having received once-off additional funding in the previous year for payment of municipal services for the five provincial assets as well as the budget made available to provide for payment of departmental operational activities. During the 2018/19 financial year, the budget was adjusted upwards to R316.1 million after the programme received an additional funding amount of R45 million for payment of rates and taxes for non-transferred RDP stock and five provincial hostels as well as funds redirected from capital assets to augment the budgets for legal fees; contractors; operating leases to provide for rental of buildings; security services for departmental buildings; and legal fees to counter land invasions and illegal occupation of housing before they are transferred to beneficiaries. In 2019/20, the budget increases to R356.8 million, mainly due to a once-off additional funding amount of R120 million made available by the province for the payment of municipal debt and rates and taxes for non-transferred RDP stock and 5 provincial hostels. For the two outer years of the MTEF, the budget will increase from R233 million to R243 million and will provide for the operational activities of the department.

The machinery and equipment expenditure for the financial year 2016/17 amounted to R15.7 million. The growth in expenditure is attributable to the purchase of new furniture and equipment for the offices following the renovations made to the building and the reallocation of the Johannesburg regional offices. In 2017/18, expenditure further increased to R25.9 million; the increase in expenditure was caused by the procurement of the telecommunication system (Network Lan) and tools of trade for personnel to carry out their duties effectively and efficiently. The budget will decrease from R25.1 million in 2019/20 financial to R7.8 million in 2021/22 and a further R4.8 million in the outer year due to budget cuts.

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 promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale; and sustainable local economies. It performs a number of transversal functions including quality assurance, research and development and inputs into policy development, and planning and housing support.

Programme objectives

- To develop and implement departmental policies and to initiate research to achieve strategic objectives
- To facilitate the realignment of, and compliance with, the regulatory environment for sustainable human settlements
- To develop Annual Performance Plans and the Five Year Strategic Plan
- To implement, revise and review the Department's Programme of Action (PoA)
- To provide support to various directorates in the Department on the development of performance and indicators for both the Annual Performance Plans (APP) and the Programme of Action (PoA).

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Administration	587	8 721	9 966	15 905	15 107	15 246	11 039	10 949	11 693
2. Policy	14 912	27 570	5 199	15 807	15 507	15 507	6 329	6 228	6 652
3. Planning	2 948	9 061	1 864	12 414	10 312	10 493	4 189	4 442	5 306
4. Research									
Total payments and estimates	18 447	45 352	17 029	44 126	40 926	41 246	21 557	21 619	23 651

TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	18 442	45 294	17 024	44 126	40 926	41 059	21 557	21 619	23 651
Compensation of employees	17 824	43 887	12 674	38 371	34 871	34 871	15 485	15 213	16 215
Goods and services	618	1 407	4 350	5 755	6 055	6 188	6 072	6 406	7 435
Interest and rent on land									
Transfers and subsidies to:		45	5			187			
Provinces and municipalities									
Households		45	5			187			
Payments for capital assets	5	13							
Buildings and other fixed structures									
Machinery and equipment	5	13							
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	18 447	45 352	17 029	44 126	40 926	41 246	21 557	21 619	23 651

The programme is mainly responsible for the development and implementation of departmental policies, initiation of research to achieve strategic objectives and ensuring alignment and compliance within the regulatory environment for sustainable human settlements and building new cities.

Expenditure under this programme increased from R18. 4 million to R44. 1 million between 2016/17 and 2019/20 due to the multi-year wage agreement which caters for the cost of living agreements (CPI). However, the budget decreases between 2020/21 and 2021/22 to R21.5 and R21.6 respectively because the personnel budget is being correctly linked to the

programme as per concurred staff establishment over the MTEF. Priorities included in the 2020/21 financial year and over the MTEF allocations of the budget of this programme are the Responsive policies and Improved monitoring, reporting and evaluation strategic enablers/priority interventions under this programme.

The increased expenditure in respect of the Policy sub-programme, from R14.9 million and R15.8 million, between the 2016/17 and 2019/20 financial years was due to the development and implementation of policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment.

The increased expenditure under the Planning sub-programme, from R2.9 million to R12.4 million, between the 2016/17 and 2019/20 financial years, was to support the development and alignment of the departmental planning frameworks including the APPs, the integrated multi-year housing development plan, the mid-term budget policy statements and the Programmes of Action in line with national and provincial requirements. The budget was adjusted downwards by R3.5 million during the Adjustment budget from the compensation of employees economic classification. The decrease in the budget for Compensation of Employees was to curb over-expenditure on other programmes.

SERVICE DELIVERY MEASURES

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of Human Settlement focused Research Reports completed as per request of the Housing Delivery Programme area, per financial year	One	Two	Two	Two
Number of Provincial Human Settlements focused Policies/legislation/strategies developed, adopted and implemented, per financial year	Six	Three Policy	Two Policy	Two Policy
Number of compliant and politically aligned 5-year Strategic and Annual Performance Plans submitted, per financial year	New Indicator	1 Strat Plan and 1 APP	1 APP	1 APP
Number of DPME Quarterly Performance reports submitted, per financial year	New Indicator	Four	Four	Four
Number of quarterly reports on area/based and household interventions, spatial transformation and trends in the full subsidy and gap markets submitted to national department of human settlements, per financial year	New Indicator	Four	Four	Four

PROGRAMME 3: HOUSING DEVELOPMENT**Programme description**

The core focus of the Housing Development Programme is to build integrated, cohesive, and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The programme's emphasis is on the provision of individual subsidies and housing opportunities for beneficiaries, in accordance with the National Housing Policy. This programme promotes effective and efficient delivery of provincial and local housing programmes. It concentrates on the integrated redevelopment of urban communities at scale and cultivating sustainable local economies. The programme's outputs are reflected in government's Outcome 8 which seeks to achieve "Sustainable human settlements and improved quality of household life".

Programme objectives

- To provide and develop integrated infrastructure for the creation of cohesive communities
- To promote home ownership
- To reduce levels of unemployment substantially
- To create a healthy and clean living environment
- To provide engineering services at an affordable and sustainable cost
- To reduce levels of crime and violence
- To upgrade existing housing and create additional affordable housing
- To alleviate poverty
- To create sustainable livelihood
- To create a caring and responsive government
- To create a better life for all
- To implement integrated, high-impact, time-bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Administration	165 030	174 700	189 613	157 548	188 828	188 828	164 203	174 704	176 188
2. Financial Interventions	549 380	703 157	800 046	775 633	443 974	443 974	330 966	465 310	468 580
3. Incremental Interventions	3 733 464	4 189 208	3 780 774	4 126 611	4 731 773	4 735 249	4 429 665	4 511 890	4 710 691
4. Social And Rental Intervention	800 435	236 205	210 264	225 012				12 473	12 473
5. Rural Intervention	99 284	29 982	10 299	4 000					
Total payments and estimates	5 347 593	5 333 252	4 990 996	5 288 804	5 364 575	5 368 051	4 924 834	5 164 377	5 367 931

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	162 737	161 353	189 224	157 548	188 328	191 804	164 203	174 704	176 188
Compensation of employees	154 577	152 112	185 043	146 440	179 440	179 440	158 102	166 992	168 006
Goods and services	8 160	9 241	4 181	11 108	8 888	12 364	6 101	7 712	8 182
Transfers and subsidies to:	5 184 856	5 053 408	4 801 772	5 131 256	5 176 247	5 176 247	4 760 631	4 989 673	5 191 744
Provinces and municipalities									
Households	5 184 856	5 053 408	4 801 772	5 131 256	5 176 247	5 176 247	4 760 631	4 989 673	5 191 744
Payments for capital assets		118 491							
Buildings and other fixed structures		118 491							
Software and other intangible assets									
Payments for financial assets									
Total economic classification	5 347 593	5 333 252	4 990 996	5 288 804	5 364 575	5 368 051	4 924 834	5 164 377	5 367 931

The programme's purpose is to establish sustainable human settlements where all citizens have access to housing and other social amenities and to assist the Department to deliver on its Mega Projects and programmes such as the mixed housing development, Eradication of Informal Settlements, Alternative Tenure and the Urban Renewal Programme.

The programme takes up the largest share of the Department's budget and expenditure (about 85 percent of the budget and expenditure is located in this programme). Expenditure from 2016/17 to 2017/18 remained relatively stable at R5.3 billion. The provision of social housing and the provision of housing subsidies remain critical and are budgeted for in this programme. The budget for the programme will decrease to R4.9 billion in the 2020/21 financial year due to a reduction in HSDG funding. Included in the expenditure for the financial year 2017/18 was a once -off additional amount of R100 million from the province to fund bulk infrastructure for the Syferfontein 2 Mega Project. An amount of R124 million was made available for the revamping of mining towns that included Merafong, Randfontein and Westonaria in the same period. The budget for the financial year 2018/19 included an allocation of R14 million from the EPWP-integrated grant made available for job creation initiatives in the province as well as funding made available for provincial infrastructure.

Over the MTEF, the budget for the programme will increase to R5.4 billion in the outer year of the MTEF. This budget will enable the department deliver on outcomes 3 and 4 which are "Integrated, sustainable, spatially transformed human settlements and liveable neighbourhoods" and "Social justice through security of tenure and asset value for beneficiaries" respectively.

The department has already put aside R1.6 billion to be made available from the adjusted business plan during the 2019/20 financial year to ensure that provision for the Rapid Land Release Programme (RLRP) and Upgrading of Informal Settlements Programme are taken into consideration. The strategic acquisition of land for the Rapid Land Release Programme will amount to R863.7 million and the upgrading of informal settlements will amount to R800 million. The main purpose is to deliver on the Department's upscaling on mega projects, eradication of informal settlements and completing all abandoned/incomplete/blocked projects. For the financial year 2020/21, the Department plans on delivering a total of 10 704 serviced sites and 16 221 housing units. For the first financial year of the Medium Term Expenditure Framework period, 2021/22, the estimated targets for serviced sites and housing units stand at 9 977 and 16 01, respectively whilst in the financial year 2022/23 the estimated targets are 10 177 serviced sites and 16 311 housing units.

The expenditure for sub-programme: Financial Intervention increased from R549 million in 2016/17 financial year to R 1.3 billion in the 2018/19 financial year. During the year under review, the budget will be utilised to ensure that 1 571 houses targeted to be built under the Finance Linked Individual Programme (FLISP) are achieved, 388 Non Credit Linked Individual Subsidies disbursed to qualifying beneficiaries and 171 Credit Liked Individual housing subsidies disbursed to qualifying beneficiaries. In terms of the incubation programme, the Department strives to ensure that of the 40 incubates it registers 10 are of women-owned businesses, 10 are youth owned businesses and 10 are businesses owned by persons with disabilities. The training, job creation and contractor incubation programme is directly linked to housing delivery projects in that the participants in this programme are trained on construction sites in construction related skills and the work opportunities are in housing construction projects.

It must be noted that, in the past, the Department did not disaggregate its housing delivery data in terms of women, youth and person with disabilities beneficiaries. The conscious recording, monitoring and reporting of the contribution of the department's housing delivery projects to women, youth and persons with disabilities and the reporting systems to enable this will be developed and implemented in the 2020/21 financial year. The nature of the Department's service delivery also dictates that such disaggregation targets cannot be forecast nor can the Department set quotas for these marginalised sectors until it has done in-depth research into the housing needs of these sectors and the numbers of possible qualifying beneficiaries. Accurate information on these marginalised sectors as beneficiaries can realistically only be analysed and reported on after title deeds have been issued to the rightful homeowners which is the last stage of the construction value chain.

The expenditure for sub-programme: Incremental Intervention increased from R3. 7 billion in 2016/17 financial year to R 4.1 billion in the 2018/19 financial year. During 2019/20 the budget under the sub- programme will be adjusted upwards to R4.7 billion due to the Social & Rental Intervention sub-programmes being phased out and the funds are re-directed to Incremental Intervention. The main purpose for the funds being re-directed to the programme is because the Department is doing away with hostels and are doing RDP walk ups. In 2022/23, the budget for the programme increased to R4.7 billion which is an increase of 5 per cent from the 2021/22 financial year.

SERVICE DELIVERY MEASURES**PROGRAMME 3: HOUSING DEVELOPMENT**

	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Programme performance measures				
Number of review and updated Gauteng HS spatial master plans, inclusive of municipal bulk infrastructure and priority development areas, per financial year	1	1	1	1
Number of completed plans for informal settlements upgrading, per financial year	24	30	30	30
Number of reviewed and updated water and sanitation master plans for the west rand	1	1	1	1
Number of detailed plans for hostel redevelopment, per financial year	3	6	6	6
Number of UISP plans developed	7	8	8	8
Number of townships with outstanding miles stones to unblock up undone/blocked projects	5	10	10	10
Number of reviewed and updated Gauteng consolidated and regional projects pipeline/projects bank inclusive of land acquisition pipeline, per financial year	1	1	1	1
Number of land parcels/ HA of land acquired, per financial year	2 parcels	5 parcels	5 parcels	5 parcels
Number of release opportunities handed over to final beneficiaries, per financial year	7 000	5 000	7 000	
Number of serviced stands for release as part of RLRP, per financial year	New indicator	4 524	4 524	4 524

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 disposes of the Department's commercial properties.

Programme objectives

- To capacitate social housing institutions to accelerate housing delivery
- To facilitate the stabilisation of the sectional title environment
- To facilitate an enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions
- To phase out special needs housing and facilitate interactions with provincial departments
- To provide housing assistance to departmental staff
- To facilitate medium-density housing (rental, instalment sale and cooperative housing)
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock)
- To promote home ownership
- To dispose of commercial property and vacant land owned by the Department in the most economical way
- To deliver housing units in targeted presidential projects.

TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Administration	13 448	6 118	35 233	7 582	29 544	30 347	35 783	39 929	32 677
2. Sales And Transfer Of Housing Properties	62 277	100 309	66 304	156 204	160 549	160 549	164 795	68 120	71 390
3. Devolution Of Housing Properties									
4. Housing Properties Maintenance	54 267	65 176	212 059	60 000	64 880	64 880	55 000	65 000	65 000
Total payments and estimates	129 992	171 603	313 596	223 786	254 973	255 776	255 578	173 049	169 066

TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	13 448	171 192	35 027	7 582	29 218	29 852	35 783	39 929	32 677
Compensation of employees	12 445	5 827	34 836	6 460	28 960	28 960	35 085	39 186	31 896
Goods and services	1 003	165 365	191	1 122	258	892	698	743	781
Interest and rent on land									
Transfers and subsidies to:	116 544	324	278 569	216 204	225 755	225 924	219 795	133 120	136 390
Provinces and municipalities									
Non-profit institutions									
Households	116 544	324	278 569	216 204	225 755	225 924	219 795	133 120	136 390
Payments for capital assets		87							
Buildings and other fixed structures		87							
Machinery and equipment									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	129 992	171 603	313 596	223 786	254 973	255 776	255 578	173 049	169 066

Under this programme, the expenditure was R129.9 million in 2016/17 and increased to R313.6 million in the 2018/19 financial year mainly for the purpose of funding the EEDBS resulting from the reprioritisation of the departmental business

plan. The budget decreases from R254 million during the 2019/20 financial year to R170 million in the outer year of the MTEF due to budget cuts.

The strategic priorities included in the 2020/21 financial year and MTEF allocations of the budget for this programme are the strengthening of consumer protection. Over the MTEF, the programme's personnel budget is increased from R35 million in the 2020/21 financial year to R39 million in 2021/22 and will decrease to R32 million in 2022/23 to align the expenditure with the approved staff establishment.

A considerable amount of resources will be invested into township formalisation to help address the Title Deed backlog over time. However, the latter challenges require a focused intervention/approach. The Title Deeds Restoration Grants takes care of the Title Deeds issuance from the Deeds Office/Title Deeds registration. The Department plans on delivering a total of 18 259 Title Deeds Restoration Grants and 3 863 Title Deeds in 2020/21, 2021/22 and 2022/23 respectively across the various categories.

SERVICE DELIVERY MEASURES

PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of rental flats maintained, per financial year	2 000	11	9	5
Number of vacant stands maintained, per financial year	1 800	118	95	118
Number of inventory management register reviewed, updated and managed, per financial year	2 500	1 register	1	1
Number of flat complexes transferred (Westgate, Dallas & Halem), per financial year		New indicator		
Number of rental housing disputes resolved by ADARDI by the end of current financial year		300	300	300
Number of property units devolved to municipalities and to individual beneficiaries purchase properties from the GDHS, per financial year		200	200	200
Number of commercial properties transferred to eligible beneficiaries, per financial year		4	9	9
Number of rental housing disputes resolved by the Rental Housing Tribunal by the end of the current financial year		2 300	2 780	2 600

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

TABLE 8.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: HUMAN SETTLEMENTS

R thousands	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF		
	2016/17		2017/18		2018/19		2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23	
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	% Costs of Total
Salary level													
1 – 6	312	133 924	312	155 850	17 557	162 389	311	1	312	64 605	312	98 777	0%
7 – 10	383	110 835	383	122 323	92 218	126 022	376	7	383	194 771	380	228 739	(0)%
11 – 12	154	72 677	154	79 424	41 919	89 036	145	9	154	145 999	154	137 093	0%
13 – 16	53	42 144	53	46 190	40 547	49 188	49	4	53	67 455	53	80 247	0%
Other		22 420		14 724		21 797							0%
Total	902	382 000	902	418 511	192 241	448 432	881	21	902	472 830	899	544 856	(0)%
Programme													7%
Direct charges													100%
Total	902	382 000	902	420 565	192 241	439 799	881	21	902	472 830	899	544 856	0%
Employee dispensation classification													0%
Public Service Act appointees not covered by OSDs	709		693		697		801		801		801		0%
Professional Nurses, Staff Nurses and Nursing Assistants													0%

The table above reflects the organisational staff establishment of the Department that was approved in 2017 financial year. Human Resources is currently in the process of conducting the reviewing of the organisational structure. The personnel numbers will increase over the MTEF, as the Department is planning to create additional positions on all vacant posts in line with the approved structure. The Departmental personnel budget will grow from R448 million in 2019/20 financial to R 586 million in the outer year of the MTEF. The growth in personnel costs is in line with inflation rates and takes into consideration improved conditions of service. The personnel budget will over the MTEF keep cost (including overtime) within affordable levels; seek to align budget with the headcount; be aligned to HR plans; and minimise growth to ensure that Compensation of Employees does not crowd out critical posts amongst other things.

9.2 Training

TABLE 8.16: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Number of staff	902	902	192 241	902	902	902	902	899	899
Number of personnel trained	500	600	635	200	200	200	260	300	300
of which									
Male	240	240	254	80	80	80	100	140	140
Female	260	360	381	120	120	120	160	160	160
Number of training opportunities	25	25	26	36	36	36	38	40	40
of which									
Tertiary	10	12	13	12	12	12	12	12	12
Workshops	5	6	6	12	12	12	18	20	20
Seminars	3	2	2	6	6	6	4	4	4
Other	7	5	5	6	6	6	4	4	4
Number of bursaries offered	100	100	106	107	107	107	121	125	125
Number of interns appointed	30	30	32	42	42	42	42	50	50
Number of learnerships appointed	15	15	16				10	10	10
Number of days spent on training	120	126	133	144	144	144	152	160	160
Payments on training by programme									
Total payments on training	3 547	5 818	5 868	6 273	6 273	6 273	5 036	5 413	5 819

The budget allocation for training & development is 1 percent of the total compensation of employee's budget. The transformation of the GDHS requires a continuous and uncompromising acquisition of the requisite skills. The table above provides the number of staff participating in the training programmes provided by the Department 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 the core service delivery programmes, which are aimed at improving performance and efficiency, i.e. technical planning and project management, strategic management, governance and financial management. The other training cost relates to bursaries for various institutions for different courses.

The Department will, over the 2020 MTEF, continue to offer bursaries (undergraduate and postgraduate) and support to staff members interested in pursuing their studies. In addition, the Department grants internal and external bursaries, based on the number of applications received per annum and the cost attached to them. However, the Department will be conducting a skills audit, focusing on the core occupations to inform a new human resource plan over the MTEF. This will result in different priorities that will be aligned to the departmental strategic plan and government priorities.

9.3 Reconciliation of structural changes

No Changes

ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 8.17: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Tax receipts									
Sales of goods and services other than capital assets	1 609	694	456	485	485	485	512	540	570
Sale of goods and services produced by department (excluding capital assets)	1 609	694	456	485	485	485	512	540	570
Sales by market establishments	1 609	694	456	485	485	485	512	540	570
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land	9	220	367	425	425	6 169	448	473	499
Interest	9	220	367	425	425	6 169	448	473	499
Sales of capital assets	3 211								
Other capital assets	3 211								
Transactions in financial assets and liabilities	6 086	1 989	(14)	4 561	4 561	4 561	4 812	5 077	5 356
Total departmental receipts	10 915	2 903	809	5 471	5 471	11 215	5 772	6 090	6 425

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	610 909	764 860	714 351	847 640	863 718	863 718	749 376	798 358	844 835
Compensation of employees	382 000	420 565	439 799	472 830	472 830	472 830	503 564	544 856	585 720
Salaries and wages	332 614	367 381	384 224	395 569	392 069	392 069	427 607	458 863	498 625
Social contributions	49 386	53 184	55 575	77 261	80 761	80 761	75 957	85 993	87 095
Goods and services	228 909	344 295	274 552	374 810	390 888	390 888	245 812	253 502	259 115
Administrative fees	60	123	39	188	88	88	97	110	122
Advertising	2 011	3 073	714	2 715	2 715	2 715	1 864	1 410	1 688
Minor assets	349	573	59	1 541	138	138	747	787	831
Audit cost: External	7 323	9 602	8 724	12 018	12 018	11 433	10 678	11 375	12 275
Bursaries: Employees	976	2 105	1 422	3 001	3 001	3 001	3 408	3 695	4 007
Catering: Departmental activities	986	1 839	1 090	1 607	1 472	1 472	1 861	1 971	1 121
Communication (G&S)	11 043	10 499	6 543	11 515	6 515	6 515	5 148	6 816	7 521
Computer services	13 719	7 414	4 815	8 711	8 711	6 162	4 190	4 501	5 228
Consultants and professional services: Business and advisory services	17 875	28 605	26 968	20 078	19 790	18 790	16 512	13 596	10 777
Legal services	36	4 397	18 803	15 000	20 000	21 493	19 939	20 927	22 480
Contractors	765	13 465	40 450	19 680	19 680	17 680	18 070	18 641	15 195
Agency and support / outsourced services	26 295	4 033	4 547	6 193	6 193	6 193	3 534	4 894	5 099
Fleet services (including	5 768	4 605	3 379	5 000	7 958	7 958	7 275	5 565	6 661

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
government motor transport)									
Inventory: Clothing material and accessories	46								
Inventory: Food and food supplies	16		2						
Inventory: Fuel, oil and gas									
Inventory: Medical supplies									
Consumable supplies	5 555	1 632	315	2 791	591	591	551	635	776
Consumable: Stationery, printing and office supplies	1 455	2 177	1 676	1 570	1 570	1 570	1 056	1 142	1 233
Operating leases	15 158	13 305	48 203	31 630	37 376	42 017	32 464	32 542	35 332
Property payments	105 867	221 414	93 697	216 664	225 564	225 564	108 963	114 701	120 190
Transport provided: Departmental activity									
Travel and subsistence	6 182	5 149	3 958	6 288	4 638	4 638	3 073	3 296	3 380
Training and development	2 571	1 772	671	1 730	1 730	1 730	1 628	1 718	1 812
Operating payments	832	425	934	1 548	2 048	2 048	1 681	1 773	1 881
Venues and facilities	4 021	8 088	7 543	5 342	9 092	9 092	3 073	3 407	1 505
Transfers and subsidies	5 302 025	5 054 603	5 081 379	5 348 830	5 403 372	5 403 372	4 982 216	5 124 681	5 330 125
Households	5 302 025	5 054 603	5 081 379	5 348 830	5 403 372	5 403 372	4 982 216	5 124 681	5 330 125
Social benefits	716	1 690	1 515	1 370	2 196	2 148	1 790	1 888	1 992
Other transfers to households	5 301 309	5 052 913	5 079 864	5 347 460	5 401 176	5 401 224	4 980 426	5 122 793	5 328 133
Payments for capital assets	15 756	144 501	431	20 056	29 410	29 410	7 860	5 777	4 800
Machinery and equipment	15 721	19 451	431	11 010	23 010	23 010	3 316	2 708	2 177
Transport equipment									
Other machinery and equipment	15 721	19 451	431	11 010	23 010	23 010	3 316	2 708	2 177
Software and other intangible assets	35	6 472		9 046	6 400	6 400	4 544	3 069	2 623
Payments for financial assets	28 993	44	212		42	42			
Total economic classification	5 957 683	5 964 008	5 796 373	6 216 526	6 296 542	6 296 542	5 739 452	5 928 816	6 179 759

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	416 282	387 021	473 076	638 384	605 246	601 003	527 833	562 106	612 319
Compensation of employees	197 154	218 739	207 246	281 559	229 559	229 559	294 892	323 465	369 603
Salaries and wages	170 696	190 108	179 829	229 467	182 467	182 467	243 596	264 487	307 499
Social contributions	26 458	28 631	27 417	52 092	47 092	47 092	51 296	58 978	62 104
Goods and services	219 128	168 282	265 830	356 825	375 687	371 444	232 941	238 641	242 716
Administrative fees	60	123	39	188	88	88	97	110	122
Advertising	1 956	2 814	714	2 715	2 715	2 715	1 864	1 410	1 688

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Minor assets	344	505	38	708	66	66	747	787	830
Audit cost:									
External	7 323	8 178	8 706	12 018	12 018	11 433	10 678	11 375	12 275
Bursaries:									
Employees	976	2 105	1 419	3 001	3 001	3 001	3 408	3 695	4 007
Catering:									
Departmental activities	918	1 674	1 035	1 222	1 222	1 215	1 289	1 360	435
Communication (G&S)	11 043	10 499	6 543	11 515	6 515	6 515	5 148	6 816	7 521
Computer services	13 719	7 414	4 815	8 711	8 711	6 162	4 190	4 501	5 228
Consultants and professional services:									
Business and advisory services	16 998	26 919	25 105	15 864	15 864	14 864	11 408	8 218	4 725
Legal services	36	4 397	18 803	15 000	20 000	21 493	19 939	20 927	22 480
Contractors	765	13 465	40 450	19 680	19 680	17 680	18 070	18 641	15 195
Agency and support / outsourced services	21 090		468						
Fleet services (including government motor transport)	5 768	4 605	3 379	5 000	7 958	7 958	7 275	5 565	6 661
Inventory: Clothing material and accessories	46								
Inventory: Food and food supplies	16								
Inventory: Fuel, oil and gas									
Inventory: Medical supplies									
Consumable supplies	5 544	1 580	306	2 346	346	346	474	547	687
Consumable: Stationery, printing and office supplies	1 449	2 173	1 676	1 475	1 475	1 475	1 056	1 142	1 232
Operating leases	15 158	13 305	48 203	31 630	37 376	37 914	32 464	32 542	35 332
Property payments	105 867	56 348	93 628	216 664	225 564	225 431	108 963	114 701	120 190
Transport provided: Departmental activity									
Travel and subsistence	3 229	2 574	1 591	2 500	2 100	2 100	1 078	1 082	935
Training and development	2 571	1 772	671	1 730	1 730	1 730	1 628	1 718	1 812
Operating payments	271	368	710	642	1 642	1 642	677	714	753
Venues and facilities	3 981	7 464	7 531	4 216	7 616	7 616	2 488	2 790	608
Transfers and subsidies	625	826	1 033	1 370	1 370	1 014	1 790	1 888	1 992
Households	625	826	1 033	1 370	1 370	1 014	1 790	1 888	1 992
Social benefits	625	826	873	1 370	1 370	1 014	1 790	1 888	1 992
Payments for capital assets	15 751	25 910	431	20 056	29 410	29 410	7 860	5 777	4 800
Machinery and equipment	15 716	19 438	431	11 010	23 010	23 010	3 316	2 708	2 177
Transport equipment									
Other machinery and equipment	15 716	19 438	431	11 010	23 010	23 010	3 316	2 708	2 177
Software and other intangible assets	35	6 472		9 046	6 400	6 400	4 544	3 069	2 623

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Payments for financial assets	28 993	44	212		42	42			
Total economic classification	461 651	413 801	474 752	659 810	636 068	631 469	537 483	569 771	619 111

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	18 442	45 294	17 024	44 126	40 926	41 059	21 557	21 619	23 651
Compensation of employees	17 824	43 887	12 674	38 371	34 871	34 871	15 485	15 213	16 215
Salaries and wages	15 774	38 201	11 306	29 949	26 449	26 449	13 099	13 338	14 221
Social contributions	2 050	5 686	1 368	8 422	8 422	8 422	2 386	1 875	1 994
Goods and services	618	1 407	4 350	5 755	6 055	6 188	6 072	6 406	7 435
Administrative fees									
Advertising									
Minor assets	3	16	2	72	72	72			
Catering: Departmental activities	68	75	15	71	171	171	241	262	318
Consultants and professional services: Business and advisory services		1 686	1 863	4 214	3 926	3 926	4 853	5 113	5 772
Agency and support / outsourced services	461	(552)	2 329						
Inventory: Clothing material and accessories									
Consumable supplies	10	5	2	11	11	11			0
Consumable: Stationery, printing and office supplies		4		57	57	57			
Travel and subsistence	36	69	108	282	182	182	297	313	330
Operating payments		57	1	160	160	160	96	101	117
Venues and facilities	40	47	12	888	1 476	1 476	585	617	897
Transfers and subsidies		45	5			187			
Payments for capital assets	5	13							
Buildings and other fixed structures									
Buildings									
Machinery and equipment	5	13							
Other machinery and equipment	5	13							
Payments for financial assets									
Total economic classification	18 447	45 352	17 029	44 126	40 926	41 246	21 557	21 619	23 651

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	162 737	161 353	189 224	157 548	188 328	191 804	164 203	174 704	176 188
Compensation of employees	154 577	152 112	185 043	146 440	179 440	179 440	158 102	166 992	168 006
Salaries and wages	135 174	133 833	162 692	130 702	157 702	157 702	140 165	147 975	149 560
Social contributions	19 403	18 279	22 351	15 738	21 738	21 738	17 937	19 017	18 445
Goods and services	8 160	9 241	4 181	11 108	8 888	12 364	6 101	7 712	8 182
Minor assets	2	52	14	585					0
Audit cost: External		1 424							
Catering: Departmental activities		81	9	135			142	150	158
Consultants and professional services: Business and advisory services									
Contractors									
Agency and support / outsourced services	4 744	4 585	1 750	6 193	6 193	6 193	3 534	4 894	5 099
Consumable supplies	1	47	5	77	77	77			0
Consumable: Stationery, printing and office supplies	6			38	38	38			
Operating leases						3 476			
Property payments									
Travel and subsistence	2 846	2 475	2 190	3 334	2 334	2 334	1 517	1 710	1 914
Operating payments	561		208	746	246	246	908	958	1 011
Venues and facilities		577							
Transfers and subsidies	5 184 856	5 053 408	4 801 772	5 131 256	5 176 247	5 176 247	4 760 631	4 989 673	5 191 744
Households	5 184 856	5 053 408	4 801 772	5 131 256	5 176 247	5 176 247	4 760 631	4 989 673	5 191 744
Social benefits	91	864	392		500	500			
Other transfers to households	5 184 765	5 052 544	4 801 380	5 131 256	5 175 747	5 175 747	4 760 631	4 989 673	5 191 744
Payments for capital assets		118 491							
Buildings and other fixed structures		118 491							
Buildings		118 491							
Payments for financial assets									
Total economic classification	5 347 593	5 333 252	4 990 996	5 288 804	5 364 575	5 368 051	4 924 834	5 164 377	5 367 931

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	13 448	171 192	35 027	7 582	29 218	29 852	35 783	39 929	32 677
Compensation of employees	12 445	5 827	34 836	6 460	28 960	28 960	35 085	39 186	31 896
Salaries and wages	10 970	5 239	30 397	5 451	25 451	25 451	30 747	33 063	27 344
Social contributions	1 475	588	4 439	1 009	3 509	3 509	4 338	6 123	4 552
Goods and services	1 003	165 365	191	1 122	258	892	698	743	781

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Advertising	55	259							
Minor assets			5	176					
Catering: Departmental activities		9	31	179	79	86	189	199	210
Consultants and professional services: Business and advisory services	877						251	265	280
Consumable supplies			2	357	157	157	77	88	90
Travel and subsistence	71	31	69	172	22	22	181	191	202
Venues and facilities				238					0
Transfers and subsidies	116 544	324	278 569	216 204	225 755	225 924	219 795	133 120	136 390
Households	116 544	324	278 569	216 204	225 755	225 924	219 795	133 120	136 390
Other transfers to households	116 544	324	278 324	216 204	225 429	225 429	219 795	133 120	136 390
Payments for capital assets		87							
Payments for financial assets									
Total economic classification	129 992	171 603	313 596	223 786	254 973	255 776	255 578	173 049	169 066

TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS DEVELOPMENT GRANT PROGRAMME 3

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Transfers and subsidies	5 022 669	5 052 868	4 482 095	5 164 409	5 164 409	5 164 409	4 319 346	4 293 873	4 499 979
Provinces									
Households	5 022 669	5 052 868	4 482 095	5 164 409	5 164 409	5 164 409	4 319 346	4 293 873	4 499 979
Social benefits									
Other transfers to households	5 022 669	5 052 868	4 482 095	5 164 409	5 164 409	5 164 409	4 319 346	4 293 873	4 499 979
Payments for capital assets		118 578	823 469						
Buildings and other fixed structures		118 578	823 469						
Buildings		118 578	823 469						
Other fixed structures									
Total economic classification	5 022 669	5 171 446	5 305 564	5 164 409	5 164 409	5 164 409	4 319 346	4 293 873	4 499 979

TABLE 8.25: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Category A	741 384	492 797	386 649	401 507	55 103	55 103			
Ekurhuleni	126 738	51 203	294 696						
City of Johannesburg	411 613	292 315	68 961	245 507	55 103	55 103			
City of Tshwane	203 033	149 279	22 992	156 000					
Category B	190 452	246 070	226 283	151 438	151 438	151 438	40 000	36 000	30 000
Emfuleni									
Midvaal									
Lesedi									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Mogale City	86 752	35 269	91 000	31 111	31 111	31 111			
Merafong City	32 700	139 701	46 900	46 944	46 944	46 944	35 000	26 000	15 000
Rand West City	44 700	71 100	88 383	73 383	73 383	73 383	5 000	10 000	15 000

