

HOUSING RECOVERY INTERVENTIONS

R635m basket

(The amount of R635 million forms part of a total of R1,3 Billion of Contractual commitments as at 1 April 2006 – i.e. MTEF period not necessarily 2006/07)

- These are projects that have not shown cash-flow movement over a period of time, and in many cases, they represent projects that were initially identified for implementation by municipalities, but which for some time, no subsequent application has been submitted.
- The Department has decided to repackage a number of these non-performing projects, for purposes of inviting established contractors to tender.

HOUSING RECOVERY INTERVENTIONS (ROLE OF ESTABLISHED CONTRACTORS)

The established contractors will be expected to act as developers for those projects and perform

the normal contractor role, inclusive of:

- Construction works to scope, to budget, to Spec schedule (Penalty clauses to be enforced)
- Materials and labour procurement
- Site Management ; Handover of Works

Key Ingredient

- Embracing emerging contractors in order to mentor them to graduate to higher skills & expertise levels.

HOUSING RECOVERY INTERVENTIONS (ROLE OF ESTABLISHED CONTRACTORS)

- Value – Added factors
 - Skills & Resource depth
 - Higher levels Quality Assurance
 - Own liquidity & cash flow reserve
 - Velocity
 - Assistance with related administrative and policy requirements; Beneficiaries; NHBRC; EIA

HOUSING RECOVERY INTERVENTIONS (ROLE OF MUNICIPALITY)

The municipality will continue to performing these functions:

- Specify the service levels
- Building inspection
- Land release
- Beneficiary approvals
- Community participation
- Inspection and approval of work
- Site meetings
- Quality Control (materials and construction)
- Reporting on (progress, quality, status of the project milestones, expenditure and planning)
- Monitoring, Evaluation & Reporting

HOUSING RECOVERY INTERVENTIONS (ROLE OF HOUSING DEPARTMENT)

The department will perform its ongoing functions such as:

- Programme Management
- Project Management
- Contract management
- Approval of projects
- Adherence to building regulations and departmental norms and standards

HOUSING RECOVERY INTERVENTIONS

UPDATE ON ONGOING INTERVENTIONS AND APPROACHES

1. Mainstream projects

- Weekly assesment of delivery progress with 42% claimable work as at 15 November2006

2. R635 million basket

- R112m to start before year-end through Thubelisha initiative, with intention to work through shut-down
- Department has identified another R104m to be initiated between now and beginning of new year.

HOUSING RECOVERY INTERVENTIONS (RECTIFICATION PROGRAMME)

NHBRC to undertake the following:

- Full scale scoping exercise for Province
- Initial rectification to focus on identified pilot areas (Mt Frere, Mt Ayliff; Ezibeleni; Engcobo; BCM (toilet city) & Blue Crane)
- NHBRC to assume complete accountability for end-product throughout.
- Cash flow contribution from Rectification will have add-on spending impact

- Projects worth R635 million without any cash flow forecast

PROJECTS WHICH REQUIRE SPECIAL ATTENTION IN ORDER FOR THEM TO MOVE

	Number of subsidies.	New Projects	Forecast Nov.	Forecast Dec.	Forecast Jan.	Forecast Feb.	Forecast March
NMMM (Private)							
Joe Slovo	1,600	59,966,624					
Bethelsdorp North - Mzingizi trust	1,211	48,053,824					
NMBM - Various Projects		36,000,000		10,000,000.0			
Chatty Ext 4 & 5	600	25,036,800	5,000,000.0				
	3,411	R 169,057,248	R 5,000,000	R 10,000,000	0	0	0
CACADU							
J/Bay 100 Hectares	360	16,412,040					
Loerieheuvel - 199 units	199	8,045,172					
Loerieheuvel - 74 units	74	2,991,672					
Tsitsikamma - Mfengu	450	15,000,000					
Addo Noluthando (P1 - P4)	801	7,317,936					
	1,884	R 49,766,820	R 0	R 0	0	0	0
BCM							
Amalinda - Simanyene	93	3,378,504					
KWT Sweetwaters	620	12,550,076					
Reeston 1C - 2264 sites	2,264	72,087,771			1,500,000	4,500,000	4,000,000
Tyutyu Phase 2	373	6,444,753			852,000	2,130,000	1,420,000
	3,350	R 94,461,104	R 0	R 0	2,352,000	6,630,000	5,420,000
Amatole							
Adelaide Ph 2	624	5,995,001					
ADM - Dongwe (P3 services)	800	7,200,000					
ADM - Needscamp (P3 services)	1,398	12,582,000					
ADM - Prudhoe (P3 services)	50	450,000					
ADM - Teko Springs (P3 services)	750	6,750,000					
Butterworth	500	21,003,600					
Idutywa Ext 8	753	29,421,184					
Kati-Kati	300	12,141,300					
Kentani	863	28,501,503					
Masinedane	300	12,395,100					
Peddie Ph 2	710	19,400,000			872,370	2,030,700	1,453,800
Seymour Ph 2	186	4,015,509					
Stutterheim Mlungisi	270	6,032,170			699,000	1,165,000	1,165,000
	7,504	R 165,887,367	R 0	R 0	1,571,370	3,195,700	2,618,800
Chris Hani							
Cala 1545 & 1070 sites	1,715	42,482,108					
Elliot Phase 2	379	9,937,689					
Q/Town - Nomzamo - utshani	339	8,746,200					
St. Marks	500	18,264,000					
	2,933	R 79,429,997	R 0	R 0	0	0	0
O.R. Tambo							
Lebode Nyandeni	500	18,264,000					
Umtata Ilitha - KSD	463	11,762,035			2,500,000		2,500,000
Umtata Zimbane Valley - KSD	700	22,744,204			2,930,000		2,930,000
Umtata - Waterfall Park Cons.	495	6,197,895					
Mantlani Village	300	4,090,555					
Nkozi Village	300	4,090,555					
Ncambele Village	300	9,012,555			1,500,000		3,000,000
	3,058	R 76,161,799	R 0	R 0	6,930,000	0	8,430,000
	22,140	R 634,764,335	R 5,000,000	R 10,000,000	10,853,370	9,825,700	16,468,800

52,147,870

Thank You

Comments & Questions