

BREAKING NEW GROUND IN HOUSING DELIVERY
HOUSES, SECURITY & COMFORT



housing

Department:
Housing
REPUBLIC OF SOUTH AFRICA

BRIEFING TO THE PORTFOLIO COMMITTEE ON HOUSING REGARDING THUBELISHA HOMES

14 NOVEMBER 2007

**VISION: A NATION HOUSED IN SUSTAINABLE HUMAN SETTLEMENTS
WITH ACCESS TO SOCIO-ECONOMIC INFRASTRUCTURE**

**MISSION: TO ESTABLISH & FACILITATE A SUSTAINABLE PROCESS
THAT PROVIDES EQUITABLE ACCESS TO ADEQUATE HOUSING FOR ALL
WITHIN THE CONTEXT OF AFFORDABILITY OF HOUSING & SERVICES
& ACCESS TO SOCIAL AMENITIES & ECONOMIC OPPORTUNITIES**

PRESENTATION OUTLINE

- BACKGROUND
- NEW MANDATE
- DELIVERY TO DATE
- STRUCTURE
- NATIONAL AND PROVINCIAL CAPACITY

BACKGROUND

- Original mandate for Thubelisha was for the right-sizing mandate linked to Servcon
- Thubelisha's mandate was expanded on the 1 July 2006 to contribute to the acceleration of delivery objective by the National Minister of Housing
 - Organizational structure assessment
 - Recruit additional capacity to meet the new mandate.

BACKGROUND

- Mandate is implemented in a phased manner balancing the capability and resource envelope
- Allowance for Thubelisha to develop a model appropriate to new mandate
- This task was undertaken and formed the basis of the Business Plan submitted to NDOH in 2007

NEW MANDATE

(CONTINUED)

- **Upgrading of Informal Settlement Programme (UISP):**
 - Large scale projects: Gauteng and KZN
 - Smaller projects: Western Cape, Mpumalanga and North West
- **Unblocking of housing projects:**
 - Western Cape
 - Eastern Cape and
 - Northern Cape

NEW MANDATE

- **Fast tracking housing solutions for people living in areas of stress**
- **To act as Lead developer/Implementer in Mega-Projects**
 - Appointed as the Project Manager/Implementing Agent for the N2 Gateway project as the first mega-project in SA.
 - Project Manager for the Zanemvula project in NMMM in the Eastern Cape.
 - Further appointments are envisaged in the future.

STRUCTURE

- **Thubelisha Board**
 - The Board of Directors was appointed in June 2007
 - **Ms Salome Sengani (Chairperson)**
 - **Mr Taffy Adler**
 - **Mr Prince Maluleka**
 - **Ms Dimakatso Elizabeth Moraka**
 - **Mr John Duarte**
 - **Mr Manye Moroka**
 - **Mr Itumeleng Kotsoane**
 - Functions of the Board,
 - To control and determine the strategic direction of Thubelisha
 - To ensure that it is managed effectively and optimizes its resources.
 - It monitors the operational functioning of Thubelisha
 - Annually approves the key performance areas, activities, budget and funding programmes.

Summary of key Challenges

- Financial Resources particularly at this critical transitional stage
- Scarcity and competition for Critical Scarce skills
 - Competition for skills from other Major Capital Projects and the construction industry st large
 - Skills are very expensive and acquired at a premium

- Limiting impact of the Corporate form of the entity (S21 status)
- Changing regulatory environment such as the impact of the change in the Vat legislation which will affect the institution viability and the competitiveness
- Smooth function transfer to the new Development Agency

STRUCTURE

(CONTINUED)

- **Board committees in place and functional:**
 - ***Risk and Development***
 - Over-seeing operational efficiency
 - Management of risk
 - Approve project proposals recommended by MANEX for consideration.
 - ***Audit and Investment***
 - Oversees the internal audit function, and effective investment of funds.
 - ***Tender Committee***
 - Oversees the effective procurement of services
 - Ensures compliance with the requisite legislation.
 - ***Remuneration Committee***
 - Remuneration and benefits for senior managers and board members

STRUCTURE

(CONTINUED

- **Executive Management**
 - Day-to-day management of the company
- **Management and Executive Committee (MANEX), chaired by the CEO.**
 - comprises senior management within the company and meets regularly to consider:
 - The development and growth of the business in terms of the company's mission;
 - External developments within the markets in which the company operates;
 - General management issues concerning the running of the company
 - Strategic management of the company
 - Project appraisal, approval and evaluation
 - Problem solving
 - Decision making

STRUCTURE

(CONTINUED)

- **Provincial Management**
 - Established offices in eight provinces,
 - Northern Cape and Free State combined to operate out of the Kimberley Office.
 - Where circumstances dictate, satellite offices have been set up in the Eastern Cape and KZN.
 - Each provincial office is run by a Provincial Manager who reports to a Regional Manager the latter being responsible for two or three provinces.

CAPACITY

- **CAPACITY**

- As Implementation Agent/Project Manager
 - Mind-set change involving a complete review of structures, skills requirements, and funding models.
 - These issues form the basis of discussions at planning sessions scheduled to re-align the organization's function and form.

CAPACITY

- Thubelisha has developed and retained a core competence that would be difficult to establish from scratch.
- The expanding workload v.s. insufficient but at times high premium on human resources
 - High competition for scarce skills in the industry;
 - Determining the resource requirements;
 - Estimating the associated costs; and
 - Investigating potential funding streams needed for essential, national programmes.

CAPACITY

- **Over the past year, Thubelisha embarked rationalization process to minimize costs of delivery;**
 - Ensuring an appropriate model of delivery and optimize its agency status to minimize the negative impact of the Vat regime
 - This involved a review of all Implementation Plans,
 - Ensure an appropriate recruitment of staff for key areas only and managing of challenges of financial resource scarcity.
 - Recruitment of all but essential resources was introduced and several planned initiatives were curtailed.
 - In addition, Thubelisha lost a number of key staff members in recent months, particularly in the operational areas.

CAPACITY

- As a result, some of the existing employees were placed in “Acting” positions, leaving a vacuum further down the management structure.
- Most of the incumbents of these temporary positions have now reverted to their previous jobs, especially in the support functions.
- Appropriate candidates for the senior management positions are being identified.



**THANK
YOU!**

