

17 May 2006
Presentation to the NCOP
and the Portfolio Comm.
on Housing 17-18 May 2006

DEPARTMENT OF HOUSING

PRESENTATION TO THE NCOP AND THE PORTFOLIO
COMMITTEE ON HOUSING
17 - 18 MAY 2006

DEPARTMENTAL UPDATED STRATEGIC AND PERFORMANCE
PLANS AND BUDGET 2006/07 TO 2008/09

STRUCTURE OF THE PRESENTATION

1. Aim, Vision and Mission of the Department
2. Our Values
3. Our Mandates
4. Housing Legislation and Regulations
5. Our Policy Framework
6. Strategic overview and policy shifts
 - Housing Comprehensive Plan
 - Key Challenges and Trends
 - Linkages to Government Policy Priorities
 - Strategic Policy Shifts
7. Recent Performance, Service Delivery Trends and Budget Overview (2006/09)
8. Conclusion

DEPARTMENT OF HOUSING

Aim

The aim of the Department of Housing is to determine, finance, promote, coordinate, communicate and monitor policy in respect of housing and human settlement.

Vision

A nation housed in sustainable human settlements

Mission

To establish and facilitate a sustainable process that provides equitable access to adequate housing within the context of affordability of housing, services, and access to amenities and economic opportunities

OUR VALUES

- Our values, based on the constitution, are:
 - Human dignity, equality, advancement of human rights and freedoms;
 - Non-racialism and non-sexism;
 - Supremacy of the constitution and the rule of law;
 - Accountability, responsiveness and openness

OUR MANDATE

- SA CONSTITUTION
 - Section 26: Access to adequate housing a basic human right; Govt. to ensure environment conducive to the progressive realisation of the right
 - Schedule 4: National and Provincial Governments have concurrent legislative competence
 - Botshabelo Housing Accord (1994) Signed by all housing stakeholders and subsequent white paper of 1994
 - Reconstruction and Development Programme (RDP) – set out framework and principles for sustainable development

HOUSING LEGISLATION AND REGULATIONS

Housing development programme continues to operate in the following legislative framework:

- Housing Act 107 of 1997 (as amended);
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act No. 19 of 1998;
- Housing Consumers Protection Measures Act 95 of 1998;
- Rental Housing Act 50 of 1999;
- Home Loan Mortgage Disclosure Act 63 of 2000.

HOUSING LEGISLATION

- Currently in process
 - Housing Amendment Bill developed for approval to go to Cabinet.
 - Social Housing Bill (Being amended to take into account all matters related to the new plan);
 - Amendments to the Rental Housing Act;
 - Less Formal Township Establishment Amendment Bill.

REGULATIONS AND GUIDELINES

- National Housing Code
 - Sets out National Housing Policy in detail including a user friendly guide
 - Contains the detail prescripts pertaining to the Housing Subsidy Scheme, and other National Housing Programmes
 - ✗ Currently under review/ being overhauled in order to be in line with the "new" plan
- National Norms and Standards For Permanent Residential Structures
 - Sets guidelines on the amounts to be used from the subsidies for various aspects of housing development
 - Sets the minimum standards for services and sizes of houses

REGULATIONS AND GUIDELINES

- Guidelines For Human Settlement Planning And Design ("Red Book")
 - **Planning** – movement networks, transport, open space, subdivision layouts, design to reduce crime
 - **Engineering services** - storm water, roads, water supply, sanitation, solid waste, energy
- Guidelines For Environmentally Efficient Low Cost Housing
 - Energy and water efficient planning and design for low cost housing; and
 - Urban greening guidelines

OUR POLICY FRAMEWORK

- Our overall policy framework continues to be as determined by the White Paper on a new housing policy and strategy for South Africa, 1994; and
- The Comprehensive Plan for the creation of sustainable Human Settlements (September 2004)

STRATEGIC OVERVIEW

Comprehensive Plan for the creation of sustainable Human Settlements

- To find a new focus for housing policy for the next decade of Government, the Department embarked on a comprehensive policy consultation process, which culminated in the National Housing Summit in November 2003.
- The comprehensive Plan adopted by Cabinet on 1 September 2004 builds on the 1994 White Paper for housing and envisages expanding the mandate of the Department to encompass the entire housing market.
- The Plan focuses on moving from housing to sustainable human settlements.

STRATEGIC OVERVIEW

- High levels of unemployment is placing pressure on household incomes.
- The size of the backlog has increased. There are over 1.8 million dwellings which can be classified as inadequate housing. The number of households living in shacks in informal settlements and backyards increased by beyond expectations.

STRATEGIC OVERVIEW

- Key Challenges and Trends
 - Over the last 11 years to March 2005, state-assisted housing investment of some R36 bn has provided 1.8 million housing opportunities, often on the urban periphery and achieving limited integration.
 - Transforming the extremely complicated bureaucratic, administrative, financial and institutional framework inherited from the previous government and building capacity of all spheres of government.
 - Need to find streamlined processes for housing delivery.
 - Capacity of role players to deliver in this sector.

STRATEGIC OVERVIEW KEY CHALLENGES

- The subsidy-houses that have been built have not in most cases become "valuable assets" in the hands of the poor.
- The private sector and banks had previously not been involved in low cost housing.
- Stakeholder compact has increased the impetus for all stakeholders to play their roles.

STRATEGIC OVERVIEW

- A social housing and higher density policy and programme aims to establish social housing institutions that will develop and manage quality, well located, largely rental housing stock on a sustainable basis.
- A policy and programme to provide primary social and economic infrastructure in low income housing developments will contribute towards enhancing the quality of the living environments by providing for community needs.
- Contributes to the issue of offering choice for the mobile and economically active lower income levels.

LINKAGES TO GOVERNMENT PRIORITIES

The vision of the Departmental Strategic plan is informed by the following national policies, programmes and initiatives:

- The White Paper on a New Housing Policy and Strategy 1994 which remains the basis for housing policy and program;
- The Comprehensive Plan for the creation of sustainable Human Settlements
- The Urban Renewal Program;
- The Integrated Sustainable Rural Development Strategy;
- The Expanded Public Works Program;
- The program to develop entrepreneurship among previously disadvantaged communities;
- The Presidency's National Spatial Development Perspective;
- The Strategic Development Initiatives (SDIs);
- Provincial development frameworks;
- Integrated Development Plans (Chapters on Housing)

SPECIFIC PRIORITIES WITHIN THE NATIONAL HOUSING PROGRAMME

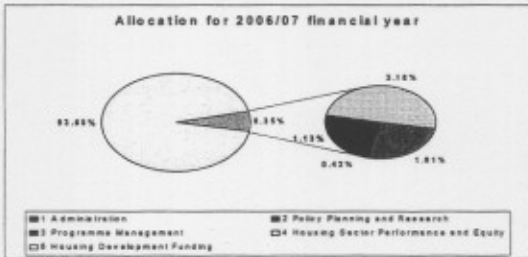
- Accelerating the delivery of housing as a key strategy for poverty alleviation
- Utilizing provision of housing as a major job creation strategy
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment.
- Leveraging growth in the economy
- Promoting social cohesion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

BUDGET OVERVIEW: ENE 2006

Programmes	2006/07	2007/08	2008/09
1 Administration	99,668	133,972	154,595
2 Policy Planning and Research	26,112	43,420	45,591
3 Programme Management	69,893	114,087	119,792
4 Housing Sector Performance & Equity	196,564	155,048	147,838
5 Housing Development Funding	6,468,646	8,129,081	8,963,074
Total	6,860,883	8,575,608	9,450,890
Net increase to baseline	1,683,171	1,714,729	2,475,282

BUDGET OVERVIEW: ENE 2006

Allocation for 2006/07 financial year



BUDGET OVERVIEW: ENE 2006

Additional funding were approved for the following:

- Social Housing Programme
 - 2006/07 - R110 million
 - 2007/08 - R180 million
 - 2008/09 - R250 million
- Credit-linked subsidy
 - 2006/07 - R380 million
 - 2007/08 - R400 million
 - 2008/09 - R450 million

- Upgrading informal settlements

- 2006/07 - R310 million
- 2007/08 - R520 million
- 2008/09 - R800 million

**VARIANCES: ALLOCATION
2005/06 VS. 2006/07**

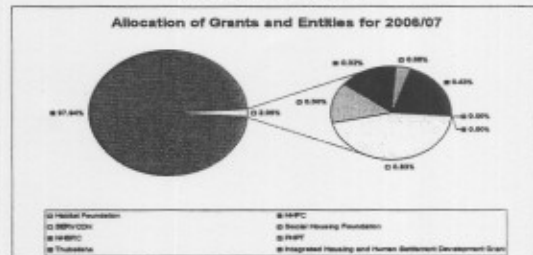
Programmes	2005/06	2006/07	Variance
1 Administration	83,737	99,668	15,931
2 Policy Planning and Research	24,634	26,112	1,478
3 Programme Management	95,061	69,893	-25,168
4 Housing Sector Performance & Equity	136,556	196,564	60,008
5 Housing Development Funding	4,851,724	6,468,646	1,616,922
Total	5,191,712	6,860,883	1,669,171

BUDGET OVERVIEW

Transfer payments to Public Entities and Grants	2005/06 R'000	2006/07 R'000	Variance R'000
Programme 2: Policy Planning	69	73	4
Habitat Foundation	69	73	4
Programme 3: Programme management	24,807	0	-24,807
First-time home buyer interest subsidy scheme	411	0	-411
Human Settlements Redevelopment Programme	24,396	0	-24,396
Programme 4: Housing Performance	148,958	133,206	-15,752
NHFC	1	1	0
SERVCON	33,879	60,000	26,121
Social Housing Foundation	20,578	19,205	-1,373
NHBRC	23,500	21,000	-2,500
PHPT	5,000	5,000	0
Thubelisha	66,000	28,000	-38,000
Programme 5: Housing Development Funding	4,843,480	6,349,949	1,506,469
Integrated Housing and Human Settlement Development Grant	4,843,480	6,349,949	1,506,469
TOTAL	5,017,314	6,483,228	1,465,914

BUDGET OVERVIEW

Allocation of Grants and Entities for 2006/07



**TRENDS IN THE BUDGET ALLOCATION:
2005/06 VS. 2006/07**

- The allocation of several of the programmes fluctuates due to the project-based activities in these programmes, as well as reprioritisation to accommodate the implementation of the comprehensive plan.
- In the 2006 Budget, additional allocations were made of R600 million for 2006/07, R1,2 billion for 2007/08 and R1,5 billion for 2008/09, for social housing programme and elements in the comprehensive plan for the development of sustainable human settlements.
- Housing subsidy grants increased from R2,692bn in 1996/97 to some R4,5bn in 2004/2005 and will increase to R8,7bn in 2008/09. These increases in housing development funding have largely gone towards funding the increases in the quantum of the housing subsidy, which is now adjusted annually for inflation.

**TRENDS IN THE BUDGET ALLOCATION:
2005/06 VS. 2006/07**

- *Programme 1: Administration* allocation increase is largely driven by the increased staff complement which include the appointment of advisors to the Minister, the expansion of the international co-operation, risk management and investigative capacity.
- *Programme 2: Policy Planning and Research* increase is related to inflationary adjustment.

PROGRAMME 1: ADMINISTRATION

- Purpose is to provide strategic leadership and administrative and management support services to the department. Promote and facilitate the flow of information between the department and its stakeholders.
- The key strategic objectives include the following
 - Provision of Corporate communication services to all stakeholders;
 - Provision of Financial Management Services;
 - Provision of Corporate Services (such as HR, IT and Auxiliary Services) to support the core mandate of the Department;
 - Provision of Support services for the Minister and Accounting Officer;
 - Implementation of the department's special investigations to ensure compliance with the delivery of quality housing;
 - Coordination of International and intergovernmental Relations

INTERNATIONAL AGENDA

- Improving international cooperation on human settlement development:
 - Lead Ministry for UN Habitat (UN Agency for Human Settlements)
 - Presented RSA Human Settlements policy to the UN Habitat 20th Governing Council session in April 2005, Nairobi
 - Led the G77 consolidated position highlighting development challenges facing the countries of the South (developing and HIPC) during GC20
 - Canvassed positions favourable to poor countries of Africa, Asia and Latin America
 - Council for Sustainable Development (CSD 13)
 - Presented RSA Human Settlements policy and challenges to achieving the MDGs to the CSD 13 session in April 2005, New York.
 - Cities Alliance
 - Department joined the Cities Alliance
 - The Cities without slums initiative is aimed helping our cities to eradicate informal settlements
 - Several cities are already enjoying the benefits, eg Johannesburg, Ekurhuleni.

INTERNATIONAL AGENDA

- NEPAD Programme
 - Department participate in all NEPAD activities regarding sustainable human settlement development in the African region is concerned
- Bi-lateral and multi-lateral cooperation
 - Department signed agreement with Brazil within IBSA Tri-Lateral Cooperation
 - Two Seminars held in Cape Town (Research, June '06) and New York (MDGs financing, September '05)
 - Staff (DOH, PHDs and Municipality - Cape Town & eThekweni) and Wits academics sent to Brazil on information sharing trip
 - Cooperation Agreement (MOU) signed with the Democratic Republic of Congo (DRC)
 - DRC Implementation Plan (on housing and human settlements) developed and approved by Presidents Mbeki and Kabila during the 3rd BNC Review on 16/03/06 in Kinshasa
 - RSA developers will be mobilized to assist with the reconstruction of DRC
 - DOH to assist DRC in setting up a Housing Bank and a Housing Company

BUDGET SUMMARY

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Adjusted appropriation	Medium-term estimates MTEF Baseline		
R/Thousand							
Minister	1,676	2,632	2,769	663	667	934	961
Management	4,264	3,751	9,417	5,622	5,859	9,257	13,435
Corporate Services	33,413	41,665	71,704	95,372	85,432	115,748	131,535
Property Management	4,905	5,574	6,330	6,837	7,420	8,033	8,694
Total of subprogrammes	44,658	53,622	80,220	108,694	99,668	133,972	154,665
Change to 2005 Budget Estimate				24,927	15,991	34,304	20,622

BUDGET SUMMARY

P1: Administration Allocation for 2006/07



■ Minister □ Management ■ Corporate Services □ Property Management

PROGRAMME 2: POLICY PLANNING AND RESEARCH

PURPOSE

- To develop sound national human settlement and housing policies, supported by research and underpinned by an appropriate legislative framework

OBJECTIVES POLICY PLANNING

- Develop and manage sustainable human settlement policy and promote and maintain human settlement integration
- Establish effective national housing policy and strategy
- Develop, coordinate and monitor the implementation of housing framework legislation

STRUCTURE

- Human Settlement Policy and Integration focuses on sustainable urban and rural human settlement development policy and is responsible for international cooperation on human settlement policy.
- National Housing Policy and Strategy develops national housing policy and strategies. It also maintains the national housing code, manages the integrated multi-year housing development plans, and guides the design of appropriate institutional frameworks for implementing housing policy and strategy.

STRUCTURE

- Housing Framework Legislation drafts housing legislation required to implement approved policy and strategies monitors the implementation of housing legislation and assesses the impact of other legislation on the housing function.
- The Chief directorate Research initiates and manages research on human settlements and housing.

PROGRESS ANALYSIS: The key policy developments embedded in the Comprehensive Plan include:

- A policy to upgrade informal settlements:
 - In phases
 - Involving the community as a whole
 - Starting with a socio-economic survey, community facilitation and participation in the planning stages
 - Through installation of basic services
 - Securing tenure arrangements
 - With ownership and/or rental options

The policy and guidelines have been approved by MINMEC and are being implemented through a number of provincial pilot projects which will inform policy and programme enhancements.

- A housing land acquisition and release strategy will serve to prioritise the release of public land and the acquisition of private land for low cost housing projects. A special dispensation is currently being designed for this purpose. Servcon Housing Solutions (Pty) Limited will acquire a new mandate as special purpose vehicle for land acquisition. This project may vest in another programme.

- A policy and programme to assist farm workers and occupiers in accessing adequate housing has been completed and it is envisaged that provinces will commence with a number of pilot projects to test the programme and refine the policy.
- New improved housing typologies have been developed and will be introduced as soon as the necessary approval processes have been completed.

- A policy and programme to provide primary social and economic infrastructure in low income housing developments has been approved and will contribute towards enhancing the quality of the living environments by providing for community needs.

- A social housing and medium density policy and programme which aims to establish social housing institutions that will develop and manage quality, well located, largely rental housing stock on a sustainable basis.

POLICY DEVELOPMENTS FOR 2006-07

- A policy for assisting people with special housing needs
- A programme to support individual rental housing provision
- Revised Rural Housing: Informal Land Rights policy
- Policy on urban agriculture
- Backyard/private rental assistance programme
- Manual on the variation of the subsidy amount
- Revision of the National Housing Code
- Develop a programme for the renovation of pre- 1994 housing stock
- Investigate insurance cover for subsidy houses
- Develop an employer assisted housing programme
- Formulate a definition for an adequate house

LEGISLATION FOR 06/07

- Review of all legislation impacting on the comprehensive Plan
- Finalisation of the Social Housing Act
- Regulations to the Social Housing Act
- The development of a Residential Development Bill
- Amendments to various acts administered by the Department in accordance with need.

RESEARCH 06/07

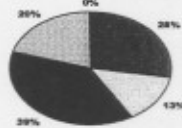
- Research on informal settlement upgrading and support
- Promoting alternative technologies and improved housing design
- Level of socio-economic and ethnic integration in SA
- International experience in densification and integration
- Study on housing ex servicemen
- International research seminar

BUDGET SUMMARY

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcomes			Adjusted appropriation	Medium-term estimates MTEF Baseline		
<i>R thousand</i>							
National Housing Policy and Strategy	3,223	4,641	14,130	6,800	7,289	11,863	12,234
Housing Framework Legislation	1,747	1,573	1,255	3,356	3,483	7,966	8,051
Human Settlement Policy and Integration	3,204	3,367	3,224	9,544	10,057	14,500	15,200
Research	-	1,289	2,179	4,576	5,200	9,480	9,933
Contributions	80	81	85	85	75	79	85
Total of subprogrammes	8,254	11,140	21,193	24,834	26,112	43,430	45,591
Change to 2005 Budget Estimate				-	1,478	17,298	2,171

BUDGET SUMMARY

P2: Policy Planning and Research
Allocation for 2006/07



■ National Housing Policy and Strategy ■ Housing Framework Legislation
■ Human Settlement Policy and Integration ■ Research
■ Contributions

PROGRAMME 3 : PROGRAMME MANAGEMENT

- **Purpose**
 - Manage National Housing and Human Settlement Programs to enable, support and promote the implementation of projects
- **Measurable Objectives**
 - Increase access to and improve the delivery of adequate housing in sustainable Human Settlements by effectively providing officials, structures and systems with knowledge, skills, guidance and funding

Structure:

- 3 Sub-programmes
 - National Housing Programmes
 - Capacity Building
 - Special Programme Support

Functions

- Manage, develop and maintain National Housing Subsidy Scheme
- Provide support and guidance to build capacity in provinces and municipalities
- Manage special housing and human settlement programmes

PROGRESS ANALYSIS

- Guidelines for the deregistration of missing government housing subsidy beneficiaries (May 2005)
- Guidelines for the prevention of repetitive use of dependents' names to access a housing subsidy (May 2005)
- Extension of the NHBRC's Warranty Scheme on other subsidy mechanisms (May 2005)

PROGRESS ANALYSIS: (CONT)

- Report on the investigation on the impact of the current subsidy dispensation and its impact on women (September 2005)
- Policy Framework and Implementation Guidelines for the Peoples Housing Process (September 2005)
- Policy Framework and Implementation Guidelines for Fast Tracking a Housing Solution for People living in Areas of Stress (November 2005)

PROGRESS ANALYSIS: (CONT)

- Policy Framework and Implementation Guidelines for an enhanced extended discount benefit to fast track accessing of title deeds for pre 1994 housing stock (December 2005)
- Guidelines for the application of the Operational Expenditure Budget (OPSCAP) in Support of the implementation of National and Provincial Housing Programmes
- Guidelines for Housing Finance Credit Linked Individual Subsidies for beneficiaries in the R3501 to R7000 income category (September 2005)

PROGRESS ANALYSIS: (CONT)

- Ongoing implementation of HSRP projects.
- Enhancement of the HCE Framework to align with the Comprehensive Plan for the development of Sustainable Human Settlements.
- Developed HCE Rollout Strategy

PROGRESS ANALYSIS: (CONT)

- Training Manuals have been developed together with an "Implementation Monitoring Tool."
- TOR have been developed to undertake skills audit.
- Housing Call Centre training Modules developed and implemented. 38 housing officials have been trained.
- Provided funding to support Municipal Accreditation Programme.

PROGRESS ANALYSIS: (CONT)

- A total of 2987 attended Capacity Building training programmes/courses during 2005/06 in all provinces the year under review.
- Two learners out of 7 completed their studies and are placed with the NDOH. 12 New Scholarships awarded to candidates across provinces. Fields of study : Built Environment Sector
- Research completed supporting establishment of Professional Housing Body with various options.

PROGRESS ANALYSIS: (CONT)

- Unit Standards for HCE have been developed at NQF level 1. Housing Development and Management Degree qualification at NQF level 6 in the process of being finalised.
- 44 Cuban Engineers and architects in 8 provinces providing technical support to PHP projects.
- Development of radio programme called Homey2Homey in 6 languages namely: English, Afrikaans, isiZulu, TshiVenda, SeSotho & Xitsonga.
- MOU was signed with Banks resulting with alignment of HCE and borrower education.

DELIVERABLES FOR 2006/07:

- New and improved subsidy schemes
- Capacity Building to administer housing
- Human Settlement Redevelopment Programme

DELIVERABLES FOR 2006/07:

Implementation Guidelines:

- HIV/Aids housing assistance guidelines
- Hostels redevelopment
- Medium Density/Rental Housing
- Farm worker housing
- Child headed households

DELIVERABLES FOR 2006/07:

- Framework for evaluating HSS
- Enhancement of the quantum of the Housing Subsidy Scheme
- Housing Finance Credit Linked Individual Subsidy for Beneficiaries in the R3501-R7000 Income Category
- Shared Accommodation
- Private rental
- Rural subsidy Programme & Tribal Leadership Role in housing
- Insurance Cover for subsidised Houses against Viz Major
- Asset Maintenance Programme

DELIVERABLES FOR 2006/07:

- Traditional/ Indigenous Building technology Programme
- Subsidy for Recurrent Services Cost
- Job Creation Strategy (EPWP)
- Framework for the rectification of defects on houses built before 1994
- Develop a framework for an inclusionary housing policy-20% target for developers (Adhoc)

DELIVERABLES FOR 2006/07:

- Environmentally efficient housing
- Procurement Regime
- Back yard rental
- Social Housing Programme
- Finalising the HSRP
- Residential Pilot Project on Rental Housing

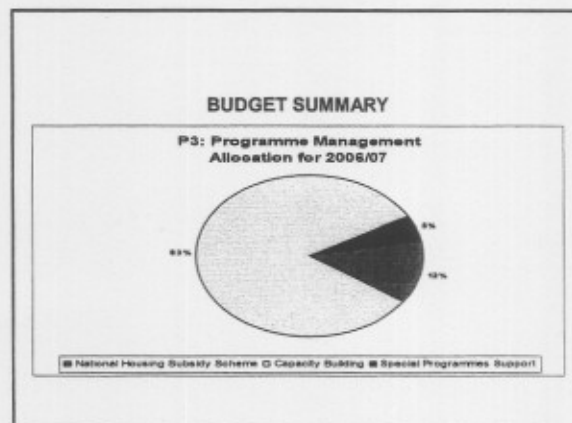
DELIVERABLES FOR 2006/07:

- Social and Economic Facilities support
- Sectoral Infrastructure coordination
- Capacity Building
- Capacity Building and Institutional Development
- Professionalisation of the Housing Sector
 - Housing Scholarship Project
 - Establishment of the Professional Housing Body
 - Liaison with Institutions of higher learning

DELIVERABLES FOR 2006/07:

- Housing Education Qualifications & Standards (SAQA & Seta's)
- Skills Exchange Programmes (Cuban Technical Support Programme)
- Housing Consumer Education
- Sanitation, Health and Hygiene
- Research & Skills Audit
- Customised Housing Call Centre Training Programme
- Rendering Support to Municipal Accreditation Programme
- Support Implementation of the Informal Settlement Upgrading Programme

BUDGET SUMMARY							
R thousand	Outcome			Adjusted appropriation	Medium-term estimates MTEF Baseline		
	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
National Housing Subsidy Scheme	3,826	3,573	4,421	7,795	6,563	15,291	16,161
Capacity Building	2,480	3,145	3,512	51,569	57,557	90,334	94,851
Special Programmes Support	181,784	109,927	117,140	27,888	3,773	8,362	8,780
Phasing Out of Subsidy Programmes	4,847	1,578	355	411	-	-	-
Total of subprogrammes	192,937	118,223	125,428	87,663	68,893	114,087	119,792
Change to 2005 Budget Estimate				(7,800)	(25,189)	44,194	5,705



PROGRAMME 4: HOUSING SECTOR PERFORMANCE

Purpose:

- Monitor the planning, implementation and performance of national housing programmes and assesses the impact thereof on the beneficiary and the environment, manages housing information, and monitors and analyses the impact of government's housing policy and programmes on the construction sector, the financial sector and the economy, and the housing Institutions.

FUNCTIONS

- To monitor, evaluate and assess:
 - The implementation, performance and impact of Government's national housing programs;
 - The impact thereof on the construction sector;
 - The oversight management of the Housing Support Institutions; and
 - The provision of IT systems and its management in relation to the distribution of housing subsidies

STRUCTURE

- There are five subprogrammes:
 - *Policy and Programme Monitoring* assesses the implementation of national housing policy and programmes, and the impact of these on beneficiaries, the environment and the roles of the three spheres of government.
 - *Information Management* maintains national housing databases, information systems and decision support tools and information.
 - *Industry Analysis and Development Finance* monitors and analyses the impact of government's housing policy and programmes on the construction sector, the financial sector and the economy.

STRUCTURE

- *Housing Institutions* monitors the performance of the following housing institutions: National Housing Finance Corporation, Servcon Housing Solutions (Pty) Ltd, Peoples' Housing Partnership Trust, Social Housing Foundation, National Home Builders' Registration Council, Thubelisha Homes, National Urban reconstruction and Housing Agency, and the Rural Housing Loan Fund.
- Administration of the transfer payments to Housing Institutions.

PROGRESS ANALYSIS:

- Met all targets for producing quarterly reports on the performance of national housing programmes and housing institutions, Housing Subsidy System data, the status of the construction sector, emerging contractor support and the status of the economy and the financial sector.
- During 2005/06 this programme completed a number of targeted studies on subjects such as the impact of the housing subsidy scheme on beneficiary households, the impact of the human settlement redevelopment programme, the participation of beneficiaries in planning housing projects, a review of allocation formula, rolled out an updated and improved Housing Subsidy System for all provinces, and the cause and impact of delays in payment for work completed on emerging contractors in the housing market.

PROGRESS ANALYSIS:

- A review of Housing Support Institutions' role in supporting the implementation of the Comprehensive plan was also undertaken. As a result of this review the Minister has approved the disestablishment of Servcon Housing Solutions at the end of its mandate in March 2006, the extension of NURCHA and the Rural Housing Loan Fund, a review of the mandate of Thubelisha Homes to provide technical assistance in housing delivery, and the establishment of a new Social Housing Regulatory Authority to replace the Social Housing Foundation

PLANNED ACTIVITIES FOR 2006/07

- M & E of building and construction industry, housing institutions and of policy, it's implementation and impact
- Encourage practices that promote reliable statistics and information
- Ensure effective use, application and flow of data and information
- Maintain guidance and support to Provincial Housing Departments and Accredited Local Authorities
- Promote and manage a collaborative culture
- Monitor and Evaluate Informal Settlement Upgrading
- Supply of information that informs strategies, policies and programmes

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PLANNED ACTIVITIES FOR 2006/07

- Develop a Evaluation and Monitoring Framework.
- Head count of all housing units delivered
- Audit of defects on housing units as well as determined whether the house is occupied by the original approved beneficiary.
- Cause of delay in client payment of contractors for completed jobs
- Investigate the prevalence of employer assisted housing
- Investigate on the review of the form of Housing Support Institutions
- Sita to assist with the Housing Subsidy System, HSS Related Services on Provincial Level ect.

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PLANNED ACTIVITIES FOR 2006/07

- Redesign the HUIMS portal as a gateway to other information;
- The maintenance of computerised systems on the basis a Master Systems Plan (MSP), Business Engineering Plan and Systems Engineering plan;
- Re-position the Web-mapping facility by migrating to a more widely used and more effective platform;
- Update the Housing Atlas by adding perspectives on Informal Settlements and Housing Demand, as well as re-focusing the analysis to the Municipal level;
- Implementation of the re-viewed the Allocation formula
- Enhance and extend inter-activity with other Information Systems (Home Affairs, Deeds Office, IEC)

PLANNED ACTIVITIES FOR 2006/07

- Develop, manage and maintain housing information systems (HSS, HUIS, NHSDb);
- Ensure and maintain an effective library and resource service;
- Manage the provision and maintenance of the Housing Subsidy System to accredited Local Governments; and
- Manage the level of quality of data continuously to ensure accurate and reliable data.

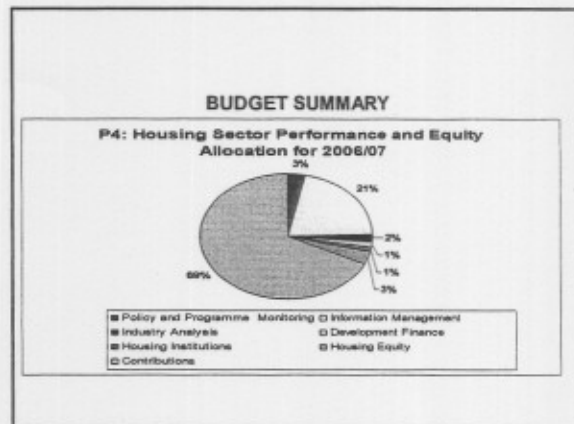
DELIVERABLES

- Office of disclosure launched and information disseminated

DELIVERABLES

- • Institutions/Market participants established • Scale of activity established •
• Compliance Manual finalised and Financial institutions briefed

BUDGET SUMMARY							
R thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Adjusted appropriation	Medium-term estimates MTEF Baseline		
Policy and Programme Monitoring	6,020	4,130	7,765	6,577	6,749	12,086	14,690
Information Management	17,848	18,117	19,491	34,331	41,525	54,141	58,678
Industry Analysis	2,188	2,892	2,772	6,011	3,337	7,891	10,254
Development Finance	-	-	-	-	2,725	7,892	10,254
Housing Institutions	-	-	633	41,650	2,484	7,091	9,414
Housing Equity	30	618	1,709	2,449	6,306	6,621	7,150
Contributions	111,653	70,613	60,915	106,998	133,438	59,416	37,398
Total of subprogrammes	137,845	96,245	83,276	200,016	198,264	165,048	147,833
Change to 2005 Budget Estimate				83,460	60,006	(41,516)	(7,210)



PROGRAMME 5: HOUSING DEVELOPMENT FUNDING

- Housing Development Funding manages the funding of national housing programmes.
- The programme comprises four sub-programmes:
 - Fund Management administers payments of the conditional grant to provinces.
 - Integrated Housing and Human Settlement Development Grant reflects the conditional grant allocation that is transferred to provinces
 - Interest and Redemption on Private Loans administered the interest payments on liabilities held by the National Housing Development Board and the SA Housing Trust, all of which have been transferred to National Treasury.
 - Social Housing Programmes will implement the new social housing policy. This includes overseeing the establishment of the Social Housing Regulatory Authority, providing subsidies to establish social housing institutions and preparing social housing projects for capital subsidies.

KEY ACTIVITIES OVER MTEF

- The *Integrated Housing and Human Settlement Development Grant* is the amalgamation of aspects of the Human Settlement Redevelopment (which previously fell under Programme Management) the previous Housing Subsidy conditional grants;
- To accommodate the funding required for implementing the new comprehensive plan for the development of sustainable human settlements;

KEY ACTIVITIES OVER MTEF

- Transfer of funds according to payment schedule;
- Monitoring of expenditure on provincial;
- Amending Housing subsidy grant framework;
- To provide and manage effective and efficient debtors system on behalf of provinces.

BUDGET SUMMARY							
R thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Outcome			Adjusted appropriation	Medium-term estimates MTEF Baseline		
Fund Management	5,715	6,919	4,694	8,244	8,697	11,135	11,692
Integrated Housing and Human Settlement Development Grant	3,800,674	4,246,239	4,473,587	4,843,480	6,349,949	7,837,946	8,721,382
Interest and Redemption on Private Loans	28,095	27,504	-	-	-	-	-
Social Housing Programmes	-	-	-	-	110,000	190,000	250,000
Total of subprogrammes	3,834,484	4,280,662	4,478,281	4,851,724	6,468,646	8,129,991	8,983,074
Change to 2005 Budget Estimate				-	1,616,922	1,960,435	853,993

BUDGET SUMMARY

P5: Housing Development Funding Allocation for 2006/07



■ Fund Management
 □ Integrated Housing and Human Settlement Development Grant
 ■ Social Housing Programmes

BUDGET OVERVIEW

- The Integrated Housing and Human Settlement Development Grant is situated under this programme.
- Accounts for the bulk (94%) of the department's expenditure.
- Average increase of 18% over MTEF.

SUMMARY OF THE HOUSING DELIVERY TARGETS AND FUNDING ALLOCATIONS FOR THE NINE PROVINCIAL HOUSING DEPARTMENTS

Housing Programmes	Targeted Outputs (Units)	Funds Allocated R'000
A. Financial Intervention Programmes:		
1 Individual subsidies	4,026	131,191
2 Housing financed linked individual subsidies	5,135	194,509
3 Relocation subsidies	766	14,859
4 Enhanced Discount Benefit Scheme	32,236	35,019
5 Maintenance contracts	2,891	55,550
6 Rectified RDP Houses	25,534	107,809
7 Social and Economic Amenities	17	42,617
8 Operational Support to Accredited Munic's	9	978
9 To provide for number of programmes approved and funded under the Accreditation of Municipalities in accordance with the sub-programme	-	-
10 Sub-programmes that will benefit from the Operational Capital Budget	10	145,878
11 Blocked Projects	249	338,782

Housing Programmes	Targeted Outputs (Units)	Funds Allocated R'000
B. Incremental Housing Programmes:		
12.1 Project Linked Subsidies- Serviced Site	14,000	-
12.2 Project Linked Subsidies- Houses Built	47,365	1,239,800
Incremental Housing Programmes- Serviced Sites		
13	18,415	59,473
Incremental Housing Programmes- Houses Built		
14	8,436	303,569
15 People Housing Process Subsidies	56,727	986,360
16 Informal Settlement Upgrading Grants	39,323	1,251,690
17 Consolidation Subsidies	853	15,708
18 Emergency Housing	15,484	420,749

Housing Programmes	Targeted Outputs (Units)	Funds Allocated R'000
C. Social and Rental Housing Programmes:		
Institutional Subsidies for Social and Rental		
19 Housing	3,104	126,519
20 Operational Support Grant to Social Institutions	19	Funding from SHF
21 Units constructed by Social Housing Institutions No higher density individual ownership units will be constructed	2,287	139,601
22	-	-
23 Public Sector Hostel Redevelopment	4,967	301,199
24 Back Yard Rental	4,400	38,276

Housing Programmes	Targeted Outputs (Units)	Funds Allocated R'000
D. Rural Housing Programmes:		
25 Farm Worker Assistance	309	11,820
26 Rural Project Linked Subsidies	18,742	743,172
E. Housing Asset Management:		
27 Transfer of Stock	15,713	11,207
28 Sale and Transfer of Stock	3,624	Transfer effected via DLGH operational budget
29 State Rental Stock Retained	6,020	-
30 Devolution of housing assets Transfer effected through State Attorney in DLGH	-	-
31 Reduction of outstanding Debt	430	1,000
32 Verification of occupancy and rental agreements	687	-
TOTAL	331,787	6,717,133

THANK YOU