



2. Programme Performance

2. PROGRAMME PERFORMANCE IN TERMS OF BUDGET

Overview

The Department spent 95% of its allocated funds in the financial year under review. There are however areas where our annual performance targets were unattainable in the period under review and these will be addressed in the 2006/07 financial year. These areas encompass the Alex Urban Renewal Project. We have instituted corrective actions that include increasing management capacity, weekly meetings, consistent audits of work done against expenditure patterns, and management is committed to take action against non-performance.

Programme 2

Housing Planning and Research spent 77% of its total budget allocation. The under spending relates partially to goods and services that were delivered/rendered, but not paid for due to the late submission of invoices by the suppliers. The balance of under spending can be attributed to machinery and equipment, due to the new procurement procedures for the purchase of office furniture. The policy was introduced to utilise, first, the Department's stock that was held in stores.

Programme 3

Housing Performance/Subsidy Programme spent 99% of its total budget allocation. The under spending relates partially to goods and services that were delivered/rendered, but not paid for due to the late submission of invoices by the suppliers. The balance of under spending can be attributed to machinery and equipment, due to the new procurement procedures for the purchase of office furniture. The policy was introduced to utilise, first, the Department's stock that was held in stores.

Programme 4

Urban Renewal and Human Settlement Redevelopment spent 75% of its total budget allocation. The bulk of the under spending relates to households, and is as a result of the late approval of business plans which lead to prolonged tender and procurement processes. The balance of the under spending relates to goods and services that were delivered/rendered, but not paid for due to the late submission of invoices by the suppliers, and to machinery and equipment, due to the new procurement procedures for the purchase of office furniture. The policy was introduced to utilise first the Department's stock that was held in stores.

Programme 5

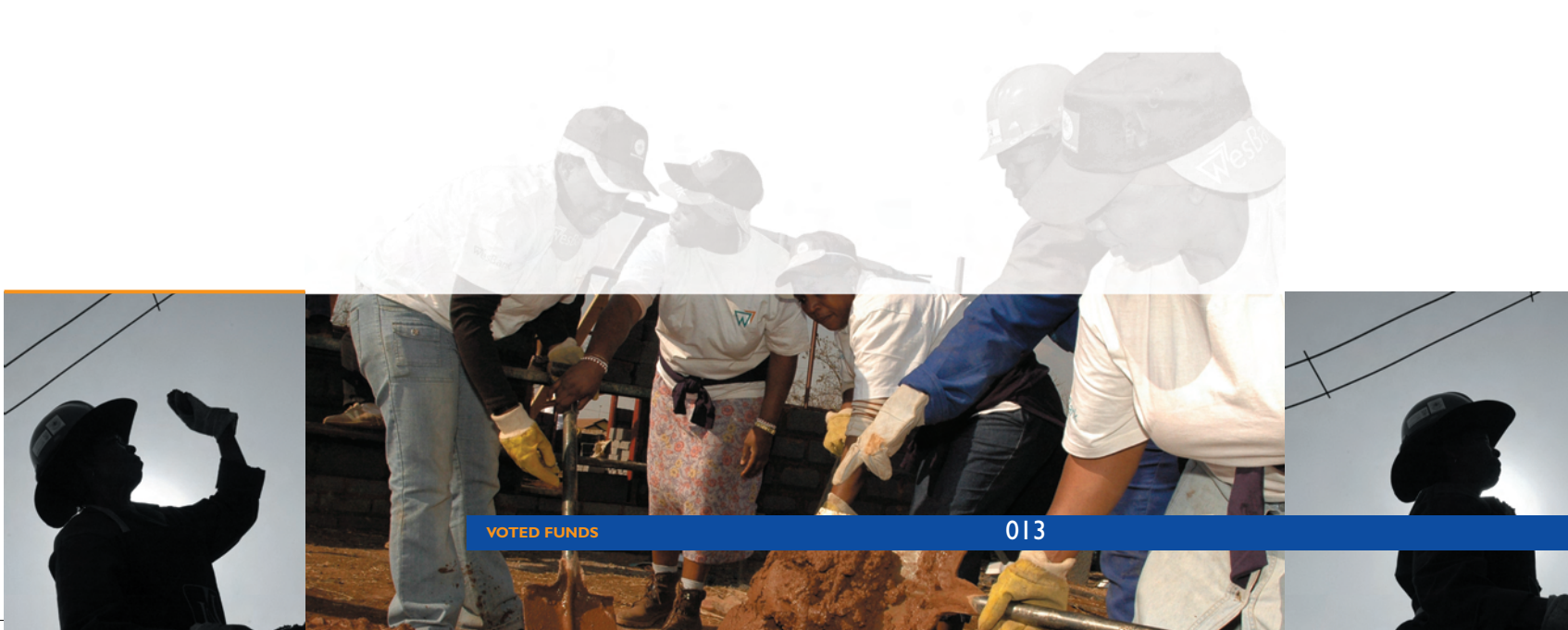
Housing Asset Management spent 96% of its total budget allocation. The under spending relates partially to goods and services that were delivered/rendered, but not paid for due to the late submission of invoices by the suppliers.

2.1 VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Vote 7 Department of Housing	1,647,987	1,764,295	1,673,302	90,993
Responsible Minister	Nomvula Mokonyane			
Administering Department	Department of Housing (Gauteng)			
Accounting Officer	Manching Benedicta Monama			

2.2 AIM OF THE VOTE

Striving for “healthier, wealthier and secure households and communities in an environmentally responsive, spatially, socio-culturally and economically integrated housing and habitats within a resource- and environment-conserving Gauteng for the benefit of current and future generations of the province, the nation of South Africa as a whole and the breadth and width of the African continent, in the true spirit of the New Partnership for Africa’s Development (NEPAD)”.



2.3 SUMMARY OF PROGRAMMES

The Housing sector adopted a uniform budget and programme structure that reflects the minimum number of programmes. The activities of the Department of Housing are organised in the following five programmes:

Programme	Sub-programme
Administration	1.1. Office of the MEC and HOD 1.2. Office of the CFO 1.3. Office of the COO 1.4. Corporate Services
Housing Planning and Research	2.1. Administration 2.2. Policy and Legislation 2.3. Research 2.4. Strategic Planning 2.5. Housing Agency Registry 2.6. Municipal Support 2.7. Development Planning 2.8. Programme Management Information System 2.9. Quality Assurance 2.10. Rectification

Programme	Sub-programme
Housing Performance/ Subsidy Programmes	3.1. Subsidy Administration 3.2. Individual 3.3. New Formal Housing (Project Linked) 3.4. People's Housing Process 3.5. Consolidation (Community Builder Programme) 3.6. Institutional / Social Housing 3.7. Hostels 3.8. Relocation 3.9. Disaster Management /Emergency Programme 3.10. Upgrading of Informal Settlements 3.11. Savings Linked
Urban Renewal and Human Settlement Redevelopment	4.1. Administration 4.2. Urban Renewal <ul style="list-style-type: none"> • Alexandra Renewal Programme • Bekkersdal Renewal Programme • Evaton Renewal Programme 4.3. Human Settlements and Redevelopment
Housing Asset Management	5.1. Administration 5.2. Maintenance 5.3. Transfer of Rental stock 5.4. Sale of Rental stock 5.5. Management of Rental Stock 5.6. Devolution of Rental Stock 5.7. Gauteng Partnership Fund 5.8. Rental Tribunal 5.9. Management of Assets 5.10. Land Administration 5.11. Discount Benefit 5.12. Subsidy (4 of 1987)



2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2005/06

The service delivery environment has remained the same although various initiatives are underway to address some of the challenges.

The following factors are however emphasized:

Service delivery environment – external factors impacting on housing delivery

- The availability of sufficient funding to meet the BNG and Provincial targets is a major constraint which will prevent the Department from reaching time bound targets.
- The Financial Services Charter has ensured that Banks are playing a pro-active role to get involved in housing delivery such as the Olievenhoutbosch/ABSA and 702/Cosmo City projects.
- The quality of houses provided has increased substantially as a result of new specifications approved by the Department and the involvement of the NHBRC in the quality assurance process.
- There is a lack of capacity to deliver housing at scale if the current prescribed procedures are being followed. A pre-qualification process has been initiated to create opportunities for established developers and emerging contractors with a proven track record.
- The capacity of Social Housing Institutions to deliver rental accommodation at scale to the R1500 to R7500 income group remains limited.
- Building Control and control of illegal land invasions by the municipalities must ensure that housing development is taking place as planned.
- An occupancy audit indicated that a large percentage of subsidized houses are currently not occupied by the original beneficiaries.
- The informal selling or letting of subsidized houses is a constraint to ensure a sustainable housing solution through the housing subsidy scheme.
- The development of well located land is addressing the spatial separation of communities but it is a slow process to obtain the required development approvals.
- The BNG provides a menu of policy options. The allocated Integrated Housing and Infrastructure Development is not sufficient to implement all approved policies.



Policy changes and trends

- The major policy change during 2005/06 was to stop the incremental approach to the eradication of informal settlements. It was decided to provide the final housing product immediately as the incremental approach does not eradicate informal settlements but provide only services and tenure initially.
- The “one size fit all” approach to provide housing to communities is being replaced with a policy to provide mix income, mix tenure and mix land-use developments taking the profile of the target community into account.
- The inclusionary housing policy is under development to ensure that all private sector housing developments include a certain percentage of housing targeting the low income market.
- The approval of the Finance Linked Subsidy and the revised social housing policy have, created housing instruments that provide housing assistance to families with an income of up to R7000 and R7500 per month respectively.

Environmental factors and emerging challenges

- The eradication of the 405 existing informal settlements by 2014 remains a challenge as the available funding allocations are not sufficient to reach this target.
- As a result of in-migration the 2014 target to eradicate all informal settlements will remain a challenge as the informal settlements are growing faster than the rate at which Informal Settlements are being eradicated.
- Integrated development to ensure that the development of sustainable communities remains a challenge as the alignment of budgets and priorities of the different development institutions are not yet coordinated effectively.

The demographics profile of the province

- The informal settlement registration process indicated that the demographic profile of people residing in informal settlements is the following:



Data on Occupants												
Municipality	Income >R3,500	Income < R3,500	On 96/97 Waiting List	Not on 96/97 Waiting List	Prev. Assisted	Not Prev. Assisted	SA Citizens	Non SA Citizens	Disabilities	No Disabilities	Own	Rent
City of Johannesburg (North)	527	55,709	4,248	51,988	5,692	50,544	52,541	3,695	645	55,591	46,072	10,164
City of Johannesburg (South)	118	53,697	3,486	50,329	16,343	37,472	49,903	3,912	1,542	52,273	51,455	2,360
Ekurhuleni Metropolitan	256	83,394	4,186	79,464	7,525	76,125	79,088	4,562	696	82,954	83,635	15
Kungwini Municipality	3	4,744	73	4,674	142	4,605	4,604	143	17	4,730	4,747	0
Nokeng tsa Taamane Municipality	11	5,891	50	5,852	201	5,701	5,811	91	29	5,873	5,901	1
Emfuleni Municipality	2	7,879	331	7,550	990	6,891	7,348	533	170	7,711	7,756	125
Lesedi Municipality	1	551	32	520	47	505	544	8	31	521	551	1
Midvaal Municipality	10	2,371	62	2,319	263	2,118	2,277	104	47	2,334	2,381	0
City of Tshwane	215	121,430	779	120,866	4,175	117,470	118,680	2,965	872	120,773	119,417	2,228
Meratong City Local Municipality	76	14,984	698	14,362	328	14,732	12,146	2,914	624	14,436	14,777	283
Mogale City Municipality	27	6,643	226	6,444	594	6,076	6,286	384	82	6,588	6,580	90
Randfontein Municipality	31	3,382	172	3,241	295	3,118	3,135	278	63	3,350	3,386	27
Westonaria Municipality	14	1,825	45	1,794	38	1,801	1,607	232	25	1,814	1,830	9
	1,291	362,500	14,388	349,403	36,633	327,158	343,970	19,821	4,843	358,948	348,488	15,303

- The in-migration is estimated currently at 70 000 households per year.
- The new household formation is estimated at 54 000 households per year

Current Status

The following table provides the status of the current information on the Provincial Housing Data Base

Particulars	Beneficiaries Registered	Assisted to date	Balance, not yet received subsidy assistance
Total waiting list 1996 to date	590 232	127 944	462 288
1996 & 1997 only	189 169	80 022	109 147

[Figures subject to verification as it was January 2006 Figures]

Housing delivery programmes also provide housing opportunities to beneficiaries that are not registered on the Housing Database, namely:

- Beneficiaries in informal settlements;
- People living in dangerous conditions;
- Hostels;
- Backyard Dwellers;
- Beneficiaries linked to Social Housing Projects;
- Beneficiaries assisted in terms of Consolidation Subsidy Programmes (CBP, PHP, and MEC Priority Projects).

Integrated Planning and Service Delivery

- The current planning process of the department will ensure that integrated planning is achieved by involving the municipalities and other departments in the planning process.
- Where possible developments are planned on well located land
- To ensure sustainable development the budgets of the various development institutions must be aligned as the various facilities required must be constructed simultaneously. This alignment remains a challenge as different institutions have different objectives and backlogs to address.
- The hostel conversion programme is in some cases delayed because municipalities do not have counter funding available when the development cost exceeds the subsidy amount.
- Municipalities are still applying the “one size fits all” approach to the informal settlement upgrading process and do not plan to address the needs of a community.



2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2005/06

The Public Service Act clearly locates the responsibility for the efficient management and administration of departments in the Head of Department.

The Department of Housing has been operating without the Head of Department (HOD) since the beginning of the financial year. The HOD joined the department in August 2005. The department during this period was operating without leadership and this had a negative impact on the department's ability to deliver on its strategic plan. On assumption of duty the HOD identified a number of obstacles in the structure of the department which impacted on the department's ability to deliver on its strategic plan. The following are some of the challenges the department identified:

- How best to organize the department to deliver according to the strategic plan in contrast to the current way of organisation?
- What contributions should be introduced to maximise service delivery?
- What capabilities the department require to deliver on its mandate?
- What are the department's current capabilities versus what it should be?

The first step in mitigating the above mentioned challenges was to impose a moratorium, in order to restructure the department. The second was to withdraw all delegations in order to overhaul the department's processes and systems. The new structure was finalised in December 2005 and approved in February 2006 but could only be implemented on 1 April 2006 due to the lack of funding. Delegations were also revised and implemented in the 2006/2007 financial year. The third step entails the skills, knowledge, and competencies that are required by the department. The department will be dealing with this last step in the 2006/2007 financial year.

A closer look at the above challenges reveal that if no interventions are taken, these issues could impact negatively to the department's plans for the future. The following measures need to be taken to overcome the constraints:

- Implementation of a restructured establishment including office accommodation for Regions.
- Implementation of effective in-house structures for the enforcement of Performance Management System (to deal with skills gaps identified).
- Implementation and enforcement of attendance of training sessions by SMS members (GMDP) and Networking sessions.
- Implementation of Executive Management Committee meetings resolutions.
- Ad hoc discussions to address problems by various line managers.

The department has embarked on a strategic profiling process in an attempt to identify what skills, knowledge and competencies are required in the department. This process for levels 1-12 has been finalised and a skills audit report was subsequently compiled and training commenced in April 2006.

2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2005/06 FINANCIAL YEAR

The year 2005/06 saw the operationalisation of the Comprehensive Strategy for the Human Settlement (Breaking New Ground) in the Gauteng Province. The process was manifested by the tactical implementation of the strategy while taking into account the Gauteng specific prevailing conditions. These entailed among other things: the redevelopment of the 54 historical hostels present in the province; the transfer and disposal of the old pre-1994 housing stock; the compact and derelict former black townships and the overburdened and aging infrastructure. Also issues relating to the above national average influx of population into the province.

The department drafted the internal guidelines that are derived from the Breaking New Ground Document as approved by the National Cabinet, namely:

1. Affordable Rental Accommodation Policy Guidelines

The purpose of the policy document is to regulate and harmonise the affordable rental housing in the old townships and to integrate and convert hostels into habitable communities and family units.

2. Building Maintenance Guidelines

The guidelines are meant to be applied when managing the Government owned housing stock in order to maintain the market value of the properties and also for properties to comply with the Gauteng norms and standards

3. Backyard Rental Guidelines

This is an intervention to eradicate backyard shacks and also regulate and harmonise the backyard rental.

4. Transfer and Regularisation of Residential Properties Guidelines

TORPS Policy as is called is aimed at transferring residential properties to rightful owners. This policy further ensures that the Department of Housing provides for the transfer of residential properties by establishing processes and guidelines, which are transparent, fair and equitable and address specific challenges as outlined by the Transfer of Residential Programme.

5. Housing Allocations Policy Guidelines

The aim of the Allocation Policy is to assist the Gauteng Department of Housing to have a comprehensive approach to the allocation of state subsidised houses given the irregularities that characterised the housing allocation since the advent of the new housing regime in 1994.

6. Farm Worker Housing Policy Guidelines

Farm Worker Housing is aimed at providing guidelines to the Department of Housing on the housing needs of the farming community in the province that is highly urbanised.



7. Policy Guidelines on the management of the Housing Demand Data Base

The guidelines are meant for the development of the accurate data for housing planning purposes and ensure that the Department not only responds to the demand of houses but it also prioritises those who are in need. These policy guidelines are to be used as research tool for future planning on the housing needs for people of Gauteng.

The above mentioned guidelines were debated and discussed with other stakeholders, amongst others; the Local Authorities in Gauteng, the SALGA contractors, building material manufacturers and other provincial departments; with the purpose of enhancing the quality of the guidelines and cultivating awareness amongst stakeholders.

The Gauteng Housing Development Bill

The Gauteng Housing Development Bill was put on hold pending the amendment of the National Housing Development Bill that is currently put together for tabling by the Minister at National level. The departmental intention is to align the Provincial Bill with the National Bill.

Capacity building

The Gauteng Department of Housing is managing the capacity building programme where the intension is to develop cadres that will respond effectively and efficiently to changing housing environments. Currently the Department is running an Executive Course on Urban Good Governance with the assistance of the University of Pretoria as service provider. The targeted participants are managers of the municipalities, the Gauteng Housing Department staff and members in the Gauteng Provincial Legislature. The participants involved in the programme are 46. We expected 65 but others later withdrew before the beginning of the programme. The forty-six participants are consistent. The programme is entering its fifth session as it is a seven module course.



2.7 DEPARTMENTAL RECEIPTS

The total revenue collected as at the end of March 2006 amounts to R1,840 million which is 31% of the R5,932 million voted budget. The actual collection amounts to R10,840 million and does not reflect on the Department's revenue report as the revenue received for capital assets is not deposited into the Departmental account but into the Debtors trading account

Departmental Revenue	Actual Collection 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from target
Current revenue				
Tax revenue	0	0	0	0%
Non tax revenue	1,985	2,617	101	96.1%
Capital revenue	1,873	2,500	1,255	49.8%
Other (specify)	3,827	815	484	40.6%
Departmental revenue	5,812	5,932	1,840	69.0%

Departmental Own Revenue	Actual Collections 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from target
Programme 1	0	0	1,120	+100.0%
Programme 2	0	0	2	+100.0%
Programme 3	1,985	3,432	706	79.4%
Programme 4	0	0	(4)	(100.0)%
Programme 5	3,827	2,500	16	99.4%
TOTAL	5,812	5,932	1,840	69.0%



2.8 DEPARTMENTAL PAYMENTS

Programmes	Voted for 2005/06	Roll - overs and adjustments	Virement	Total voted	Actual Expenditure	% Deviation from voted
Administration	82,276	-82	1,400	82,394	78,017	5%
Housing Planning and Research	8,331	1,064	(140)	9,255	7,513	19%
Housing Performance/ Subsidy Programme	1,200,644	-9,074	5,308	1,197,878	1,195,267	0%
Urban Renewal and Housing Settlement Redevelopment	305,504	111,916	(10,659)	406,761	326,992	20%
Housing Asset management	51,232	12,484	4,091	68,007	65,513	4%
Total	1,647,987	116,308	0	1,764,295	1,673,302	5%

2.9 PROGRAMME PERFORMANCE IN TERMS OF STRATEGIC OBJECTIVES

Programme 2

Programme 2 has been instrumental in assisting our capital Programmes in bridging existing policy limitations with implications on implementation of housing projects. From 5 Policies planned for the year, 7 were drafted. The Review Report of National Policy Guidelines on Job Creation Strategy within the framework of EPWP was finalised. The promulgation of the Gauteng Housing Legislation is delayed due to amendments being effected at National level in respect of Housing Legislation and Policies. From 5 Researches planned for the year, 4 1st Draft Documents have been completed. Capacity building presented Modules 1, 2 and 3 in the 2005/06 financial year and 46 candidates participated.

The Programme Information Management Office drew up functional specifications on their planned enhancement of eKhaya system. Four standard reports have been formulated, namely: Programme Progress Report; Project Status Report; Project Deviation Report and the Labour Statistics Report. In addition an Imbizo Report has also been formulated. Forty five (45) internal users and 6 Project Managers from Ekurhuleni Municipality have been trained on eKhaya system. Regional Planning developed 6 MHDP's, 1 PHDP and 21 Planning Frameworks.

Quality Assurance achieved 25% Compliance with National Building Regulations on all houses built from a planned target of 60%. The unit submitted 116 projects to NHBRC for enrolment. Ninety eight (98) were approved for In-principle Enrolment, 27 for Project Enrolment and 13 for Home Enrolment. Rectification assessed 7,192 houses from a target of 9,600 houses.

Programme 3

Housing Support planned to process 60,000 subsidy applications; 2,000 Individual subsidies and 650 Relocation subsidies. The unit processed 60,941 subsidy applications; 1,686 Individual subsidies and 426 Relocation subsidies.

People's Housing Process delivered 1,865 housing units from a planned target of 1,440 units, with 618 under construction. One hundred and seventy (170) jobs were created. New Formal Housing planned to service 2,294 stands and 2,294 houses. The unit delivered 6,369 stands; 3,515 houses and created 2,370 jobs. In the Upgrading of Informal Settlements, the unit planned to service 29,750 stands and to build 6,868 houses. Planned targets were exceeded as 36,912 stands were serviced and 11,738 houses were built. Nineteen thousand two hundred and thirty three (19,233) jobs were created.

The Emergency Programme targeted assisting 250 households and assisted 9,006 households. Social Housing facilitated 125 bed spaces from a planned target of 216 and 1,135 medium density housing units from a planned target of 1,080 housing units. Affordable Rental Accommodation planned to complete 20 hostel interventions and 1,800 self-contained units. The unit completed 48 hostel interventions and delivered 765 self-contained units.

The Community Builder Programme delivered 1,412 houses from a planned target of 7,200 houses. Five hundred and forty five jobs were created.

Programme 4

Urban Regeneration involves integrated revitalisation of strategic urban localities by co operative partnerships with the three spheres of government, various line function Departments and the private sector for ultimate stimulation of local economies and creation of sustainable jobs; fundamental in improving the quality of life and poverty alleviation within communities. The Department is currently implementing Urban Regeneration Projects within Alexandra, Bekkersdal and Evaton.

Alexandra Renewal Programme

Paving and Tarring is 95% complete in London Road / Awkright Avenue. The upgrading of Altrek Sports Centre is 70% complete. Upgrading of No. 3 Sports Complex is 90% complete. Training of 30 entrepreneurs and 35 individuals in the Construction Cluster has been completed. A temporary rank has been completed as part of the Redevelopment of Pan Africa. The building of the Storage facility is 98% complete. The Revamping of a Teacher Training and Resource Centre is 98% complete. Ninety six (96) units are at a practical completion stage in the Redevelopment of the M2 Hostel. Phase 2 of the Upgrading of the Cemetery is complete. The Upgrading of the HIV/AIDS Centre in the Edenvale Hospital is 70% complete. The 1st Phase of the roofing of Bombani Safe House Facility is 85% complete.



Bekkersdal Renewal Programme

The Programme has completed 20 projects. Completed projects include among others, the Installation of High Mast Lighting; Waste Management; CBD Upgrading; Taxi rank; Spatial Development Frameworks; Information Hub; Training of 57 individuals on brick making; Land identification for development needs; Dolomitic Risk management and Invasion & Influx Control.

Six projects have been moved to the 2006/07 financial year. Agricultural projects have been transferred to the Local Municipality and the West Rand District Municipality.

Evaton Renewal Programme

The Programme has completed 21 projects. Completed projects include: Construction of 3 roads; Rescaling of 3 streets; Development of a Catchman Plan; Installation of Sanitation in 3 primary schools; Palisade Fencing up in one primary school; Infrastructure at Tshepo Themba Hall; Human Development and Capacitation of 70 candidates; Renovation of Health Facilities; Installation of Palisade Fencing in the Cemetery; Upgrading of Sports Facilities; Agreements signed with Community Liaison Officers; Maintenance of Evaton Development Forum and Historical Compilation of Evaton.

Backyard Upgrading and Human Resettlement

The Programme targeted Registering 100,000 backyard shacks and achieved 137,000 registrations. From a target of constructing 2,250 backyard units, the Programme constructed 36 units. Sixty nine (69) toilets (Ablution Facilities) have been installed in Munsieville.

Programme 5

The Programme met its target of unscheduled maintenance intervention of 1,200. In the Devolution of Housing assets the Programme targeted devolving 5,000 houses and devolved 11,123 houses. In the Second Directive to 'Promote Home Ownership', i.e. the Regularisation and Transfer of Properties, a transfer of 6,305 units was targeted and 2,200 transfers were effected. On the transfer of non-transferable units, 60 units were transferred from a target of 1,200. Two Commercial properties were sold from a target of 10 properties. On the Transfer of Properties, i.e. the First and Third Directive, 17,137 units were transferred from a target of 20,000 units. The Rental Tribunal targeted resolving 1,500 cases and actually resolved 797.

2.10 SERVICE DELIVERY ACHIEVEMENTS

2.10.1 Programme 2: HOUSING PLANNING AND RESEARCH

Strategic objectives:

- To provide a regulatory framework for housing delivery
- To develop provincial multi-year housing delivery plans
- To conduct housing research
- To provide capacity and support to municipalities with regard to housing delivery in line with the Housing Act

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Unit	%
Policy	To provide a regulatory framework for Housing Delivery	No. of policies /guidelines approved	8 Policies	5 policies	7 policies	2 Above	+40%
		No. of Acts, Regulations and Amendments proclaimed around housing issues.	1 Regulation	1	0	1	-100%
Research	To conduct housing research by gathering information and to undertake research analysis and reporting	No. of researches conducted	3 Researches	5	4 First Drafts	1	-20%
Capacity Building	To enhance capacity and provide support to municipalities in housing delivery	No. of people trained Tertiary Institutions according to plan	Approved Business Plan on Capacity Building of 65 trained officials	Approved Business Plan on Capacity Building. 65 trained officials	3 Modules presented. 46 Participants registered	19	-29%
Municipal Support	To enhance capacity and provide support to municipalities in housing delivery	Number of supportive Actions executed	-	Access capacity requirements	All work with municipalities put on hold due to Regionalisation.	1	-100%
		Capacity provided for 2 training provided 3 policies processes and procedures established	-	Level 1 accreditation of Ekurhuleni Municipality	Ekhaya system re-engineered. All work with municipalities put on hold due to Regionalisation.	Level 1 Accreditation	-100%
Programme Management Office	To provide effective Ekhaya Capacity and support and monitor & facilitate the updating of Project related information	No. of users trained & supported	50 users trained on enhanced Programme Management Training	50 users trained	45 Internal and 74 External users trained	69 Above target	+138%
	To effectively develop, maintain and administer Ekhaya	Number of approved developments and enhancements completed errors logged vs. resolved	-	Fully functional, user - friendly and populated system.	The enhancements have not yet been finalized	50%	-50%

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Unit	%
	Formulation of 4 standard reports for project planning and implementation to be updated monthly.	4 Standard reports formulated.	-	4 Standard reports formulated	5 Reports formulated	1 Above target	+20%
Housing Agency Registry	To register and accredit housing institutions to meet corporate governance principles and objectives	No. of institutions registered	34	16	12	4	-25%
		No. of institutions accredited or identified for capacity building	34	16	7	9	-56%
	To monitor corporate governance, financial and non - financial performance compliance	No. of institutions monitored	8	8	16	8 Above	+100%
	To conduct survey, establish registration compliance	No. of surveys conducted	-	16	16	0	0%
	Co - ordinate the Registrar functions to other Provinces	No. of workshops conducted	-	4	5	1 Above	+25%
	Facilitate Capacity Housing Institutions, HSC, SO and PMO offices	No. of Housing Agencies capacitated	7	7	7	0	0%
	Advise the Department on growth and sustainability of the rental housing sector	Report to MEC	1	1	1	0	0%
		Provincial Housing Development Plan	1	1 PHDP Completed	1 PHDP completed	0	0%
Regional Planning		Municipal Housing Sector Plans in place	6	Complete 6 MHDPs	6 MHDPs completed	0	0%
		Identify and develop development of frameworks	Feasibility report on the development of frameworks for targeted development zones and rural towns	21 development frameworks	21 Development Frameworks.	0	0%

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Unit	%
	To co - ordinate the activities of the Municipal Housing Development Planning process with the principles of Land use Development Management	No. of developed and facilitated Precinct Plans Evaluate Township management applications	-	30 Precinct Plans All applications received evaluated and submitted to relevant regional manager	38 Precinct Plans delivered 11 Township Establishment Applications evaluated and submitted	8 Above target 0	+27% 0%
		Compliance to Planning policies and guidelines	-	All applications received evaluated and submitted to relevant regional manager	All applications competed were in line with planning policies and guidelines	0	0%
		Facilitate integrated greenfields development on "well - located" land	-	5 projects per year	5 projects per year	0	0%
Programme Management Information system	To establish and manage the Spatial Information Systems of the Department to proactively guide and monitor development	% Increase in system utilisation	-	Fully utilised system	Did not commence with Additional enhancements planned.	0	0%
Quality Assurance	To ensure the delivery of quality houses in formal housing projects	Compliance/Accreditation received in line with National Building regulations		All houses in all Projects delivered to be of quality in accordance with NHBRC	69 projects 25% achievement of built houses	35% less than target	-35%

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Unit	%
	To enrol with the NHBRC for the purpose of conducting quality control management in respect of formal housing development	No. of projects to be enrolled with the NHBRC	-	All projects / Houses to be enrolled with the NHBRC.	In - principle Enrolment Total 116 Approved 98 Project Enrol. Approved 27 Home Enrol. Approved 13	18 Projects 71 Projects. 14 projects	- 16% - 72% -52%
	To provide technical support to other Directorates within the Department	Number of requests received from other directorates	-	All requests received from other directorates	5 requests received. 4 Attended to.	1 Request.	-20%
	To verify received Variation Orders and Compensation Events Recommendations thereof	Number of received variation orders and compensation events	-	All variation orders And compensation events to be verified	12 Variation Orders 22 CE received and verified	0	0%
Rectification	Rectification of all houses with structural defects built 1994 - 2002	230,000 houses to be assessed. 23,000 houses to be rectified	-	Assess 9,600 houses - rectify 960 houses	7,192 unit in pilot	2,408 units	25%

Specific challenges and responses

1. Policy

Challenges	Responses
<p>Policy</p> <ul style="list-style-type: none">• The main challenge in policy development was lack of research capacity. The research component has not been staffed.• The policy approval process has been delayed. Many policy drafts were completed, but were not taken forward for approval at HAC.• The implementation of the policy development process is not yet at its peak. This is due to lack of responsiveness by other business units.	<ul style="list-style-type: none">• The research staff will be appointed soon.• The Directorate will engage with the HOD to thrash out a workable consultative process before policy drafts are presented at HAC.• The policy development process will be work shopped with all senior management

2. Research

Challenges	Responses
<ul style="list-style-type: none">• No full time staff in the research component. Most of the outputs were done by interns• The Directorate has not been receiving clear and adequate Terms of Reference, and this has made our work difficult.	<ul style="list-style-type: none">• The new structure of the Department makes provision for appointment of new staff, and we have already started advertising. The Chief Directorate is also working on establishing a Housing Research Forum with universities in Gauteng. This will also augment our research capacity;• The ISO 9000 procedures need to be strictly implemented and monitored



3. Programme Management Office

Challenges	Responses
<p>Impact of Departmental Regionalisation on PIMS and eKhaya</p> <ul style="list-style-type: none"> The regionalisation of the Department impacted significantly on the PMO resulting in the unit revising its role and re-engineering the eKhaya system to suit the shift in operations. The key role of the eKhaya system is to manage project information for the Department. The lack of capacity within the PMO did not allow for the unit to fulfil its commitment to provide level 1 accreditation to Ekurhuleni as the Accreditation pilot project. A decision was made to remove the MS Project component from the eKhaya system as the detailed project plan was unsuitable for use by project managers. The completion of the enhancements to the system and the need to roll-out to regions has been delayed due to technical difficulties experienced by the service provider as well as the need to incorporate additional enhancement needs. 	<ul style="list-style-type: none"> It was decided that Accreditation was no longer a function of the unit. The decision to roll-out the eKhaya System to municipalities was withdrawn due to the regionalisation of the Department. As an intervention the PMO undertook an intervention to enhance the aesthetic and functional design of the eKhaya system in order to create a more user-friendly system for the eKhaya user to include the following components: Enhancement and development requirements; The sectionalization of information so as to separate once-off information required for registration of projects versus dynamic information which would need to be updated on a monthly basis per project; The key focus areas for monthly update information include: (output, outcome and expenditure) the provision of both historical and current progress project information; and The formulation of four standard reports for project planning and implementation information to be updated monthly.

4. Regional Planning

Challenges	Responses
<ul style="list-style-type: none"> Cooperation and participation with municipalities has been very problematic and delayed the achievement of certain milestones resulting in the formulation of Municipal Housing Development Plans and Development Frameworks. The quality of information received has also been inadequate in certain instances. 	<ul style="list-style-type: none"> The Regional Planning unit has endeavoured to fast-track the communication process to ensure that required information is received and through this intervention has ultimately achieved its annual targets.

5. Quality Assurance

Challenges	Responses
<ul style="list-style-type: none"> Lack of cooperation from developers in adherence to national building regulations and the NHBRC home building manual. It was decided that Accreditation was no longer a function of the unit. In relation to NHBRC enrolment a major constraint has been geotechnical requirements that are not available due to additional geotechnical information required by the NHBRC which was not a requirement at the time the geotechnical studies were done. 	<ul style="list-style-type: none"> Several meetings were held with inspectorates and the developers to agree on standards. A workshop with the NHBRC and all role players is planned to discuss the geotechnical requirements in the next month of the new financial year.

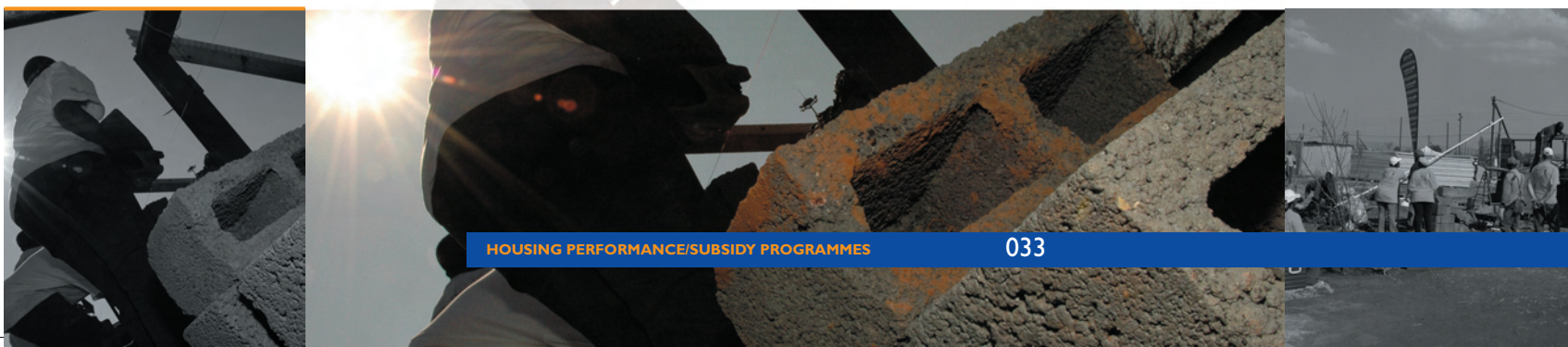
2.10.2 Programme 3: HOUSING PERFORMANCE/SUBSIDY PROGRAMMES

Strategic Goal:

- To promote the effective and efficient delivery of National and Provincial Housing Programmes

Strategic objectives:

- To provide individual subsidies to qualifying beneficiaries in accordance with housing policy



Sub-Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Subsidy	To provide for the administration of subsidies	Minimum no. of applications received/processed and approved	59,308	60,000	60,941	941 Above target	+2%
		% Total captured against new applications	100% capturing of all receipts	100% capturing of all receipts	100% capturing of all receipts	0	0%
	To manage claims	% of claims processed within PFMA cycle - 21 days.	100% of Claims equivalent to the total budget	100% of Claims equivalent to the total budget R120,000m	R144,192m	R24,192m Above target	+20%
	Minimum no of applications/ renewals captured (based on the assumption that 50% of new HH will apply for a subsidy)	24,000 applications renewals	24,000 renewals	0	0	0	0%
Individual	To provide individual subsidies to beneficiaries in accordance with Housing Policies	No. of subsidies to be provided	1,521	2,000 subsidies	1,686 subsidies	314	-16%
Relocation	To provide Relocation subsidies to beneficiaries in accordance with Housing Policies	No. of relocation subsidies approved	1,332 subsidies	650 subsidies	426 subsidies	224	-34%
New Formal Housing (Project Linked)	To focus on the development of Greenfield, well located, integrated, higher density housing	No. of stands and houses delivered in targeted projects	5,132 houses 3,724 stands	2,294 houses 2,294 stands	3,515 houses 6,369 stands	1,221 Above 4,075 Above	+53% +178%
	To maximise job creation in the construction of houses	No. of jobs created	-	1,778 jobs	2,370 jobs	592 Above	+33%

Programme Sub -	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Upgrading of Informal Settlements	To provide Essential Services Subsidies to beneficiaries	No. of serviced stands	43,690 stands	29,750 stands	36,912 stands	7,162 Above	+24%
	To provide Top Structures to MEC priority projects	No. of houses built	14,547 houses	6,868	11,738 houses	4,870 Above	+71%
	To increase the use of labour intensive construction methods in the installation of services through the Essential Services Programme	No. of jobs created	8,000	Finalise the guidelines for the use of labour intensive construction methods for the Essential Services Programme 233 jobs	19,233 jobs	11,233 Above	+8154%
People's Housing Process	To provide PHP houses to beneficiaries in accordance with the Housing Policies	No. of Housing Support Centres sustained	20 HSC	20 HSC	15 HSC	5 HSC	-25%
		No. of houses built	3,369 houses	1,440 houses	1,865 houses	425 Above	+30%
	To maximise job creation in the construction of houses through the PHP Programme	No. of jobs created	870 jobs	375 jobs	170 jobs	205 jobs	-55%
Consolidation (Community Builder Programme)	To provide to beneficiaries in accordance with Housing Policies	No. of houses	-	7,200 houses	1,412 houses	5,788 houses	-88%
	To create a "Community Builder Programme" that focuses on job creation, training and capacitation	No. of jobs created	-	11,000	545	10,455	-95%

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Emergency Programme	To provide housing assistance to beneficiaries during emergency circumstances	Development of Business Plan to be approved by the MEC	-	Address the need	Need addressed	0	0%
		Estimate no. of household assisted (based on historic need for budget purposes)	-	250 subsidies or two events per year:	9,006 subsidies	8,756	+3502%
Social Housing	To capacitate Social Housing Institutions so that they can effectively manage the business themselves	Criteria for a fully capacitated SHI approved by MEC	Criteria for economically viable SHI defined (end July)	Revision of Criteria and application thereof to SHIs	Criteria developed and applied in the granting of grants to SHIs	0	0%
	To capacitate Social Housing Institutions so that they can effectively manage the business themselves	No. of fully capacitated SHI	8 fully capacitated SHIs	18 fully capacitated SHIs	8 SHIs capacitated fully with financial (grants) and technical resources	10	-55%
	To phase out: Special Needs Housing and facilitate interaction with provincial line departments	No bed spaces facilitated	371 bed spaces	216 bed spaces	125 bed spaces	91	-42%
	To provide housing assistance to the Department of Housing staff	Programme designed and approved by MEC. No. of staff assisted	-	50 staff	50 staff	0	0%
	To facilitate the regeneration and rehabilitation of inner city housing (Better Building Programme) as defined in the MHDPs	No. of units delivered	330 units	360 units	100 units	260	-72%
Hostels - ARA	To facilitate medium density housing (rental, instalment sale and cooperative housing)	No. of units completed Old policy New policy	838 housing units	1,080 housing units	1,135 housing units	55 Above	+5%
	To create humane conditions and restore human dignity to residents (transformation of hostels to ARA)	Consensus reached with residents and local authorities No. of self contained units delivered in 54 hostels=37,000 units	54 hostels	1,800	765	1,035	-58%
Hostels	To implement short term emergency intervention measures to address the threats to health and safety	No. of projects completed	54 projects	20 projects	48 projects	28 Above	+140%

Specific challenges and responses

1. Housing Support Services

Challenges	Responses
<ul style="list-style-type: none"> • Slow pace of delivery by small contractor / developers. • No secondary market. • Control in respect of the provision of new development not effective and efficient in all instances to ensure value for money & quality. • Funds are limited. 	<ul style="list-style-type: none"> • Introduction of progress payments instead of once off payments under certain circumstances to provide a positive cash flow for working capital by developers. • Extension of gross income bands from R 3500 – R 7000. • Inflation related increase by Housing MINMEC of subsidy quantum with effect from 1 April 2006. • Introduction with effect from 1 April 2006 of new Finance-linked Individual Subsidy Instrument which will mobilise additional funding towards product price. This instrument is a product of the newly established Financial Institutions Charter. • The full enrolment of developers and products through the NHBRC. • Available funds are prioritised to address priority groups only, e.g. 1996/1997 applicants on the Demand Data Base.

2. Upgrading of Informal Settlements

Challenges	Responses
<ul style="list-style-type: none"> • Under performance of contractors resulted into under delivery of 1400 stands which were earmarked for delivery in the 2005/06 financial year. A shortage of cash flow is a major reason for under/ non performance. The lengthy procurement process, delivery of performance guarantees, timeframes to process and pay claims all contributed towards poor delivery and sometimes delivery of serviced stands later than was anticipated. Lengthy procedures at Local Authorities to issue services certificates also delayed the recording of serviced stands. 	<ul style="list-style-type: none"> • Warning letters issued to the contractor and revised construction programmes requested. Meetings to establish the source of the problems have been held with the contractor, CLO and relevant parties. Processing of claims have been prioritized within the Department to ensure effective processing thereof. A decision was taken to record delivery of serviced stands on a practical completion certificate from engineers on site in stead of waiting for a services certificate from the Local Authority (services certificate follows later)

3. People's Housing Process

Challenges	Responses
<ul style="list-style-type: none"> The lack of funding has been the biggest challenge, as XHASA failed to honour PHP commitments, leading to builders downing tools & service providers, e.g. material suppliers, not supplying material on time. No clear rural policy and constant shift on the approach to developing areas outside the urban Edge. 	<ul style="list-style-type: none"> MEC's office, CCRM, CFO and COO being engaged on the issue. The PHP funding to be separated from the CBP funding; PHP developed rural implementation guidelines, but MANCOM took a decision to do away with rural housing. All rural housing programmes are being aligned to the on/off farm settlement policy.

4. Social Housing

Challenges	Responses
<p>Land</p> <ul style="list-style-type: none"> Administrative process relating to the transfer or availability of land for social housing developments not fluid. Land devolved to municipalities gets locked up in municipal red-tape. Inner City dynamics such as sitting tenants blocking housing development and Inner City regeneration <p>Development capacity</p> <ul style="list-style-type: none"> Social housing institutions lack development capacity. Social housing development in terms of the institutional approach is highly resource-intensive and lengthy. <p>Financing and affordability</p> <ul style="list-style-type: none"> There is an intense struggle between project viability and consumer affordability affecting financial closure for social housing projects. Projects experiencing high default rate due to low affordability levels. 	<ul style="list-style-type: none"> Department owned land to be prioritised for alienation towards the development of Social and Affordable Housing. The Department has adopted a competent developer driven approach to ensure that issues of financial and technical capacity are addressed fully. The Department has developed a strategy to create alternative tenure forms for affordable housing including backyard rental options.

5. Affordable Rental Accommodation

Challenges	Responses
<p>Inadequate Funding</p> <ul style="list-style-type: none"> Lack of financial capacity of the municipalities to co-fund the hostel redevelopment projects. <p>Prioritization of Hostel Projects</p> <ul style="list-style-type: none"> Municipalities do not prioritize hostel redevelopment projects in their budgets, as a result projects can not start without the Municipalities contributions, particularly funding for the infrastructure development. <p>Political Interference</p> <ul style="list-style-type: none"> Political and Social rivalry amongst hostel leadership delay the implementation of the projects. 	<ul style="list-style-type: none"> Task Team set up by National Department of Housing to compile Hostel Redevelopment Policy has recommended to Treasury that the subsidy allocation per unit be increased to reduce co-funding contributions by the municipalities. Political intervention at the level of MEC and Mayors is imperative to compel the Municipal officials to prioritize hostel projects in their IDP. Engage Ward Committees to include hostels leadership in their structures and only work with Ward Committees as the representatives of beneficiaries.

Issues requiring ongoing attention

1. Affordable Rental Accommodation

- Co-relation of staff complement and the strategic plan outputs.
- Inadequate budgeting, i.e. strategic plan outputs should be informed by the available resources.
- Lack of suitable land to accommodate displaced residents during hostel redevelopment process.

2. Social Housing

- All provincially owned land is devolved via the state driven processes.
- Government (Department) to finance the purchase, preparation of land for social housing development.
- Department to fund the acquisition, refurbishment and management of temporary facilities to facilitate Inner City Precinct development.



2.10.3 Programme 4 – URBAN RENEWAL AND HUMAN SETTLEMENT REDEVELOPMENT

The Urban Renewal and Human Settlement Redevelopment Programme focuses on integrated redevelopment of urban communities at scale to cultivate sustainable local economies. The focus areas by the Department include Alexandra, Bekkersdal, Evaton, Backyard Upgrading and Socio-economic Amenities.

Strategic goal:

- To rehabilitate dysfunctional areas with the notion of economic and social development and to holistically develop vibrant and sustainable communities through project managing urban regeneration projects in an integrated and co-ordinated manner; maximising available resources and involving all stakeholders.

Objectives:

- To create integrated and functional settlements;
- To undertake project management of selected urban regeneration projects, so as to enhance the economic and social viability of neighbourhoods;
- To ensure effective and efficient financial management services;
- To ensure adequate communication with all Stakeholders on Urban Renewal and Human Settlement Redevelopment Programme;
- To reduce levels of unemployment through stimulation of income generating opportunities;
- To assist in the enhancement of effective Local Government Administration;
- To foster co-operation and co-ordinate resources in all phases of project implementation;
- To employ, utilise and develop skilled and competent staff to implement Urban Renewal and Human Settlement Redevelopment Programme.

Sub Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Community Rental Facilitation	Registration of backyard	No. of registered backyard	-	100, 000	137,0 00	37,0 00 Above	+ 37%
	To construct and/or upgrade 2250 backyards in Orlando East Pilot project	No. of backyard constructed with 2 or 3 units and ablation facility	-	2,250	36	2,214	-98%
Social and Economic Amenities	To facilitate regeneration and rehabilitation of targeted urban environment	No. of facilities constructed and/or renovated	-	20	0	20	-100%
	To develop housing on infill sites	No. of houses developed on infill sites	-	3 Infill sites	3 sites identified	0	0%
Urban Renewal	To reclaim the functions of the overall lead consultant back into the Department	Full effective management of function by department	Takeover the functions of the overall lead consultants	80% efficiency levels in Alexandra 5% efficiency level in Evaton 10% in Bekkersdal	100% 0% 0%	0 0 0	0% 100% 100%
		Funding allocation meeting delivery targets	Funding assessed for 3 areas by end of December 2005	Funding assessed for 3 areas by end of December 2006	100%	0	0%
		Completed Business Plans	Business plans for the 3 areas completed and reviewed by end of November 2005	Business plans for the 3 areas completed and reviewed by end of November 2006	95%	5%	-5%
	Alexandra	Projects meeting delivery targets / No. of projects completed	62 projects completed	61 projects planned	29 projects completed	32 projects	52%
		No. of jobs created in both URA projects including learner -ship programmes	200 jobs	800 jobs	420 jobs	380 jobs	-47%
	Bekkersdal	Projects meeting delivery targets / No. of projects completed	29 projects	29 projects	20 projects	9 projects	-31%
		No. of jobs created in both URA p rojects including learner-ship programmes	300 jobs	400 jobs	280 jobs	120 jobs	-30%
	Evaton	Projects meeting delivery targets / No. of projects completed	44 projects	29 projects	21 projects	8 projects	-28%
		No. of jobs created in both URA projects including learner-ship programmes	100 jobs	200 jobs	120 jobs	80 jobs	-40%

Specific challenges and responses

Challenges	Responses
Financial Management and capacity of contractors <ul style="list-style-type: none"> Most projects could not be completed on time due to cashflow problems on the part of the contractors. In many instances they had under priced their job and the delay in payment of invoices impacted on their cashflows. 	<ul style="list-style-type: none"> Payments are done at the GSSC and the Department is reviewing the service level agreement entered into to ensure that the payment cycle is shorter. Department has introduced cession agreements for procurement of material in construction projects, however contractors need to be trained on financial management through support provided by bodies like Gauteng Economic Propeller.
Poor quality of work due to inexperience <ul style="list-style-type: none"> Poor quality of work meant that projects could not be handed over to the Department on time because of defects during project implementation and completion. 	<ul style="list-style-type: none"> Department has a roster of CIDB accredited contractors and most contracts will be appointed based on the roster.
Lack in municipal capacity <ul style="list-style-type: none"> There is a lack of municipal capacity in the management, funding, maintenance and monitoring of the urban renewal projects especially in Emfuleni local municipality and Westonaria local municipality. 	<ul style="list-style-type: none"> Interventions made to involve district municipalities to get involved in the project has been put in place and Sedibeng district has undertaken to ensure co-ordination of the projects.
Managing of projects <ul style="list-style-type: none"> Deployment of professional project managers to ensure effective and efficient management of projects. 	<ul style="list-style-type: none"> An advert calling for professional project managers in both Evaton and Bekkersdal has been placed on national newspapers and a process to fill the posts is underway.

Challenges	Responses
<p>Lack of policy on backyard upgrading which includes the following:</p> <ul style="list-style-type: none"> • There are issues on agreement with the landlord and the Department on the Government investment that needs clarity. • Whether it should accommodate the children of the landlord or be utilized solely for rental. • Whether the present infrastructure in the yard can carry more densities. • And that the tenants have to pay rental to the landlord because it is a private property and not government property. 	<ul style="list-style-type: none"> • The policy on backyard is presently in draft form.
<p>Regulating landlord and tenant relations in the backyards which poses the following challenges:</p> <ul style="list-style-type: none"> • Even though there is a legislation to regulate the relationship particularly to the backyard dwellers. Roving landlord and tenant dispute resolution teams to be implemented through out the regions. 	<ul style="list-style-type: none"> • The rental amount needs to be regulated, and its application should be uniform. Presently different landlords charge different amounts.
<p>Lack of availability of land</p> <ul style="list-style-type: none"> • Lack of availability of land for housing excess people who will be relocated from the backyards. 	<ul style="list-style-type: none"> • The Department identified land in-fills in the surrounding areas where backyard upgrading takes place.
<p>Pace of implementation in backyard upgrading</p> <ul style="list-style-type: none"> • The backyard upgrading project is done in a built environment, which is not a Greenfield thereby posing a big challenge on the pace of implementation, and: <ul style="list-style-type: none"> - In some yards there are up to fifteen shacks, which have to be moved to make way for the upgrading. - Most landlords have to ask their tenants to leave to make way for development. - The contractors have to move shacks and/or break foundations made for shacks before development can start. 	<ul style="list-style-type: none"> • Need to identify transit camps to enable the decanting of backyards to increase the pace of the upgrading.
<p>Lack of implementation of municipal by-laws</p> <ul style="list-style-type: none"> • Lack of implementation of municipal by-laws to guard against the mushrooming of backyard shacks. 	<ul style="list-style-type: none"> • For the eradication of backyard to be effective, the municipalities need to enforce by-laws effectively like revising/reviewing planning laws on issues of densities.
<p>Socio-economic amenities</p> <ul style="list-style-type: none"> • There is no data indicating what socio-economic amenities are available in the old townships and what is required. 	<ul style="list-style-type: none"> • Development Frameworks were completed in Ekurhuleni, Sedibeng and Westrand; and Tshwane regions.



2.10.4 Programme 5 - HOUSING ASSET MANAGEMENT

Strategic goal

- To provide for the effective and efficient management of housing assets.

Strategic objectives

- To provide for the efficient and effective management of:
 - Asset maintenance
 - The transfer of housing assets
 - The sale of housing assets
 - Debt management processes
 - Devolution of housing assets to municipalities
 - Regulating rental housing within the province
 - Housing asset management
 - and use, promoting ownership of state financed rental housing

Sub Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Property Management	To ensure that housing assets are effectively maintained.	No. of scheduled maintenance projects completed No. of unscheduled (day-to-day) maintenance interventions -	12 Projects	2 Projects	0	2	-100%
	To ensure effective and efficient debt management process	Potential income received from rentals and instalments as a percentage of raisings	1,518	1,200	1,200	0	0%
	To ensure Devolution of housing assets	No. of houses and properties devolved to municipalities	-	5,000	11,123	6,123 Above	+122%
	To effectively manage housing assets	% of average occupancy of houses Rating of the physical state of housing assets Average income received per sale of housing assets	95% Occupancy	95% Occupancy	98%	3% Above	+3%
	To improve the project management capacity of all projects implemented under this programme	Quality project management	100% captured	100% captured	100% captured	0	0%
Duma - Property Management	To facilitate the development/disposal of vacant land owned by the Department	No. of feasibility studies approved by MEC No. of land availability agreements signed	All Department of Housing owned vacant land submitted for feasibility and CBA studies to RPT's 12 Land availability agreements with SHI for appropriate development based on feasibility Report	Disposal of all land parcels not viable for housing purposes 28 land availability agreements signed	12 Feasibility studies to be re-done in terms of new policy - 1 devolution contract signed for Marlboro	0 27 contracts	-100% -96%
	To promote home ownership (Second Directive)	No. of units transferred	750. Finalised roll out strategy for municipal owned stock	6,305 GPG units by December 2005	2,200	4,105	-53.5%
		No. of non - transferable units transferred	358	1,200	60	1,140	-95%
		Strategy for Non - Transferable stock approved by MEC	Development and implementation of strategy	50% municipal stock managed under new strategy	0	0	-100%

Sub - Programme	Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
	To dispose of commercial property owned by the Department in the most economical manner	No. of commercial properties sold "voetstoots"	4	10	2	8	-80%
		No. of Shopping Centres refurbished and sold	1	5	0	5	-100%
		Quality administrative services	-	Maintain updated registers	Registers maintained	0	0%
	To ensure orderly land utilisation	No. of residential/commercial properties and community facilities built. No. of non - habitable land disposed of in square metres and hectares	-	Project implementation stage with targeted numbers	To be done in terms of Land Regularized Programme	0	0%
Transfer of Rental Properties (TORPS)	To facilitate homeownership (First and Third Directive)	No. of units transferred	20,000 transfers	20,000 transfers	17,137 transfers	2,863	-14%
Rental Tribunal	To regulate the relationship between Landlord/Tenant	No. of cases resolved	200	1,500	797	703	-47%
		Business Plan approved by MEC	-	Complete implementation of business plan	Not complete	0	-100%

Specific challenges and responses

I. Property Management

Challenge	Response
Challenge 1 <ul style="list-style-type: none"> Streamlining the unit by separating day to day functions from time bound projects and allocating personnel with matching expertise into the right unit and provide resources. 	<ul style="list-style-type: none"> Management have taken in-principle decision to relocate functions to specific units. Capacitating of officials with relevant skills e.g. project management and contract management is prioritised.
Challenge 2 <ul style="list-style-type: none"> The 12 feasibility studies that were done by the RPTs which were handed to PMU on 3/10/ 2005 had to be re-done in term of the Breaking New Ground Policy. 	<ul style="list-style-type: none"> The RPTs are currently doing studies in line with the Land Regularization Programme for region 11 which includes areas like Lenasia, Ennerdale and Lawley
Challenge 3 <ul style="list-style-type: none"> Addressing Policy Gap regarding Retro Project e.g. illegal occupation and evictions. 	<ul style="list-style-type: none"> Retro Policy amended and has been aligned to the objectives of the Department. Senior Counsel Opinion has been sought to address backlog cases on adjudication.
Challenge 4 <ul style="list-style-type: none"> Phasing in of market related rental to our rental properties. 	<ul style="list-style-type: none"> Review of indigent policy i.e. strict control and management data base of unemployed. Consumer education to be part of project initiation.
Challenge 5 <ul style="list-style-type: none"> Devolution of immovable assets to local authorities 	<ul style="list-style-type: none"> To be devolved in terms of the Housing and Regulations



2. Rental Tribunal

Challenge	Response
<p>Funding</p> <ul style="list-style-type: none"> The tribunal section did not have its own budget. It was somehow difficult to fulfil our obligations because we lacked some of the resources. 	<ul style="list-style-type: none"> The contract was then extended from May to November pending appointment of new members.
<p>Unreliable Outputs</p> <ul style="list-style-type: none"> Our target for the year was 1500 and we only received 1055 of which 797 were resolved. It was unrealistic for us to reach our target. 	
<p>Tribunal Members contract</p> <ul style="list-style-type: none"> Termination of contract of the Tribunal members from November 2005 resulted in us having a backlog of cases that were due for hearing and thus cases could not be finalised. 	
<p>Information Offices</p> <ul style="list-style-type: none"> Had to establish information offices in all the municipalities, but as an unfunded mandate it resulted in lack of buy-in. 	<ul style="list-style-type: none"> Approached all the municipalities and offered assistance and support and drafted an MOU with COJ for all their regions.
<p>Training and internal capacity building</p> <ul style="list-style-type: none"> Lack of capacity and training to empower staff. 	<ul style="list-style-type: none"> To design a training programme for training of staff.
<p>Tribunal Rulings</p> <ul style="list-style-type: none"> Tribunal rulings could not be enforced. 	<ul style="list-style-type: none"> Engaged our legal and policy Section and National Department of Housing to approach Dept. of Justice to assist.

Issues requiring ongoing attention

1. **Property Management**
 - Approved strategy for Not Easily Transferable Stock
 - Strategy to effect evictions on illegal occupation

2.11 TRANSFER PAYMENTS

During the year under review, the Department did not transfer funds to any institution, province, municipalities, public entities, business enterprises and individuals.

2.12 CONDITIONAL GRANTS

Summary of Conditional Grants for 2005/06

Conditional Grant	Total Allocation	Total transfers
Integrated Housing and Human Settlement Development Grant	1,349,700	1,340,675
• Human Settlement Grant	7,299	4,130
• Land Affairs(Purchase of Land)	14,200	8,000
TOTAL	1,371,199	1,352,805

Province	Total Allocation	Total transfers
Gauteng Housing	1,371,199	1,352,805
TOTAL	1,371,199	1,352,805

The Department receives conditional grants from the National Department for its Housing Fund and Human Settlement programmes. Transfers to the Department's bank account for the period under review were done on schedule and in line with the provisions of the grant.

No payments were delayed or withheld by the transferring Department; all monies due to the Gauteng Department of Housing were transferred. The Department did not incur any administration costs usually associated with retention of grants by the transferring Department because we complied with the provisions of the Conditional Grant as well as sections 21 and 22 of the Divisions of Revenue Act.

The national allocation for Housing Grants amounts to R1,345 billion over which provincial rollovers of R12,2 million were approved; total available funds equalled R1,357 billion. The department has spent their budget on both the Integrated Housing and Human Settlement Development Grant, and the Human Settlement and Redevelopment Grant.



2.13 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department at this point in time has not developed a capital investment and asset management plan. The Department uses the National Treasury guideline to manage its assets.

Capital Investment

On the Facilities Management side, Office refurbishment to the value of R 479 002 have been effected on the 5th Floor in Bank of Lisbon Building.

Capital investments foreseen for this year and the MTEF Period is a total re-design of the office environment in Bank of Lisbon Building to house the New Approved Staff Structure.

There are no plans to close down or downgrade any facility. From Facilities Management, there is no maintenance back log.

Asset Management

Movable assets to the value of R3,232,429 inclusive of Information Technology assets have been acquired during the 2005/06 financial year.

No movable assets were disposed of in the 2005/06 financial year.

Quarterly Assets Verifications have been conducted in respect of movable assets. The D-Bit System has been upgraded to incorporate the new requirements for movable assets management as per the National Treasury Guidelines.

In respect of movable assets, 60 % are in good condition, 20 % in a fair condition and 20 % in a bad condition that will need replacement.

No facilities were closed down.

Maintenance to office building occupied by the Department to the value of R189,456 has been effected during the 2005/06 financial year.

Maintenance

The Department's expenditure on normal maintenance of property assets for the financial year under review is in line with industry standards/norms.

No maintenance backlog in respect of office buildings. Maintenance is done as the need arises in respect of office buildings. The Gauteng Department of Public Transport roads and Works has maintained certain facilities in the Bank of Lisbon Building and the Customer Support Centre. The rate of progress is going according to plan.